

I. Cost principles allowability

Instructions

- Determine allowability and the applicable 2 CFR 200 section.
- All items of costs on the table are treated as direct charges.

| Item of Cost  | (Allowable / Unallowable) | 2 CFR 200 Citation |
|---|---------------------------|--------------------|
| 1. Toners for the Social Science Department photocopier   |                           |                    |
| 2. Office renovation for the Project Director’s medical office that include acoustic walls, indirect lighting and other features to control ambiance. The project researches children with sensory modulation disorder. |                           |                    |
| 3. Yearly calibration cost for a confocal microscope used in a molecular biology grant  |                           |                    |

1. Budget reviewing

Scenario

ABC Tech, a non-for-profit organization is developing the budget to compete for an outreach project for the development of a community technology center on a low income area. The center goals are to train community members on web technologies and to counsel them on opportunities available to them through the internet like jobs, business opportunities, services, etc. To complete the objectives of the grant the organization included 5 outreach/training specialists, 1 web designer, 1 data entry clerk. Additionally to the training sessions, the proposal considers other outreach activities like brochures printing, a kickoff event that includes lunch for 50 members of the focus community and a marketing campaign to attract participants. The organization has an F&A negotiated rate of 40% based on the modified total direct costs (MTDC), however the program has a statutory rate of 15% of MTDC.

Budget

| Item of Cost  | Cost      |
|---|-----------|
| Project director’s salary                           | \$45,000  |
| Web developer’s salary                              | \$30,000  |
| Outreach/Training Specialist’s salaries             | \$125,000 |
| Fringe benefits (principals)                        | \$80,000  |
| Administrative clerk                                | \$20,000  |
| Fringe benefits (clerk)                             | \$4,000   |
| Outreach/Training Specialist’s productivity bonuses | \$5,000   |
| Development workstation                             | \$55,000  |
| Lunch Cost (kickoff activity)                       | \$5,000   |
| Monthly staff meeting activities on a bowling alley | \$6,000   |
| Printer   | \$5,000   |
| Office materials                                    | \$10,000  |
| Computers (quantity 20)                             | \$20,000  |
| Printed materials                                   | \$5,000   |
| Advertisement                                       | \$60,000  |

