

Selected Items of Cost

2 CFR Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost). These cost items are listed in the chart below along with the rule where the allowability of the item is discussed. Please do not assume that an item is allowable because it is specifically listed in the regulation, as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including:

1. The express language of the regulation states the item is unallowable;
2. The terms and conditions of the grant deem the item unallowable; or
3. State/local restrictions dictate that the item is unallowable.

The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District personnel responsible for spending federal grant funds and for determining allowability shall be familiar with the Part 200 selected items of cost section. The Superintendent or designee shall follow these rules when charging these specific expenditures to a federal grant. When applicable, the Superintendent or designee shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District, and program-specific rules may deem a cost unallowable, and District personnel shall follow those non-federal rules as well.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

| Item of Cost | Citation of Allowability Rule |
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| Advertising and public relations costs | 2 CFR § 200.421 |
| Advisory councils | 2 CFR § 200.422 |
| Alcoholic beverages | 2 CFR § 200.423 |

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| Alumni/ae activities | 2 CFR § 200.424 |
| Audit services | 2 CFR § 200.425 |
| Bad debts | 2 CFR § 200.426 |
| Bonding costs | 2 CFR § 200.427 |
| Collection of improper payments | 2 CFR § 200.428 |
| Commencement and convocation costs | 2 CFR § 200.429 |
| Compensation – personal services | 2 CFR § 200.430 |
| Compensation – fringe benefits | 2 CFR § 200.431 |
| Conferences | 2 CFR § 200.432 |
| Contingency provisions | 2 CFR § 200.433 |
| Contributions and donations | 2 CFR § 200.434 |
| Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements | 2 CFR § 200.435 |
| Depreciation | 2 CFR § 200.436 |
| Employee health and welfare costs | 2 CFR § 200.437 |
| Entertainment costs | 2 CFR § 200.438 |
| Equipment and other capital expenditures | 2 CFR § 200.439 |
| Exchange rates | 2 CFR § 200.440 |
| Fines, penalties, damages, and other settlements | 2 CFR § 200.441 |
| Fundraising and investment management costs | 2 CFR § 200.442 |
| Gains and losses on disposition of depreciable assets | 2 CFR § 200.443 |
| General costs of government | 2 CFR § 200.444 |
| Goods and services for personal use | 2 CFR § 200.445 |
| Idle facilities and idle capacity | 2 CFR § 200.446 |

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| Insurance and indemnification | 2 CFR § 200.447 |
| Intellectual property | 2 CFR § 200.448 |
| Interest | 2 CFR § 200.449 |
| Lobbying | 2 CFR § 200.450 |
| Losses on other awards or contracts | 2 CFR § 200.451 |
| Maintenance and repair costs | 2 CFR § 200.452 |
| Materials and supplies costs, including costs of computing devices | 2 CFR § 200.453 |
| Memberships, subscriptions, and professional activity costs | 2 CFR § 200.454 |
| Organization costs | 2 CFR § 200.455 |
| Participant support costs | 2 CFR § 200.456 |
| Plant and security costs | 2 CFR § 200.457 |
| Pre-award costs | 2 CFR § 200.458 |
| Professional services costs | 2 CFR § 200.459 |
| Proposal costs | 2 CFR § 200.460 |
| Publication and printing costs | 2 CFR § 200.461 |
| Rearrangement and reconversion costs | 2 CFR § 200.462 |
| Recruiting costs | 2 CFR § 200.463 |
| Relocation costs of employees | 2 CFR § 200.464 |
| Rental costs of real property and equipment | 2 CFR § 200.465 |
| Scholarships and student aid costs | 2 CFR § 200.466 |
| Selling and marketing costs | 2 CFR § 200.467 |
| Specialized service facilities | 2 CFR § 200.468 |
| Student activity costs | 2 CFR § 200.469 |

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| Taxes (including Value Added Tax) | 2 CFR § 200.470 |
| Termination costs | 2 CFR § 200.471 |
| Training and education costs | 2 CFR § 200.472 |
| Transportation costs | 2 CFR § 200.473 |
| Travel costs | 2 CFR § 200.474 |
| Trustees | 2 CFR § 200.475 |

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, District staff shall consult federal, State, and District requirements when spending federal funds.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute and accompanying program regulations, non-regulatory guidance, and grant award notifications.

Procedure History:

- Adopted: February 14th, 2024
- Promulgated on:
- Revised on:
- Reviewed on: