CLARK ATLANTA UNIVERSITY

Allowable Grant Budget Expenses Guide

A reference for allowable costs for federal and nongovernmental grant budgets, with a sample budget and justification.

How to use this guide: Allowability of specific costs always depends on the individual funding opportunity, agency cost principles, and CAU policy. Use this guide as a starting point, then confirm details with the Office of Research and Sponsored Programs (ORSP) before finalizing your budget.

GENERAL ALLOWABLE BUDGET CATEGORIES (FEDERAL)

All federal agencies apply the cost principles in 2 CFR Part 200 (the OMB Uniform Guidance): costs must be reasonable, allocable to the project, consistently treated, and allowable under the award terms.

Budget Category	Description	Generally Allowable?	Notes
Salaries & Wages	Compensation for PI, co-PI, and other personnel proportional to effort on the project.	Yes	Must reflect institutional base salary and documented effort (e.g., person-months).
Fringe Benefits	Payroll taxes, health insurance, retirement contributions tied to salaries charged.	Yes	Applied using CAU's federally negotiated fringe benefit rates.
Travel	Domestic/international travel for conferences, fieldwork, or collaboration essential to the project.	Yes	Must follow federal travel regulations and, for foreign travel, the Fly America Act.
Equipment	Tangible, non-expendable property with a unit cost typically ≥ $5,000 and useful life > 1 year.	Yes	General-purpose equipment (e.g., laptops) requires strong justification of primary project use.
Supplies	Consumable materials and items with a unit cost below the equipment threshold.	Yes	Must be itemized by category (lab supplies, software, etc.), not a single lump sum.
Participant Support Costs	Stipends, travel, and subsistence for trainees or participants in a workshop/conference (not project staff).	Yes, if applicable	Excluded from the indirect cost base; requires prior agency approval to rebudget.
Consultant/Contractual	Fees for outside individuals or firms providing services central to the project.	Yes	Rate, hours, and scope must be itemized and justified; competitive procurement rules may apply.
Subawards/Consortium	Funds passed to a collaborating institution performing a portion of the scope of work.	Yes	Requires a separate budget, justification, and scope of work from the subrecipient.
Tuition Remission	Tuition costs for graduate research assistants paid from the award.	Yes, if allowed by FOA	Must comply with 2 CFR § 200.466 and be consistently applied across CAU awards.
Publication/Dissemination	Page charges, open-access fees, or costs to disseminate results.	Yes	Typically budgeted under Other Direct Costs.

Budget Category	Description	Generally Allowable?	Notes
Indirect Costs (F&A)	Facilities and administrative costs not directly attributable to a single project (utilities, admin support).	Yes	Applied per CAU's federally negotiated rate agreement, generally to Modified Total Direct Costs (MTDC).
Entertainment/Alcohol	Meals framed as entertainment, alcoholic beverages, social events.	No	Unallowable under 2 CFR § 200.438 and § 200.423 regardless of funding source.
Lobbying	Costs to influence federal, state, or local legislation.	No	Unallowable under 2 CFR § 200.450.
Fundraising/Marketing	General institutional fundraising, advertising, or public relations not tied to the project.	No	Unallowable under 2 CFR § 200.421 and § 200.467, with narrow exceptions (e.g., recruitment ads).

AGENCY-SPECIFIC BUDGET NOTES

Agency	Key Budget Rules	Special Notes
NSF	Uses standard budget categories (A–K) on the Proposal Budget; participant support costs are excluded from the indirect cost base and cannot be rebudgeted without approval.	Graduate student tuition remission is allowable; cost sharing is generally prohibited unless explicitly required by the solicitation.
NIH	Proposals under the modular budget threshold (currently $250,000 direct costs/year) use simplified $25,000 modules instead of a detailed line-item budget.	Senior/key personnel salary charged to NIH awards is capped at the statutory Executive Level II salary cap; check the current cap each fiscal year.
NASA	Follows the categories in the PAPPG-aligned budget forms; requires identification of personnel by category (PI, Co-I, postdoc, student, etc.) consistent with the cover page.	Foreign national involvement and export-control considerations may affect allowability of certain travel or equipment costs.
General Federal (2 CFR 200)	All federal agencies apply the OMB Uniform Guidance cost principles: costs must be reasonable, allocable, consistently treated, and conforming to award terms.	Agency-specific FOAs/NOFOs can add restrictions on top of 2 CFR 200 but cannot loosen its baseline prohibitions (e.g., alcohol, lobbying).

NONGOVERNMENTAL (FOUNDATION/CORPORATE) FUNDERS

Private foundations and corporate funders are not bound by 2 CFR 200, so allowability is set by each funder's own guidelines. In general:

- Personnel, fringe benefits, travel, supplies, and equipment directly tied to the funded project are commonly allowed, similar to federal budgets.
- Indirect costs (overhead) are frequently capped well below CAU's federal negotiated rate — many foundations limit indirect costs to 10–15% of direct costs, and some disallow them entirely.
- Tuition support and stipends are allowed by some funders but not others; check whether the funder treats these as programmatic or restricted costs.
- Matching funds or in-kind contributions are often encouraged, and sometimes required, to demonstrate institutional commitment.

- General operating support, fundraising, and lobbying costs remain restricted or prohibited by most foundations, similar to federal rules.
- Budget formats are typically simpler and less standardized than federal forms — funders may accept a one-page summary budget rather than detailed line-item categories.

Always confirm indirect cost treatment and any funder-specific restrictions with ORSP before submitting a nongovernmental proposal.

EXAMPLE BUDGET – ONE-YEAR PROJECT

The sample budget below illustrates a typical one-year federal research project budget at CAU, using a hypothetical 46% federally negotiated indirect cost rate applied to Modified Total Direct Costs (MTDC).

Line Item	Detail	Amount
A. Senior/Key Personnel		
PI (Dr. J. Simmons)	1 summer month @ $9,000/month	$9,000
Co-PI (Dr. A. Brooks)	0.5 summer month @ $8,000/month	$4,000
B. Other Personnel		
Postdoctoral Associate	12 calendar months @ $50,000/year	$50,000
Graduate Research Assistant (1)	12 calendar months @ $24,000/year stipend	$24,000
Undergraduate Student Assistant	300 hours @ $15.00/hour	$4,500
Total Salaries & Wages		**$91,500**
C. Fringe Benefits		
PI / Co-PI / Postdoc	32% of $63,000 in salary	$20,160
Graduate Research Assistant	8% of $24,000 stipend	$1,920
Undergraduate Student	8% of $4,500 wages	$360
Total Fringe Benefits		**$22,440**
D. Travel		
Domestic Conference Travel	2 travelers × $1,500 (airfare, lodging, per diem)	$3,000
E. Equipment		
Portable Spectrometer	1 unit, required for field data collection	$6,000
F. Supplies		
Laboratory & Research Supplies	Reagents, sample materials, software licenses	$5,000
G. Participant Support Costs		
Summer Teacher Workshop	10 K–12 teachers: stipends & materials @ $500 each	$5,000
H. Other Direct Costs		
Graduate Tuition Remission	1 GRA, per CAU tuition remission policy	$12,000

Line Item	Detail	Amount
Publication/Dissemination	Open-access and page charges	$1,500
Total Direct Costs		**$146,440**
I. Indirect Costs (F&A)		
Indirect Costs	46% of MTDC ($123,440)*	$56,782
TOTAL PROJECT COST		**$203,222**

**MTDC excludes equipment, tuition remission, and participant support costs: $146,440 − $6,000 − $12,000 − $5,000 = $123,440.*

CORRESPONDING BUDGET JUSTIFICATION

A. Senior/Key Personnel

Dr. J. Simmons (PI) will devote one summer month to overall project direction, data analysis, and reporting, at her CAU institutional base salary rate of $9,000/month. Dr. A. Brooks (Co-PI) will devote 0.5 summer month ($4,000) to co-leading the experimental design and mentoring the graduate research assistant.

B. Other Personnel

A full-time Postdoctoral Associate ($50,000/year) will lead day-to-day data collection and analysis. One Graduate Research Assistant ($24,000/year stipend) will conduct fieldwork and contribute to publications as part of their dissertation research. An Undergraduate Student Assistant (300 hours @ $15.00/hour = $4,500) will support data entry and laboratory preparation, providing research training experience.

C. Fringe Benefits

Fringe benefits are calculated using CAU's federally negotiated rates: 32% for faculty and postdoctoral salaries ($20,160) and 8% for student wages ($1,920 for the GRA and $360 for the undergraduate assistant), reflecting the reduced benefits package applicable to student employees.

D. Travel

Funds of $3,000 will support the PI and Postdoctoral Associate to attend one domestic conference to present project findings, at an estimated $1,500 per traveler for airfare, lodging, and per diem, consistent with CAU and federal travel policy.

E. Equipment

A portable spectrometer ($6,000) is requested as capital equipment required for field data collection; this instrument is not available through existing CAU shared facilities and is essential to the proposed methodology.

F. Supplies

$5,000 is requested for consumable laboratory and research supplies, including reagents, sample materials, and software licenses necessary to carry out the proposed analyses.

G. Participant Support Costs

$5,000 is budgeted to support a summer workshop for 10 K–12 teachers, providing a $500 stipend and materials per participant to support the project's broader impacts and STEM education outreach goals. These funds are excluded from the indirect cost base and may not be rebudgeted to other categories without prior agency approval.

H. Other Direct Costs

Tuition remission of $12,000 is requested for the Graduate Research Assistant in accordance with CAU's tuition remission policy and 2 CFR § 200.466. An additional $1,500 is requested for open-access publication and page charges to disseminate project results.

I. Indirect Costs (F&A)

Indirect costs are calculated at CAU's federally negotiated rate of 46% applied to Modified Total Direct Costs (MTDC) of $123,440 (Total Direct Costs of $146,440 less equipment, tuition remission, and participant support costs), yielding $56,782 in indirect costs and a total project cost of $203,222.

Questions about allowable costs or preparing your budget? Contact the CAU Office of Research and Sponsored Programs (ORSP) — indirect cost rates, salary caps, and cost-sharing rules change periodically, so always confirm current figures before submission.