PI Article – Cost Allowability Guide

On the Grants and Contracts Accounting website, you will find a Cost Allowability Guide ([Cost Allowability Guide | Grants and Contracts Accounting]) created by Andrew Chung. This guide provides examples of expense types and when they are allowable versus unallowable. A screenshot of the guide is provided below, for easy reference. As a reminder, a cost is allowable if it is permitted as a cost within general federal and state regulations, the terms of a specific award, and/or the institution's F&A rates.

Expense Type	Allowable Costs	Unallowable Costs	Notes /Special Conditions
Administrative & Clerical salaries	If integral to the project, identified in the budget, and approved	Routine/admin salaries not meeting criteria	Requires justification and prior approval.
Advertising & Public Relations	Recruitment, procurement ads, and award-related outreach	General promotional ads	Must be explicitly budgeted and linked to award purpose
Business Meals & Alcohol	Meals within GSA rate for project travel	Alcohol, meals above GSA rate	Alcohol is generally unallowable under federal awards unless explicitly approved by the sponsor as part of an approved research protocol
Salaries (non-admin)	Effort directly benefiting the project	Supplemental pay, unreasonable increases	Effort must be documented and certified; agency salary caps may apply (e.g., NIH).
Computer Services	Essential, allocable, project-specific (typically under $5,000)	General administrative/office use, personal use, or non- essential IT are considered indirect unless justified	Direct charge allowed for dedicated research-computing only unless justified
Equipment	Special purpose ≥ $5,000, budgeted and approved	General-purpose equipment, late award-period purchases	Capitalization threshold = $5,000. Late purchases in the award period may require justification or may be disallowed.
Fringe Benefits	At negotiated rate, consistent with policy	Excessive/unapproved benefits	Must use approved negotiated rate (ONR) and applied consistently across projects
Materials & Supplies	Project-specific, consumed during award.	General Office supplies	Must be received and used within project period
Participant Support Costs	Stipends, travel, registration, training materials	Honoraria, incentives, employer reimbursement programs	Must be pre-approved or budgeted and not paid to a GT employee
Professional Services (Consultants)	Necessary, documented, reasonable external services	Georgia Tech employees cannot be paid as consultants	Contract must define scope, deliverables and cost
Publication Costs	Acknowledging the award	Omitting required acknowledgements	Costs must be allocable to benefiting awards
Travel & Airfare	Economy class, baggage, Fly America-compliant	Upgrades, alcohol, luxury services, post-award travel	Document agendas; submit expenses within 45 days from the end of trip.
Service Center Charges	Usage-based, itemized bills, applied consistently	Unreasonable or discriminatory charges	Must follow approved rates
Subawards	Budgeted, approved, collaborative scope, monitored.	Unbudgeted or unapproved by sponsor.	Only first $25,000 subject to indirects; requires formal agreement and monitoring.
General Unallowable Costs	N/A	Entertainment, lobbying, personal items, fines, penalties, bad debt	Improper charges must be corrected promptly. Gift cards and first class travel are commonly flagged unallowables.

If you have any questions, please contact Andrew Chung at Andrew.chung@business.gatech.edu