



TIP SHEET FOR ALLOWABLE COSTS

2 CFR 200 Cost Principles

Allowable costs and cost allocation methods for work performed under an IMLS grant must be determined in accordance with the applicable federal cost principles. This tip sheet is only intended to provide a brief high-level overview of allowable cost issues that frequently arise. Readers are strongly cautioned not to rely exclusively on this summary, but to place primary reliance on the referenced regulations. The question of whether a particular cost is allowable is generally fact-specific, and therefore State Library Administrative Agencies (SLAAs) should refer to 2 CFR 200 or contact their Program Officer when determining whether a particular cost is allowable. Additional information on particular topics may also be available on the State Library Program Manual website.

The numbers in the tables below refer to the relevant sections in 2 CFR 200 Subpart E.

Generally Allowed	
Advertising & public relations* 421	Materials and supplies costs, including costs of computing devices* 453
Advisory councils* 422	Memberships, subscriptions, and professional activity costs* 454
Audit services* 425	Plant and security costs* 457
Bonding costs* 427	Professional service costs* 459
Collections of improper payments 428	Proposal costs 460
Compensation—personal services* 430	Publication and printing costs 461
Compensation—fringe benefits* 431	Recruiting costs* 463
Conferences 432	Relocation costs of employees* 464
Contingency provisions* 433	Rental costs of real property and equipment* 465
Depreciation* 436	Specialized service facilities* 468
Employee health and welfare costs* 437	Taxes (Including Value Added Tax)* 470
Equipment and other capital expenditures* 439	Termination costs* 471
Gains and losses on disposition of depreciable assets* 443	Training and education costs 472
Insurance and indemnification* 447	Transportation costs 473
Intellectual property* 448	Travel costs* 474
Maintenance and repair costs* 452	Trustees 475

Generally Not Allowed	
Alcoholic beverages 423	Interest* 449
Bad debts* 426	Lobbying 450
Contributions and donations 434	Losses on other awards or contracts 451

Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements* 435	Organization costs 455
Entertainment costs 438	Participant support costs* 456
Fines, penalties, damages and other settlements* 441	Pre-award costs* 458
Fund raising and investment management costs* 442	Rearrangement and reconversion costs* 462
General costs of government* 444	Selling and marketing costs* 467
Goods or services for personal use 445	Student activity costs* 469
Idle facilities and idle capacity* 446	

*** Means there are exceptions or restrictions to the rule that are frequently applicable.**

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