

## GRANT COSTING GUIDELINES

In order to be recognized for payment, costs must meet certain conditions to be allowable under Federal grant programs. Following are examples of costs and how they might be treated in the Federal grant area. Reference the applicable OMB Cost Principle Circular for specific details.

### **Types of costs that are allowable without specific prior approval:**

- Accounting costs
- Advertising costs for recruitment of personnel required for the grant program, for solicitation of bids, for disposal of scrap and surplus materials, and for other purposes specifically provided in the grant agreement.
- Bonding
- Budgeting
- Building lease maintenance
- Central stores management and operation
- Communications
- Compensation for personnel services
- Depreciation and use allowances
- Employee fringe benefits
- Employee morale, health and welfare costs
- Exhibits relating specifically to the grant program
- Legal expense (except for prosecuting claims against the Federal government)
- Maintenance and operation of buildings and facilities
- Maintenance and repair costs
- Materials and supplies
- Memberships, subscriptions and professional activities (except lobby groups)
- Motor pool costs
- Payroll preparation costs
- Personnel administrative costs
- Printing and reproduction costs
- Procurement services
- Rental costs of space in privately owned buildings
- State advisory council costs
- Taxes
- Training and education costs when provided in-house and related to grant purposes; extended out-of-service training only when provided in the grant document.
- Transportation costs
- Travel costs, except for first class air fare if lesser fares are available

**Types of costs allowable only with approval of the grantor agency:**

- Automatic data processing system acquisition
- Building space and related facilities alteration
- Equipment and other capital expenditures
- Insurance
- Management studies
- Pre-arrangement costs
- Proposal costs

**Types of costs that are unallowable:**

- Alcoholic beverages
- Bad debts
- Contingencies
- Contributions and donations
- Entertainment
- Fines and penalties
- Fund raising
- Interest and other financing costs