

**NAHASDA PROGRAM: 2 CFR Part 200 Subpart E Cost Principles – ALLOWABILITY OF COSTS**

UG 2 CFR 200	COST TYPE	DESCRIPTION
421	Advertising	ALLOWABLE if costs are incurred for recruitment of staff or trainees, procurement of goods and services, and other specific purposes necessary to meet the requirements of the NAHASDA-supported project or activity.
421	Public relations	ALLOWABLE if (1) costs are incurred for communicating with the public and press pertaining to specific accomplishments which result from performance of the NAHASDA program or (2) costs of conducting communication and liaison necessary to keep the public informed on matters of public concern such as notices of awards, financial matters, etc. costs
422	Advisory councils	ALLOWABLE: Advisory councils or committees, such as Finance Committees or Investment Committees, costs are allowable.
423	Alcoholic beverages	UNALLOWABLE.
425	Audit services	ALLOWABLE. Periodic financial reviews are also allowable See §1000.546.
426	Bad debts	UNALLOWABLE - Bad debt and related collection and legal costs.
427	Bonding costs	ALLOWABLE, when HUD requires bonding to protect its interest.
428	Collection of improper payments	ALLOWABLE, to recover payments incorrectly made to employees, tenants or contractors.
430	Compensation: Salary and wages	ALLOWABLE costs to the extent that the amount is reasonable in relation to the work performed.  ALLOWABLE if person providing consultant services in an employer-employee type of relationship does NOT receive more than a reasonable rate of compensation for personal services paid with IHBG funds. Compensation CANNOT exceed the equivalent of the daily rate paid for Level IV of the Executive Schedule. See §1000.26(b)(2).
431	Compensation: Fringe benefits	ALLOWABLE, however  NOT ALLOWABLE: (1) Automobile costs for personal use are unallowable, regardless of whether the cost is reported as taxable income to employees.
432	Conferences	ALLOWABLE. (1) Costs for meetings, retreats, seminars, and symposiums are allowable, which may include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other items incidental to such conferences. (2) Cost of IDENTIFYING (but not providing) locally dependent care resources.

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433	Contingency provisions	ALLOWABLE if (1) Contingency, built into budget estimates of a construction project, approved by HUD, which is necessary and reasonable for proper and efficient accomplishment of project or program objectives, and (2) Is verifiable in the financial records.
434	Contribution and donations	UNALLOWABLE. Costs of contribution and donations, including cash, property, and services from the non-Federal entity to other entities, are unallowable.
435	Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	ALLOWABLE if it is necessary and reasonable.  UNALLOWABLE if the TDHE incurs legal costs to defend itself for illegal, violations and noncompliance and against whistleblowers.
436	Depreciation	GAAP requires the depreciation of all fixed assets (except land) for presentation in the financial statement.  ALLOWABLE for the grant to be charged for use of non-owned asset through depreciation through a cost allocation plan or indirect cost.  Depreciation is UNALLOWABLE to be reimbursed with IHBG funds if asset was purchased with IHBG funds.  REQUIRES HUD'S PRIOR APPROVAL if method for fixed assets is changed. See 1000.26(b)(1)(i). See PIH 2006-39.
437	Employee health and welfare costs	ALLOWABLE if costs incurred is in accordance with the TDHE's DOCUMENTED POLICIES for the improvement of working conditions, employer-employee relations, employee health, and employee performance.  UNALLOWABLE - Costs associated with Employee morale.
438	Entertainment costs.	Generally UNALLOWABLE. This includes the cost of amusements, social activities, and related incidental costs.  ALLOWABLE only where specific costs that might otherwise be considered entertainment have a programmatic purpose.
439	Equipment and other capital expenditures	ALLOWABLE: Cost of equipment and capital expenditures for IHBG activities are allowable.  NOTE: Physical inventory must be taken at least every two years.
441	Fines, penalties, damages and other settlements	UNALLOWABLE. Refer to §1000.26(b)(1)(ii). Penalties, damages, fines and other settlements are unallowable costs to the IHBG program.

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442	Fundraising	<p>ALLOWABLE if fundraising costs are for the purposes of meeting program objectives.</p> <p>UNALLOWABLE: Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions is unallowable.</p>
442	Investment management costs	<p>ALLOWABLE: (1) Costs of investing TDHE's approved investment of IHBG grant funds, including costs related to the physical custody and control of the investment.</p>
443	Gains and losses on disposition of depreciable assets	<p>GAAP requires that a gain or loss on the sale of depreciated fixed assets be recorded for presentation in the financial statement.</p> <p>UNALLOWABLE: Gains and losses on disposal of depreciable assets cannot be paid (reimbursed) with IHBG grant.</p>
445	Goods and services for personal use	<p>UNALLOWABLE: Costs of goods or services for personal use of the non-Federal entity's employees are unallowable regardless of whether the cost is reported as taxable income to the employees.</p> <p>ALLOWABLE but REQUIRES HUD'S PRIOR APPROVAL. See 1000.26(b)(1)(iii), for cost of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses.</p>
447	Insurance and indemnity	<p>ALLOWABLE.</p> <p>(1) Section 203(c) of NAHASDA requires that TDHEs maintain adequate insurance coverage for housing units that are owned, operated, or assisted with NAHASDA grant. See PG 2014-03.</p> <p>(2) Costs of insurance on the lives of trustees, officers, or other employees holding positions of similar responsibilities are allowable only to the extent that the insurance represents additional compensation.</p> <p>(3) Contributions to a reserve for certain self-insurance programs including workers' compensation, unemployment compensation, and severance pay are allowable.</p> <p>UNALLOWABLE:</p> <p>(1) Actual losses which could have been covered by permissible insurance (through a self-insurance program or otherwise) are unallowable.</p> <p>(2) Cost of insurance against defects, are unallowable.</p> <p>See also §1000.136,.138,.139,.140,.141,143,.144.</p>

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449	Interest	<p>ALLOWABLE:</p> <p>(1) Financing costs (including interest) to acquire, construct, or replace capital assets are allowable.</p> <p>(2) Cost of interest for approved loan guaranteed under Title VI loan guarantee loan program is allowable.</p>
450	Lobbying	UNALLOWABLE. Lobbying costs are not allowable costs of the IHBG grant.
451	Losses on other awards or contracts	UNALLOWABLE. Cannot transfer excess cost of another award or contract to IHBG grant for payment.
452	Maintenance and repair costs	ALLOWABLE. Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and normal maintenance costs of assets to keep it in an efficient operating condition, are allowable.
453	Materials and supplies costs, including costs of computing devices	ALLOWABLE. Costs incurred for materials, supplies, and fabricated parts necessary for NAHASDA program are allowable.
455	Organizational Costs	ALLOWABLE. Organizational costs in connection with establishment or reorganization of an organization are allowable under the NAHASDA program. See §1000.26(b)(1)
454	Memberships, dues, subscriptions	<p>ALLOWABLE. Costs for membership in business, technical, and professional organizations, subscriptions to business, professional, and technical periodicals, membership in any civic or community organization, are allowable.</p> <p>UNALLOWABLE. Cost of membership in organizations whose primary purpose is lobbying are unallowable. See also section 200.450 Lobbying.</p>
456	Participant support costs	ALLOWABLE. Direct costs for stipends, subsistence allowances, travel, registration fees, for conferences and training projects are allowable. (NOT EMPLOYEES)
457	Plant and securities costs	ALLOWABLE. Necessary and reasonable expenses incurred for protection and security of facilities and personnel are allowable.
458	Pre-award costs	ALLOWABLE. Costs incurred prior to the effective date of the Federal award, in anticipation of the award, and such costs are necessary for efficient and timely performance of the scope of work.
459	Professional service costs.	ALLOWABLE. Costs of professional services and consultants are allowable.
460	Proposal costs	ALLOWABLE. Costs of preparing bids, proposals, or applications for federal awards in support of the NAHASDA program, are allowable.

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461	Publication and printing costs	ALLOWABLE. Costs of electronic and print media, including distribution, promotion, and general handling are allowable.
463	Recruitment costs	<p>ALLOWABLE:</p> <p>(1) If recruitment cost is incurred according to the TDHE's standard recruitment program and costs of employment agencies are not in excess of standard commercial rates for such services.</p> <p>(2) If any form of compensation (fringe benefits, salary allowance) meet test of reasonableness.</p> <p>UNALLOWABLE: If the employee resigns for reasons within the employee's control within 12 months after hire, the TDHE must pay back the relocation costs to HUD (becomes unallowable cost).</p>
464	Relocation costs of employees	<p>Applies to an existing employee or upon recruitment of a new employee.</p> <p>ALLOWABLE:</p> <p>A. Relocation costs applies to an existing employee or upon recruitment of a new employee. Costs are allowable subject to:</p> <p>(1) The move is for the benefit of the employer.</p> <p>(2) Reimbursement to the employee is <u>in accordance with an established written policy consistently followed by the employer.</u></p> <p>(3) The reimbursement does not exceed the employee's actual (or reasonably estimated) expenses.</p> <p>B. <u>Relocation costs for current employees</u> are allowable, but limited for:</p> <p>(1) The costs of transportation of household, and personal effects to the new location.</p> <p>(2) The costs of finding a new home.</p> <p>(3) Closing costs, of former home.</p> <p>(4) The continuing costs of ownership (for up to six months) of the vacant former home.</p> <p>(5) Other necessary and reasonable expenses normally incident to relocation.</p>
465	Rental costs of real property and equipment	ALLOWABLE. Rental costs for the purpose of carrying out the purpose of NAHASDA programs, are allowable.
467	Selling and marketing costs	ALLOWABLE. Cost of selling and marketing affordable homes for sale and rentals owned and operated by the Tribe/TDHE is allowable.
470	Taxes (INCLUDING value added tax)	ALLOWABLE. User fee type taxes, such as gasoline taxes, hotel taxes, etc. and any taxes that the TDHE is required to pay as they relate to employment, services, travel, rental, and PILOT (Payment in Lieu of Taxes), are allowable.
472	Training and education costs	ALLOWABLE. The cost of training and education provided to employee development is allowable.

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473	Transportation costs	ALLOWABLE. Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable.
474	Travel costs	<p>ALLOWABLE.</p> <p>(1) Travel costs incurred by the employee to carry out the purpose of the NAHASDA program are allowable.</p> <p>(2) <u>Temporary dependent care costs above and beyond regular dependent care, is allowable, if the travel is a:</u></p> <p>(i) Direct result of the employee's travel for the NAHASDA program;</p> <p>(ii) Costs are reasonable and consistent with documented travel policy;</p> <p>(iii) Temporary only for the travel period.</p> <p>(3) Commercial airfare cost that does not <u>exceed the basic least expensive unrestricted fare, or the basic unrestricted airfare, is allowable.</u></p> <p>UNALLOWABLE:</p> <p>(1) Dependent travel expenses are unallowable except when travel of 6 months or more with prior approval of Federal awarding agency.</p> <p>(2) Commercial airfare costs that <u>exceed the basic least expensive unrestricted fare, or the basic unrestricted airfare, are unallowable, unless the travel.</u></p> <ul style="list-style-type: none"> <li>• Require circuitous routing;</li> <li>• Require travel during unreasonable hours;</li> <li>• Excessively prolong travel;</li> <li>• Result in additional costs that would offset the transportation savings; or</li> <li>• Offer accommodations not reasonably adequate for the traveler's medical needs. First-class or business-class airfare must be justified to be allowable.</li> </ul>
475	Trustees	ALLOWABLE. Travel and subsistence costs of trustees or Council Members or Board of Commissioners, are allowable.