Cornell University Research Federal Capacity Funds (FCF)  
Allowable and Unallowable Expenses  
Updated 05/20/2016

The following is a brief description of allowable and unallowable costs for Federal Capacity Funds (FCF). A cost is allocable if the goods or services involved are chargeable or assignable to project objectives in accordance with relative benefits received. The guiding principle is that FCFs should be used for the advancement of research and not for administrative expenses. For additional information regarding specific costs, see Examples of Federal Unallowable and Allowable Costs. (Appendix in Business Expenses in the University Policy Library). As Cornell University is the land grant college for New York State, it is expected that FCFs are used to support Research work as part of the college.

- U.S. Government Publishing Office:  
  Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

- Cornell University Policy Library:  
  Policy 3.14 - Business Expenses  
  Policy 3.20 - Cost Transfers on Sponsored Agreements

Allowable

Please note that this list IS NOT ALL INCLUSIVE:

- Travel: Proposed travel expenses are to be outlined in the budget section of the project pre-proposal/proposal
- Foreign travel: Expenses (outside the United States or Canada) must be pre-approved by the Director and should be explicitly detailed in the project budget. Approval of any other requests for foreign travel must precede the trip and should be addressed to Crystal D. Clark (cdo6).
- Senior Extension Associates or Extension Associates salaries. The percent of salary being charged must not exceed the percent on the Associates Position and/or Job Description.

  **NOTE:** For those working on research and extension activities, regardless of title, his or her job description must describe the responsibilities of both research and extension, and assign a percentage of effort. This percentage of effort must match the percentages of each type of funding being used to fund the position. The Department is responsible for keeping these descriptions accurate and may be called upon to produce the records in the course of an audit.

- GRA or RA Stipends, but please note that Health Insurance Costs may only be charged if stipend is also charged. Please note: if 5% of the students’ stipend is charged to the Hatch project, only 5% of the health insurance can be charged.
• Publications: Where the publication is based upon more than one project and not all projects reported upon are approved for FCF, the costs may be reasonably prorated. The printing and distribution of only those publications that will record the research and experimental work supported by FCF may be paid from such funds. Whenever results are published with other materials, as, for instance, in the annual report of a station, a prorated share of the cost of publication may be charged to FCF. State funds are for publishing the results of agricultural research and acceptable for matching purposes. 
• Operational expenses in support of a specified project 
• Internet Services (expenses must be directly related to the research conducted on the project) 
• Cell Phone Usage (expenses must be directly related to the research conducted on the project) 
• Equipment (Special and General Purpose Equipment) 

Capital Equipment is defined by Cornell University as an item that is “permanent in nature, having a life of at least two years, is tangible, and is held for purposes other than investment or resale, with a value of $5,000 or more, except for computer software and $100,000 or more for computer software”. However, NIFA policy, dictates that equipment purchases of a unit cost (total cost of equipment) of $1,000 or more receive the specific approval of the Director of the Experiment Station. 

The department must complete and submit (prior to purchase) a ‘Request to Purchase Equipment’ form, for all equipment purchases of a unit cost (total cost of equipment) over $1,000 (including computer) in support of research programs funded by CUAES FCF. Submit request to Crystal D. Clark (cdo6). 

FCF should only be used for equipment that is central to FCF projects. If a significant portion of the equipment is not directly used/related to the work of the particular FCF project, the cost should be prorated accordingly between FCF and another source of department funds. 

**Unallowable**

Please note that this list IS NOT ALL INCLUSIVE: 

Use of FCF allocations for work other than the approved projects is not permitted. 

• Indirect costs 
• Tuition or student fees 
• General departmental office expenses 
• Professorial salaries (regular or summer) 
• Extension positions, other than those mentioned under within “Allowable” section 
• Food- unless in travel status or directly involved in the project.
• Q: If the PI has a visitor here for the entire day doing work related items to the project, can the PI’s meal be expensed to the project?

A: No, the PI’s meal(s) is/are not covered. It would be considered a business expense and can currently be funded by unrestricted funds. The visitor’s meal may be covered if not already under travel status.

• Q: If the PI is hosting a visitor for the entire day who is doing work related to the project, can the PI’s meal be expensed to the project?

A: NO - the PI’s meal is not covered. It would be considered a business expense funded by unrestricted funds. Note: The visitor’s meal may be covered if not already covered under travel status.

• Q: If the PI is interviewing a postdoc/researcher for a position directly related to the project, can a lunch discussion be expensed to the project?

A: NO - staff lunches are not appropriate on sponsored funds.

• Q: If the PI hosts a seminar on campus and it expands over breakfast/lunch/dinner, can that meal be expensed to the project?

A1: IF the meal is required to maintain continuity of the conference / dissemination of information (e.g., all-day conference) = YES

A2: IF the meeting is strictly a few hours over breakfast/lunch/dinner because it is convenient = NO

A3: If meal is before or at the end of the meeting = NO

Questions: Contact Crystal D. Clark, cdo6@cornell.edu