



Allowable Costs

Department: Office of Economic & Workforce Development

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PURPOSE

This directive provides guidance regarding the general cost principles and allowable costs under the Workforce Investment Act (WIA) program. It requires that all subrecipients and service providers expending WIA funds shall comply with federal and State guidance regarding the allowability of expenditures

REFERENCES

- WIA Sections 117(f)(1), 129(c)(6), 134(d)(2) through (4), 181(d) and (e), and 188(a)(3)
- Title 20 Code of Federal Regulations (CFR), WIA Final Rule, Sections 661.310, 667.200(c), and 667.260 through 667.268
- Title 29 CFR Part 97.22
- Title 29 CFR Part 95.27
- Title 48 CFR Part 31, Contract Cost Principles and Procedures
- Title 2 CFR 215
- Title 2 CFR 220
- Title 2 CFR 225
- Title 2 CFR 230

BACKGROUND

The WIA Final Rule, Title 20 CFR 667.200(c) provides guidance regarding cost principles and allowable costs and refers subrecipients and service providers to the Code of Federal Regulations for specific requirements. The regulations provide guidance according to type of organization, and the guidance may vary from one regulation to another. Educational institutions are bound by 2 CFR220,, governmental entities by 2 CFR 225, nonprofit organizations by 2 CFR 230, and for-profit organizations by Title 48 CFR Part 31.

POLICY AND PROCEDURES

The regulations cited above provide general principles and guidance on selected items of cost identifying allowable and unallowable costs. Certain items are allowable only if approval is granted prior to the purchase. The WIA Regulations, Section 667.200(c) delegates the authority for granting prior approval for those selected items of cost to the Governor. When planning purchases, entities should refer to the appropriate regulation to identify selected items of cost;

the items differ by type of entity. If an item requires prior approval, please submit your request in writing to the Office of Economic and Workforce Development (OEWD).

Specific WIA Requirements

The regulations require the federal agency to provide guidance regarding the purchase and construction of facilities. Section 667.260 of the WIA Regulations prohibits the purchase or construction of facilities; a few exceptions regarding renovation and repair are permitted as detailed in this section. The WIA and its Regulations provide guidance regarding allowable and unallowable activities related to the administration of the program.

Costs associated with the following WIA activities are unallowable:

- Public service employment, except to provide disaster relief employment as specifically authorized in section 173(d) of WIA (20 CFR 667.264).
- Relocation of a business or part of a business that results in the loss of employment at the original location (20 CFR 667.268)
- Sectarian activities (20 CFR 667.266)
- Foreign travel (20 CFR 667.264)
- Political activities (WIA Section 195(6))
- Duplication of facilities/services available in the area (20 CFR 663.320)
- Wages of incumbent employees during participation in economic development activities (20 CFR 667.264)
- The promotion or deterrence of union organizing (20 CFR 667.270)
- The construction or purchase of facilities or buildings (20 CFR 667.260)

All WIA title I recipients as the term is defined in 29 CFR 37.4 must comply with the nondiscrimination and equal opportunity provisions of WIA 188 and its implementing regulations found at 29 CFR part 37. Information on the handling of discrimination complaints by participants and other interested parties may be found in 29 CFR 37.30 through 37.80 and in 20 CFR 667.200(f) and 667.275.

General Items of Cost

There are several factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

- Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
- Be allocable to Federal awards under the provisions of the appropriate regulation.
- Be authorized or not prohibited under State or local laws or regulations.
- Conform to any limitations or exclusions set forth in the Federal principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
- Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
- Except as otherwise provided for in the regulations, be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
- Be the net of all applicable credits.
- Be adequately documented.

Costs incurred for the benefit of the WIA program must also be reasonable. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration shall be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the service provider for the performance of the WIA contract.
- The restraints or requirements imposed by such factors as: sound business practices; arms length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the contract.
- Market prices for comparable goods or services.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to organization, its employees, the public at large, OEWD and the State of California.
- Significant deviations from the established practices of the organization which may unjustifiably increase the contract cost.

The following list is provided as a reference for general items of cost which are allowable and unallowable. This listing is intended to provide initial guidance, please refer to the WIA citations for further information on particular items of cost. Failure to mention a particular item of cost in the standards is not intended to imply that it is either allowable or unallowable; rather the determination of allowability in each case should be based on the treatment of standards provided for similar or related items of cost.

Accounting - Cost of establishing/maintaining accounting and other information systems required for WIA program management is allowed. The cost of maintaining central accounting records required for overall State or local government purposes, such as appropriation and fund accounts by the Treasurer, Comptroller, or similar officials, is considered to be a general expense of government and is not allowable.

Advertising and Public Relations - Advertising costs such as newspapers, magazines, radio, and television programs, direct mail, trade papers, and the like are allowable when they are

incurred solely for: recruitment of personnel required for WIA programs; solicitation of bids for procurement of required goods and services; disposal of scrap or surplus materials acquired in the performance of the WIA grant agreement/contract and other purposes specifically provided for in the WIA grant agreement/contract.

Advisory Councils - Costs incurred by local advisory councils or committees established pursuant to Federal requirements to carry out WIA programs are allowable. The cost of like organizations is allowable when provided for in the grant agreement.

Alcoholic Beverages - Costs of alcoholic beverages are unallowable.

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Audit/Audit Services – The cost of audits required by the Single Audit Act or, for commercial organizations, 20 CFR 667 (b)(2)(ii) are allowable.

Back Pay - Unless the cost represents unreimbursed payment of wages, the expense is unallowable.

Bad Debts - Including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collection costs, and related legal costs are unallowable.

Benefits/Working Conditions - For participants see §20 CFR 667.272, for employees see “Compensation for Personnel Services” below.

Bonding - Costs or premiums on bonds, covering employees who handle WIA funds are allowable.

Budgeting - Costs incurred for the development, preparation, presentation, and execution of budgets are allowable. Costs for services of a central budget office are generally not allowable since these are costs of a general nature. However, where employees of the central budget office actively participate in the WIA budget process, the cost of identifiable services is allowable.

Building Lease Management - The administrative cost for lease management which includes review of lease proposals, maintenance of the list of available property for lease, and related activities is allowable.

Building Space, Rent, Repairs, Rearrangement, Alterations, Reconversion, Use of Outside Facilities - Privately or publicly owned buildings space used for WIA programs are allowable when the total cost of space does not exceed the average rental cost of comparable space and facilities in the same locality. Costs must be determined on the basis of actual cost (including depreciation based on the useful life of the building, interest paid or accrued, operation and maintenance, and other allowable costs). When these costs are included in rental charges, they may not be charged elsewhere.

Rent may not be charged for non-occupancy of space without OEWD authorization.

The cost of rearrangement and alteration for ordinary and normal rearrangement of facilities required specifically for WIA programs are allowable.

Reconversion costs to restore facilities to approximate the same condition prior to use for WIA purposes, less costs related to normal wear and tear are allowable.

Capital Expenditures - May be allowable with prior written approval from OEWD. Costs of facilities, equipment, other capital assets, and repairs which materially increase the value or useful life of capital assets may be allowable. When assets acquired with WIA grant funds are sold, no longer available for use in by WIA activities, or used for purposes not authorized by OEWD, the service provider's equity in the asset will be refunded in the same proportion as WIA funded participation in its costs. When assets are traded in, only the net cost of the newly acquired assets are allowable.

Communication - Communication costs incurred for telephone calls or service, teletype service, wide area telephone service (WATS), centrex, telpak (tie links), postage, messenger service and similar expenses including communication by media are allowable.

Central Stores - The cost of maintaining and operating a central stores organization for supplies, equipment, and materials used directly for WIA programs is allowable.

Compensation for Personnel Services - Compensation for personal services includes all reasonable remuneration, paid currently or accrued, for services rendered during the period of performance under the WIA grant agreement or contract, including but not necessarily limited to wages, salaries, and supplementary compensation and benefits. The costs of such compensation are allowable to the extent that total compensation for individual employees: is reasonable for the services renders; follows an appointment made in accordance with contractor personnel policies and requirements, where applicable; and is determined and supported as provided for in equitable distribution of time and effort. All amounts charged to WIA for personal services, regardless of whether treated as direct or indirect cost will be based on payrolls documented and provided in accordance with generally accepted practice of the State of California and OEWD. Payrolls must be supported by time and attendance or equivalent records for individual employees.

Salaries and wages of employees chargeable to more than one grant program or other cost objective will be supported by appropriate time distribution records. Compensation surveys providing labor market data are acceptable for evaluating reasonableness.

Contingency Provisions - Contributions to a contingency reserve or any similar provision made for events the occurrence of which is not certain as to time or intensity, or with an assurance of their happening, are unallowable. Contingency reserves exclude self-insurance reserves,

pension plan reserves, and postretirement, health and other benefit reserves computed using acceptable actuarial cost methods.

Contributions and Donations - Including cash, property, and services by the organization to others regardless of the recipient are unallowable.

Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals and Patent Infringement. See "Legal" below.

Depreciation and Use Allowances - State grantees, their subrecipients and service providers may be compensated for the use of buildings, capital improvements, and equipment through use allowances or depreciation. Use allowances are the means of providing compensation in lieu of depreciation or other equivalent costs. However, a combination of the two methods may not be used in connection with a single class of fixed assets.

The computation of depreciation or use allowance will be based on acquisition cost. Where actual cost records have not been maintained, a reasonable estimate of the original acquisition cost may be used in the computation. The computation will exclude the cost or any portion of the cost of buildings and equipment donated or borne directly or indirectly by the Federal Government through charges to Federal grant programs or otherwise, irrespective of where title was originally vested or where it presently resides. In addition, the computation will also exclude the cost of land. Where depreciation method is followed, adequate property records must be maintained, and any generally accepted method of computing depreciation may be used. The method of computing depreciation must be consistently applied for any specific asset or class of assets for all affected WIA programs and must result in equitable charges considering the extent of the use of the assets for the benefit of such programs on a pro-rated basis. In lieu of depreciation, a use allowance for buildings and improvements may be computed at an annual rate not exceeding two percent of acquisition cost.

The use allowance for equipment (excluding items properly capitalized as building cost) will be computed at an annual rate not exceeding six and two-thirds percent of acquisition cost of usable equipment. The charges must be considered to the extent of the use of the assets for the benefit of such programs. No depreciation or use charge may be allowed on any assets that would be considered as fully depreciated. However, reasonable use charges may be negotiated for any such assets if warranted after taking into consideration the cost of the facility or item involved, the estimated useful life remaining at time of negotiation, the effect of any increased maintenance charges or decreased efficiency due to age, and any other factors pertinent to the utilization of the facility or items for the purpose contemplated.

Disbursing Service - Costs of covering the processing of checks or warrants, from preparation to redemption, including the necessary records of accountability and reconciliation of such records with related cash accounts are allowable.

Employee Morale, Health, and Welfare Costs and Credits – The costs of house publications, health or first-aid clinics, and/or infirmaries, recreational activities, employees' counseling services, and other expenses incurred in accordance with the organization's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance are allowable. Such costs will be equitably apportioned to all activities of the organization. Income generated from any of these activities will be credited to the cost thereof unless such income has been irrevocably set over to employee welfare organizations.

Employment Generating and Economic Development Activities - The costs associated with this activity are allowable only when they directly relate to training for eligible individuals (20 CFR 667.262 (a)).

Entertainment - Costs for amusements, social activities, and incidental costs such as meals, beverages, lodging, rentals, transportation, and gratuities are unallowable.

Equipment and Other Capital Expenditures - See OEWD policy on Property Management.

Fines and Penalties - Costs resulting from violations of, or failure to comply with Federal, State or local laws, except when incurred as a result of compliance with specific provisions of an award or instructions in writing from OEWD authorizing in advance such payments are unallowable.

Fringe Benefits – Fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as vacation leave, sick leave, military leave, and the like, are allowable, provided such costs are absorbed by all organization activities in proportion to the relative amount of time or effort actually devoted to each.

Fringe benefits in the form of employer contributions or expenses for social security, employee insurance, workmen's compensation insurance, pension plan costs, and the like, are allowable, provided such benefits are granted in accordance with established written organization policies. Such benefits whether treated as indirect costs or as direct costs, shall be distributed to particular awards and other activities in a manner consistent with the pattern of benefits accruing to the individuals or group of employees whose salaries and wages are chargeable to such awards and other activities.

Fundraising - Costs of fundraising activities are unallowable.

General Government Expenses - General expenses of government are not allowable.

Goods and Services - Costs of goods and services for personal use of the organization's employees is unallowable.

Elected Official's Expenses - Salaries and general expenses of elected officials are unallowable.

Idle Facilities - See "Building Space" above.

Information Technology - The costs of information technology supporting WIA programs is allowable only when the equipment is Year 2000 Compliant [2667.200(c)(6)]. This cost may include rental of equipment, whether by outright purchase, rental-purchase agreement or other method of purchase is allowable.

Insurance and Indemnification - Indemnification secures the contractor against liabilities to third persons/other losses not compensated by insurance or otherwise. Costs allowable include: those specified in grant award; contributions to a reserve for State approved self-insurance to the extent the type of coverage, rates and premiums would have been allowed if insurance had been purchased; costs incurred due to losses not covered under nominal deductible insurance coverage such as breakage and loss of small hand tools which occur in ordinary course of operations. Costs of other insurance in connection with general conduct of activities to the extent of type/cost of coverage are in accordance with State or local government policy and sound business practices.

Insurance and contribution costs to any reserve for risk of loss or damage to grant property, unless OEWD specifically requires or approves such costs are unallowable.

Insurance policies for protection against debts established by the federal government are unallowable.

Interest - The only interest expenses/finance charges however represented that are allowable are for rental or lease of office equipment and space.

Legal Costs - The cost of legal expenses required in the administration of WIA programs is allowable. Legal services furnished by the chief legal officer of a local government or his/her staff solely for the purpose of discharging general responsibilities as legal officer are not allowable. Legal expenses for the prosecution of claims against the Federal Government are not allowable.

Liability - The U.S. Department of Labor, the State of California, and the OEWD assume no liability with respect to bodily injury, illness or any other damages or losses or with respect to any claims from any activity under a WIA grant/agreement whether concerning persons or property for Local Boards, grant recipients, subrecipients or other service provider organization or any third party.

Lobbying - Costs associated with the following activities are unallowable:

- Attempts to influence the outcomes of any Federal, State, or local election, referendum, initiative, or similar procedure, through in kind or cash contributions, endorsements, publicity, or similar activity;
- Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections;
- Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local officials to engage in similar lobbying activity), or with any Government official or employee in connection with a decision to sign or veto enrolled legislation;
- Any attempt to influence: (i) The introduction of Federal or State legislation; or (ii) the enactment or modification of any pending Federal or State legislation by preparing, distributing or using publicity or propaganda, or by urging members of the general public or any segment thereof to contribute to or participate in any mass demonstration, march, rally, fundraising drive, lobbying campaign or letter writing or telephone campaign; or

The following activities are exempted from this policy:

- Providing a technical and factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement through hearing testimony, statements or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof, in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof; provided such information is readily obtainable and can be readily put in deliverable form; and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.
- Any lobbying made unallowable by attempting to influence State legislation in order to directly reduce the cost, or to avoid material impairment of the organization's authority to perform the grant, contract, or other agreement.
- Any activity specifically authorized by statute to be undertaken with funds from the grant, contract, or other agreement.

When an organization seeks reimbursement for indirect costs, total lobbying costs shall be separately identified in the indirect cost rate proposal, and thereafter treated as other unallowable activity cost. Refer to 2 CFR 220, 2 CFR 225, and 2 CFR 230 for further information on this subject.

Maintenance, Operations and Repair - Costs are allowable if not included in the cost of rent or other charges of space and do not add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition.

Management Studies - Costs for management studies for contractor staff is allowable to improve effectiveness and efficiency of WIA management for ongoing programs. Costs for studies performed by outside consultants/agencies require OEWD prior authorization.

Marketing/Job Development Costs - These costs are allowable as direct costs if necessary for performance of WIA programs. Included in these costs are employer outreach and job development activities (20 CFR 667.262(b)) when directly related to training for individuals.

Materials and Supplies - The cost of materials and supplies necessary to carry out the WIA program are allowable. Purchases are to be charged at their actual prices after deducting cash discounts, trade discounts, rebates, and allowances received by the contractor. Incoming transportation charges are a proper part of material cost.

Meetings and Conferences - Costs are allowable when the primary purpose is the dissemination of technical information relating to WIA programs.

Memberships, Subscriptions – These costs are allowable when there is benefit to the WIA program. Memberships must be for the agency not individuals. Membership costs with organizations that devote part of their activities to influencing legislation are not allowable.

Non-Compliance costs - Costs resulting from non-compliance with WIA are unallowable. (20 CFR 667.264 (a)(3))

On-the-Job Training (OJT) Payments - Employers may be reimbursed up to 50 percent of the wage rate of an OJT participant for the extraordinary costs of providing the training and additional supervision related to the OJT (20 CFR 663, Subpart G) and State WIA policy “On-the-job and Customized Training.” Wages must be at the same rates, including periodic increases, as similarly situated employees/trainees.

Organization Costs - Costs such as incorporation fees, broker’s fees, fees for promoters, organizers/management consultants, attorneys, accountants/investment counselors, whether or not employees of organization, in connection with establishment or reorganization of organization are unallowable except with OEWD prior approval.

Overtime, Extra-Pay Shift, and Multi-Shift Premiums - Premiums for overtime, extra-pay shifts, and multi-shift work are allowable only with the prior approval of the OEWD.

Payroll Preparation - The cost of preparing payrolls and maintaining necessary related wage records is allowable.

Pension Plans - See "Compensation for Personnel Services."

Personnel Administration - Costs for the recruitment, examination, certification, classification, training, establishment of pay standards, and related activities for WIA programs are allowable.

Pre-Award/Agreement - Costs are otherwise unallowable except when specifically provided for in the grant award and if they would have been allowable if incurred after such date.

Printing, Publication and Reproduction - Costs for printing and reproduction services necessary for WIA administration, including, but not limited to, forms, reports, manuals, and informational literature are allowable. Publication costs of reports or other media relating to WIA program accomplishments or results are allowable when provided for in the WIA contract.

Procurement - The cost of procurement service, including solicitation of bids, preparation and award of contracts, and all phases of contract administration in providing goods, facilities and services for WIA programs is allowable. Costs must be in accordance with applicable State and local laws, rules and regulations. See policy "Procurement."

Professional Services - With OEWD prior authorization, costs of outside professional services rendered by individuals or organizations are allowable.

Rental Costs - See "Building Space" above.

Severance Pay - Allowable if required: 1) by law, 2) in an employer-employee agreement, 3) in established organizational policy, or 4) circumstances of the particular employment (Number 4 applies to those entities covered by 2 CFR 220 and 2 CFR 230 only).

Taxes - In general, taxes or payments in lieu of taxes which the organization is legally required to pay are allowable.

Training and Education - Cost of in-service training, customarily provided for employee development, which directly benefits WIA programs is allowable.

Out-of-state training involving extended periods of time is allowable only when specifically authorized by the OEWD.

Transportation/Travel - Costs incurred for freight, cartage, express, postage and other transportation costs relating either to goods purchased, delivered, or moved from one location

to another are allowable. Transportation costs and incidental expenses incurred by volunteers for activities are allowable.

Travel expenses are allowable for costs of transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business for a WIA program. Such costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-WIA.

INQUIRIES

Inquiries should be addressed to the OEWD Director of Operations at 415-701-4848 or workforce.development@sfgov.org.

OEWD and its service providers shall follow this policy. This policy will remain in effect from the date of issue until such time that a revision is required.

Appendix A

Below is a summary of cost items taken from the US DOL One-Stop Comprehensive Technical Assistance Guide Part II.

Summary of Cost Items

KEY

- NT = Not treated in referenced Cost Principle
- A = Allowable
- AC = Allowable with conditions
- AP = Allowable with prior approval of either the Grant Officer or Governor
- U = Unallowable
- A/U = Some categories within the particular activity are allowable, while some are not.

Please consult respective circular for precise explanations.

Note: Some of the costs on this chart are allowable under the circulars and prohibited under WIA or other program-specific regulations. You should refer to the program-specific regulations if you have any questions on allowability of a particular cost. This chart is for reference only.

In addition, when reviewing the provisions related to selected items of cost in the cost principles, the cost principles applied in establishing the allowability of certain items of cost apply whether the cost is treated as a direct or indirect cost. Failure to address a particular item of cost is not intended to imply that it is unallowable. Rather, the determination of allowability in each case should be based on the treatment or principles provided for similar or related costs. Note also that, in some instances, different cost items may be similarly named, and there may be some overlap in the cost items treated by the different circulars. Again, this chart is for reference only.

Cost Item	2 CFR Part 220	2 CFR Part 230	2 CFR Part 225	48 CFR Part 31
Advertising and public relations costs	AC/U	AC/U	AC/U	AC
Advisory councils	A	A	A	NT
Alcoholic beverages	U	U	U	U
Alumni/ae activities	U	NT	NT	NT
Asset valuations resulting from business combinations	NT	NT	NT	A
Audit costs and related services	A	A	A	NT

Bad debts	U	U	U	U
Bonding costs	NT	A	A	NT
Commencement and convocation	U	NT	NT	NT
Cost Item	2 CFR Part 220	2 CFR Part 230	2 CFR Part 225	48 CFR Part 31
Communication costs	A	A	A	NT
Compensation for personal services	A/U	A/U	AC/U	A/U
Contingency provisions	U	U	U	U
Cost of money	U	U	U	AC
Deans of Faculty and graduate schools	A	NT	NT	NT
Defense and prosecution of criminal and civil proceedings, and claims	AC/U	AC/U	A/U	U
Deferred Research and development costs	NT	NT	NT	AC/U
Depreciation and use allowances	AC	AC	AC	AC
Donations and contributions	U	U	U	U
Economic planning costs	NT	NT	NT	NT/U
Employee morale, health, and welfare costs	A	A	A	U
Entertainment costs	U	U	U	U
Equipment and other capital expenditures	AP/U	AP/U	AP/U	AP
Fines and penalties	U/AP	U/AP	U/AP	U
Fund raising and investment management costs	U/A	U	U	U
Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of Federal programs	AC	AC	AC	A
General government expenses	NT	NT	U	NT
Goods or services for personal use	U	U	U	NT
Goodwill	NT	NT	NT	U

Housing and Personal Living Expenses	U	AP/U	NT	NT
Idle facilities and idle capacity	AC/U	AC/U	AC/U	AC/U
Insurance and indemnification	AC/U	AC/U	AC/U	A
Cost Item	2 CFR Part 220	2 CFR Part 230	2 CFR Part 225	48 CFR Part 31
Interest	A/AC/U	A/AC/U	A/AC/U	U
Labor Relations Costs	A	A	NT	AC
Lobbying	U	U	U	U
Losses on other sponsored agreements or contracts	U	U	U	U
Maintenance, operations, and repairs	A	A	AC	A
Materials and supplies costs	A	A	A	A
Meetings and conferences	A	A	A	See Item 2
Memberships, subscriptions, and professional activity costs	A/U	A/AP/U	A/AP/U	NT
Organization costs	NT	U/AP	NT	U
Other business expenses	NT	NT	NT	A
Page charges in professional journals	NT	A	NT	NT
Participant support costs	NT	AP	NT	NT
Patent costs	A/U	A/U	A/U	A/U
Plant and homeland security costs	A	A	A	A
Pre-award costs	U/AP	AC/AP	AC/AP	NT
Professional service costs	A	A	A	A
Proposal costs	A	NT	A	AP
Publication and printing costs	A	A	A	NT
Rearrangement and alteration costs	A	A	A	NT
Reconversion costs	A	A	A	NT
Recruiting costs	A	A	A	A
Relocation costs	NT	AC	NT	A/U
Rental costs of building and equipment	AC	AC	AC	AC

Royalties and other costs for the use of patents	A	A	A	A
Scholarships and student aid	A	NT	NT	NT
Selling and marketing	AC/U	U	U	A/U
Cost Item	2 CFR Part 220	2 CFR Part 230	2 CFR Part 225	48 CFR Part 31
Service and warranty costs	NT	NT	NT	A
Special tooling and special test equip.	NT	NT	NT	A
Specialized service facilities	AC	AC	NT	NT
Taxes	AC	AC	AC	AC
Termination costs applicable to sponsored agreements	AC	AC	AC	A/U
Training costs	A	AC/AP/U	A	AC
Transportation costs	A	A	NT	AC
Travel costs	AC	AC	AC	AC
Trustees	AC	AC	NT	NT

With limited exceptions, selected items of costs are treated similarly for all recipients of Federal awards. Principal differences in the treatment of costs unique to any one Circular are shown in bold within the table above.