



Federal Grant Expense Approval Policy

For costs to be charged directly to a Federal award, the expense must be:

1. **Allowable** under both the provisions of Federal guidance AND under the terms of a specific award;
2. **Allocable**—the expense must be associated to a project with a high degree of accuracy;
3. **Necessary and Reasonable**—the cost reflects what a “prudent person” would pay and is necessary to accomplish the goals of the Federal award; and
4. Charged **consistently** as a direct expense (vs. an indirect cost).

A completed “Travel Loan and Expense Reporting Form” must be submitted to the Grants Compliance Office for review and approval within 20 business days of incurring the expense or completion of the trip.

List of **unallowable** costs for Federal Grants:

- Advertising and public relations costs (except if grant calls for staff recruitment or public promotion of grant activities);
- Alcoholic beverages;
- Alumni Activities;
- Bad Debts;
- Capital Expenditures, greater than \$5,000, not approved by Federal awarding agency;
- Commencement/convocation costs;
- Computers and other technological devices, including cell phones, iPads, printer, etc., unless included in the proposed budget submitted to and approved by the Federal awarding agency;
- Contingency provisions;
- Contributions or donations, including cash, property or services;
- Costs incurred in connection with any criminal, civil or administrative proceedings;
- Entertainment costs;
- Fines or penalties;
- Food costs (except for study participants, meals while traveling in compliance with Cornell policy, or included in approved budget);
- Fundraising and investment costs;
- Goods or services for personal use;
- Housing and personal living expenses;
- Lobbying costs;
- Memberships/subscriptions (except as necessary to fulfil goals/objectives of the grant);
- Office supplies;

- Payroll in disproportionate amounts to the work performed on the grant (see Time & Effort Policy);
- Postage (unless large mailing necessitated by grant award);
- Professional service costs when work can be performed by qualified institutional staff;
- Proposal costs;
- Recruitment and relocation costs for employees not working on the grant;
- Selling and marketing costs;
- Student activity cost (unless provided for in approved budget);
- Telephone (internet) service/equipment general costs—long distance charges made to further purpose of federal award are allowable.

Questions?

Refer to 2 CFR Chapter 1, Chapter II, Part 200, et al. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule. §200.402 (Composition of Costs) through §200.411 (Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs)

or

Contact the Grants Compliance Office at (319) 895-4321.