

## National Summer Transportation Institute (NSTI) Program

### Office of Management and Budget - Circular A-21 (revised 5/10/04) Cost Principles for Educational Institutions

#### J. General Provisions for Selected Items of Cost

##### J.1 - Advertising and Public Relations Cost

- ▶ **Allowable:** Activities directly tied to the grant. Brochures/pamphlets/flyers-giving information about NSTI program (having an educational component).
- ▶ **Disallowed:** Activities related to other activities of the organization, costs of promotional items, memorabilia, models, gifts, souvenirs, including t-shirts, caps, keychain, folders, and souvenirs, cups, key chains, folders, posters, etc.

##### J.2 - Advisory Councils

- ▶ **Allowable:** Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency or as an indirect cost where allocable to sponsored agreements.

##### J.4 - Alumni/ae Activities

- ▶ **Disallowed:** Costs incurred for, or in support of, alumni/ae activities and similar services.

##### J.8 - Commencement and Convocation Costs

- ▶ **Allowable:** Orientation Meeting, Convocations and Commencement: A reasonable cost of food is allowable for all participants necessary for instruction, as long as the costs are allocated to an instruction function, or otherwise allocated based on the sponsored agreement. As stated, in OMB Circular A-21 - F9 - Student Administration and Services, the orientation meeting is similar to the convocation listed below:
  - a. The expenses under this heading are those that have been incurred for the administration of student affairs and for services to students, including expenses of such activities as deans of students, admissions, registrar, counseling and placement services, student advisers, student health and infirmary services, catalogs, and commencements and *convocations*. The salaries of

members of the academic staff whose responsibilities to the institution require administrative work that benefits sponsored projects may also be included to the extent that the portion charged to student administration is determined in accordance with Section J.10. This expense category also includes the fringe benefit costs applicable to the salaries and wages included therein, an appropriate share of general administration and general expenses, operation and maintenance, and use allowances and/or depreciation.

b. In the absence of the alternatives provided for in Section E.2.d, the expenses in this category shall be allocated to the *instruction function*, and subsequently to sponsored agreements in that function.

▶ **Allowable:** Educational activity documenting completion of program; certificates documenting completion of program; closing banquet with educational component; costs must be reasonable and necessary.

▶ **Disallowed:** Costs incurred for commencements and convocations are unallowable, except as provided for in Section F.9.

#### **J.9 - Communication Costs**

▶ **Allowable:** Costs incurred for telephone services, local and long distance telephone calls, postage, electronic or computer transmittal services.

#### **J.10 - Compensation for Personal Services**

▶ **Allowable:** Compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits.

#### **J.14 - Depreciation and Use Allowances**

▶ **Allowable:** Institutions may be compensated for the use of their buildings, capital improvements, and equipment, provided that they are used, needed in the institutions' activities, and properly allocable to sponsored agreements. Such compensation shall be made by computing either depreciation or use allowance. Use allowances are the means of providing such compensation when depreciation or other equivalent costs are not computed. The allocation for depreciation or use allowance shall be made in accordance with Section F.2.

### **J.15; 2 CFR Part 215 - Donations and Contributions**

- ▶ **Allowable:** Donated or volunteer services may be furnished to an institution by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or F&A cost. However, the value of donated services may be used to **meet cost sharing or matching requirements** in accordance with Circular A-110.
- ▶ **Allowable:** The value of donated property is not reimbursable either as a direct or F&A cost, except that depreciation or use allowances on donated assets are permitted in accordance with Section J.14. The value of donated property may be used to **meet cost sharing or matching requirements**, in accordance with Circular A-110.
- ▶ **Disallowed:** Contributions or Donations rendered. Contributions or donations, including cash, property, and services, made by the institution, regardless of the recipient.

### **J.17 - Entertainment Costs**

- ▶ **Disallowed:** Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities). **No** funding may be used for entertainment activities such as student sports/fitness center, swimming pool, board games, bowling, movies, water parks, amusement parks, cruises, etc. Host sites must find alternative funding for, including the transportation, food, etc. associated with these events. The Headquarters' Civil Rights (HCR) office recommends that host sites utilize the sports/recreational resources already available on their campuses. Host sites may wish to check with their State transportation agency to find out if State funds can be used for these types of activities. In addition, HCR recommends that partnerships be established to help provide in-kind contributions.

### **J.18 - Equipment and Other Capital Expenditures**

- ▶ **Allowable:** Special purpose equipment used for research or technical activities, such as calculators, simulators.
- ▶ **Disallowed:** General-purpose equipment such as: office equipment, furnishings, motor vehicles, reproduction/printing equipment, air conditioning equipment, information technology equipment, cameras, and computers.

### **J.23 - Housing/ Personal Living Expenses**

- ▶ **Disallowed:** Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent, etc.), housing allowances and personal living expenses for/of the institution's officers (current/past), regardless of whether the cost is reported as taxable income to the employees.

### **J.25 - Insurance and Indemnification**

- ▶ **Allowable:** Costs of insurance required or approved, and maintained, pursuant to the sponsored agreement.

### **J.30 - Maintenance and Repair Costs**

- ▶ **Allowable:** Costs incurred for necessary maintenance, repair, or upkeep of buildings and equipment.

### **J.31 - Material and Supplies Cost**

- ▶ **Allowable:** Costs incurred for materials, supplies, and fabricated parts necessary to carry out a sponsored agreement such as computer software, office equipment supplies (i.e. ink, paper).

### **J.32 - Meetings and Conferences**

- ▶ **Allowable:** Costs of meetings and conferences for the dissemination of technical information including meals, transportation, rental of facilities, speakers' fees, and other items incidental. Funding based on reasonable and necessary criteria. However, see section J.17, Entertainment Costs.

### **J.33 - Memberships, Subscriptions, and Professional Activity Costs**

- ▶ **Allowable:** Costs of the institution's membership in business/technical/professional organizations; and subscriptions to business, professional, and technical periodicals.
- ▶ **Disallowed:** Costs of membership in any civic/community organization and/or country club or social/dining club.

### **J.37 - Professional Services Cost**

- ▶ **Allowable:** Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the institution., subject to subparagraphs b and c when reasonable in relation to the services rendered and when not contingent upon recovery of the costs from the Federal Government. In addition, legal and related services are limited under section J.13

### **J.38 - Proposal Costs**

- ▶ **Allowable:** Costs of preparing bids or proposals, including the development of data necessary to support the institution's bids or proposals. Funding based on reasonable/necessary criteria.

### **J.39 - Publication and Printing Costs**

- ▶ **Allowable:** Publication costs include the costs of printing, distribution, promotion, mailing, and general handling. Printing certificates (**NOT** awards) documenting completion of program

### **J.42 - Recruiting Costs**

- ▶ **Allowable:** Recruiting staff

### **J.43 - Rental Cost of Buildings and Equipment**

- ▶ **Allowable**

### **J.45 - Scholarships and Student Aid Costs**

- ▶ **Allowable:** Scholarships to attend NSTI Program
- ▶ **Disallowed:** Scholarships to school, scholarships for books

### **J.47 - Specialized Service Facilities**

- ▶ **Allowable**

### **J.48 - Student Activity Cost**

- ▶ **Allowable:** There must be a clear educational link; a showing of an academic benefit to the activity. Science, math, engineering, transportation-related museums, Sims City games (board games that are educational only), and the Smithsonian.
- ▶ **Disallowed:** Costs incurred for intramural activities, student publications, student clubs, and other student activities, unless specifically provided for in the sponsored agreements. Aquarium, sports center/swimming pools (these activities should be included in overhead costs or provided as in-kind contributions from host site).

### **J.51 - Training Costs**

- ▶ **Allowable:** Cost of training provided for employee development related to administration of program.

### **J.53 - Travel Costs**

- ▶ **Allowable:** Travel costs are the expenses for transportation, lodging, by employees who are in travel status on official business.

### **K - Certification of Charges**

- ▶ 1. To assure that expenditures for sponsored agreements are proper and in accordance with the agreement documents and approved project budgets, the annual and/or final fiscal reports or vouchers requesting payment under the agreements will include a certification, signed by an authorized official of the university, which reads essentially as follows: "I certify that all expenditures reported (or payment requested) are for appropriate purposes and in accordance with the provisions of the application and award documents."
- ▶ b. (5) **Certificate - Must** be added to the end of all proposals and signed by responsible party. (FALSE CLAIMS ACT)