

Direct and Ineligible Costs Related to WMCC EPA Grant Programs

- 1. All Costs**— EPA Policy Guide 2 CFR 200.400 <https://www.ecfr.gov/current/title-2/section-200.400>
 - 1.1. Reasonable**—2 CFR 200.404 <https://www.ecfr.gov/current/title-2/section-200.404>
 - 1.1.1. 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.
 - 1.2. Allocable**— 2 CFR 200.405 <https://www.ecfr.gov/current/title-2/section-200.405>
 - 1.2.1. A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.
- 2. 2 CFR Part 200 Subpart E-Cost Principles-Allowable Direct Costs**
 - 2.1. Staff Salaries**—2 CFR 200.413(c) [https://www.ecfr.gov/current/title-2/part-200/section-200.413#p-200.413\(c\)](https://www.ecfr.gov/current/title-2/part-200/section-200.413#p-200.413(c))
 - 2.1.1. The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:
 - 2.1.1.1. Administrative or clerical services are integral to a project or activity;
 - 2.1.1.2. Individuals involved can be specifically identified with the project or activity;
 - 2.1.1.3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
 - 2.1.1.4. The costs are not also recovered as indirect costs.
 - 2.2. Fringe Benefits**— 2 CFR 200.431 <https://www.ecfr.gov/current/title-2/section-200.431>
 - 2.2.1. Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, non-Federal entity-employee agreement, or an established policy of the non-Federal entity.
 - 2.3. Advertising Costs**—2 CFR 200.421(b)
 - 2.3.1. Program outreach and other specific purposes necessary to meet the requirements of the Federal award.
 - 2.4. Conferences**—2 CFR 200.432 <https://www.ecfr.gov/current/title-2/section-200.432>
 - 2.4.1. Allowable conference costs paid by the non-Federal entity as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the Federal award.

- 2.5. **Maintenance and Repair Costs**—2 CFR 200.452 <https://www.ecfr.gov/current/title-2/section-200.452>
 - 2.5.1. Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition, are allowable.
- 2.6. **Materials and Supplies Costs**—2 CFR 200.453 <https://www.ecfr.gov/current/title-2/section-200.453>
 - 2.6.1. Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award are allowable.
- 2.7. **Professional Services Costs**—2 CFR 200.459 <https://www.ecfr.gov/current/title-2/section-200.459>
 - 2.7.1. 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 non-Federal entity, are allowable.
- 2.8. **Publication and Printing Costs**—2 CFR 200.461 <https://www.ecfr.gov/current/title-2/section-200.461>
 - 2.8.1. Publication costs for electronic and print media, including distribution, promotion, and general handling are allowable.
- 2.9. **Training and Education Costs**—2 CFR 200.473 <https://www.ecfr.gov/current/title-2/section-200.473>
 - 2.9.1. The cost of training and education provided for employee development is allowable.
- 2.10. **Travel Costs**—2 CFR 200.475 <https://www.ecfr.gov/current/title-2/section-200.475>
 - 2.10.1. Employees on official business of grant activities, professional development and meeting activities.

3. 2 CFR Part 200 Subpart E-Cost Principles—Ineligible Costs

- 3.1. **Advertising Costs Unallowable advertising and public relations costs include the following:**
 - 3.1.1. (4) Costs of advertising and public relations designed solely to promote the non-Federal entity not the program.
- 3.2. **Alcohol Costs**—2 CFR 200.423 <https://www.ecfr.gov/current/title-2/section-200.423>
- 3.3. **Contributions and Donations**— 2 CFR 200.434 <https://www.ecfr.gov/current/title-2/section-200.434>
- 3.4. **Entertainment Costs**— 2 CFR 200.438 <https://www.ecfr.gov/current/title-2/section-200.438>
- 3.5. **Fund Raising and Investment Management Costs**—2 CFR 200.442 <https://www.ecfr.gov/current/title-2/section-200.442>
- 3.6. **Goods or Services for personal use**— 2 CFR 200.445 <https://www.ecfr.gov/current/title-2/section-200.445>
- 3.7. **Lobbying**—2 CFR 200.450 <https://www.ecfr.gov/current/title-2/section-200.450>
- 3.8. **Equipment and Capital Expenditures**—2 CFR 200.439 <https://www.ecfr.gov/current/title-2/section-200.439>

4. EPA Policy Guide

- 4.1. The application of these cost principles is based on the fundamental premises that:
- 4.1.1. (a) The non-Federal entity is responsible for the efficient and effective administration of the Federal award through the application of sound management practices.
 - 4.1.2. (b) The non-Federal entity assumes responsibility for administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the Federal award.
 - 4.1.3. (c) The non-Federal entity, in recognition of its own unique combination of staff, facilities, and experience, has the primary responsibility for employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the Federal award.
 - 4.1.4. (d) The application of these cost principles should require no significant changes in the internal accounting policies and practices of the non-Federal entity. However, the accounting practices of the non-Federal entity must be consistent with these cost principles and support the accumulation of costs as required by the principles, and must provide for adequate documentation to support costs charged to the Federal award.
 - 4.1.5. (e) In reviewing, negotiating and approving cost allocation plans or indirect cost proposals, the cognizant agency for indirect costs should generally assure that the non-Federal entity is applying these cost accounting principles on a consistent basis during their review and negotiation of indirect cost proposals. Where wide variations exist in the treatment of a given cost item by the non-Federal entity, the reasonableness and equity of such treatments should be fully considered. See the definition of *indirect (facilities & administrative (F&A)) costs* in [§ 200.1 of this part](#).
 - 4.1.6. (f) For non-Federal entities that educate and engage students in research, the dual role of students as both trainees and employees (including pre- and post-doctoral staff) contributing to the completion of Federal awards for research must be recognized in the application of these principles.
 - 4.1.7. (g) The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award. See also [§ 200.307](#).