

Appendix B

Allowable and Unallowable Costs in LSTA Grants

Source Documents:

2 CFR 200 – Uniform administrative requirements, cost principles, and audit requirements for federal awards.

Allowable and Unallowable Costs in General

Generally, costs that are necessary and reasonable for the proper and efficient administration of a grant project are allowable costs that may be proposed as budget items in a LSTA grant application. If a cost is not allowable under local or state regulations, it will not be covered by LSTA. Costs need to be consistent with policies and procedures that apply to other activities of the organization, and be in accordance with accepted accounting principles. For brevity, we have noted one or the other but not both legal citations where applicable. The absence of an item from this FAQ guide does not imply that a cost is allowable.

Cost Associated with Grant	Allowable			OMB Circular	NOTE
	Yes	No	Maybe		
General Cost Questions					
Costs incurred before the grant started			X		Depends on pre-award cost authorization
Fines and penalties		X		2 CFR§200.441	
Reimbursement for excess costs from a previous grant		X		2 CFR§200.453	
Grant writing for an additional year of LSTA funding paid for by current grant			X	2 CFR§200.460	Permissible only for potential federal awards and continuing LSTA grants
Fund raising		X		2 CFR§200.442	
Costs of meetings or events related to fund raising		X		2 CFR§200.442	
Grant writing to foundations, non-federal sources		X		2 CFR§200.430	
Donations / Charitable contributions		X		2 CFR§200.434	
Construction costs (planning, wiring, remodeling, architects' fees, land, siting, new furnishings)		X		Not allowed in 20 U.S.C. 9109	
Costs of Events and Meetings	Yes	No	Maybe		
Entertainment		X		2 CFR§200.438	
Food			X		Event must be during a meeting and on the agenda as a working meal. Follow fiscal agent per diem limits. In general, avoid

Cost Associated with Grant	Allowable			OMB Circular	NOTE
					spending grant funds on food
Alcoholic beverages		X		2 CFR§200.423	
Performers			X		If integral to the content of an educational program e.g. summer reading
Salary			X		Oregon's LSTA program will not replace local salary
Work time	X			2 CFR§200.430 (8)	Hours paid by LSTA should only do LSTA projects and documented with timecards
Travel			X		Use fiscal agent rates and reimbursement practices. Travel related to lobbying not covered.
Location rental fees	X				If necessary to carry out grant activities
Marketing, Public Relations, Advertising	Yes	No	Maybe		
Advertising in news, TV, radio, etc. to recruit personnel for LSTA grant projects	X			2 CFR§200.421	
Advertising in news, TV, radio, etc. for procuring or acquiring goods, equipment, and services for the performance of LSTA grant	X			2 CFR§200.421	
Advertising in news, TV, radio, etc. for a specific purpose to fulfill the grant's activities	X			2 CFR§200.421	
Advertising or promoting the library in general		X		2 CFR§200.421	
Marketing, Public Relations, Advertising cont.	Yes	No	Maybe		
Informing the public or press about a specific LSTA project	X			2 CFR§200.421	
Costs of displays, demonstrations, and exhibits			X	2 CFR§200.421	Ok if promoting a specific project

Cost Associated with Grant	Allowable			OMB Circular	NOTE
Prizes for contests or drawings		X			Item should have no intrinsic value, e.g. certificate
T-shirts, mugs, pens, Frisbees, posters, magnets, and other promotional items with intrinsic value		X		2 CFR§200.421	A rare exception would be if the item directly relates to the grant and is a lot more informational than promotional.
Bookmarks, rolodex cards, brochures	X				Strictly informational in nature
Promotion of the library to Hispanics and other people with diverse cultural, and socioeconomic backgrounds, individuals with disabilities, and to people with limited functional literacy or information skills.	X			Purpose 4 of the Library Services and Technology Act 2010	
Promotion of the library to persons having difficulty using a library, underserved urban and rural communities including children from families with incomes below the poverty line	X			Purpose 5 of the Library Services and Technology Act 2010	
Gifts		X		2 CFR§200.421	
Research	Yes	No	Maybe		
Planning, developing or conducting studies or surveys	X				
Focus groups	X				
Memberships / Community Involvement	Yes	No	Maybe		
Membership in any civic or community organization			X		Must be in grant application and requires approval of the State Library.
Membership in business, technical, and professional organizations	X				
Costs Associated with Districting Grants	Yes	No	Maybe		
Governmental fees (use fees, ballot filing fees, permits, etc.)		X			
Forming a non-profit, 501(c)3 fees		X		2 CFR§200.458	
Attorney fees for reviewing documents, and legal guidance.			X		Must be in grant application and requires approval of

Cost Associated with Grant	Allowable			OMB Circular	NOTE
					the State Library. Does not cover ballot review or drafting resolutions for governmental bodies
Writing ballot measures		X			
Filing election paperwork		X			
Providing a technical and factual presentation of information on the process of forming a district	X			2 CFR§200.450	Must be in grant application and requires approval of the State Library.
Costs of communicating with the public and press pertaining the specific LSTA project			X	2 CFR§200.421	As long as its informational, not urging a vote
Planning to serve unserved and underserved populations	X				
Costs of travel, meeting time relating to urging a governing body to pass a resolution or ordinance		X		2 CFR§200.450	This falls under lobbying
Attempt to “influence the outcomes of any...local election, referendum, initiative or similar procedure... , including introductions of legislation”		X		2 CFR§200.450	
Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying		X		2 CFR§200.450	
Establishing, administering, or paying the expenses of a campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections		X		2 CFR§200.450	

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