

Tip Sheet
2 CFR 225 Cost Principles for State, Local, and Indian Tribal Governments

Generally Allowed	
Advertising & public relations* 1	Memberships, subscriptions, and professional activity costs* 28
Advisory councils 2	Patent costs* 29
Audit costs and related services 4	Pre-award costs* 31
Bonding costs 6	Proposal costs 33
Communication costs 7	Publication and printing costs 34
Compensation for personal services* 8	Rearrangements and alternations* 35
	Reconversion costs 36
Depreciation and use allowances* 11	Rental costs of building and equipment* 37
Employee morale, health, and welfare costs 13	Taxes* 40
Equipment and other capital expenditures 15	Training 42
Insurance and indemnification* 22	Travel costs* 43
Maintenance, operations, and repairs* 25	Plant and homeland security costs* 30
Materials and supplies 26	Royalties and other costs for the use of patents*38
Meetings and conferences 27	Termination costs applicable to sponsored agreements* 41

Generally Not Allowed	
	Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs 18
Alcoholic beverages 3	
Bad debts* 5	General government expenses* 19
Contingency provisions 9	Goods or services for personal use 20
	Idle facilities and idle capacity* 21
Donations and contributions 12	Interest* 23
Entertainment costs 14	Lobbying 24
Fines and penalties* 16	Professional service costs* 32
Fund raising and investment management costs* 17	Selling and marketing* 39

*** Means there are exceptions to the rule. The numbers are those assigned to the topic in 2 CFR 225, Appendix B. This handout is only meant to provide a quick overview of allowable costs. When deciding whether a cost is allowable, please refer to 2 CFR 225 for full details or contact your Program Officer.**