

RESTRICTIONS ON THE USE OF LSTA GRANT FUNDS

To clarify some of the more commonly-occurring questions regarding how Library Services and Technology Act (LSTA) funds can or cannot be used, please see the list of explanations below. These explanations have been extracted from the Code of Federal Regulations and list important highlights of allowable and unallowable costs. Administrators and project coordinators of LSTA grant projects are cautioned that they must abide by all regulations in conducting their projects and in allotting charges against grant funds. In cases of ambiguity, uncertainty, or questions in identifying allowable cost items under Federal procedures, contact Mickie Potter at mickie.potter@library.ca.gov. A complete list with descriptions can be found at http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rgn=div6#_top

ADVERTISING AND PUBLIC RELATIONS

Advertising costs are allowable only when incurred for the recruitment of personnel, the procurement of goods and services, the disposal of scrap or surplus materials, and other specific purposes necessary to meet the requirements of the Federal award. Public relations costs are allowable when incurred to communicate with the public and press pertaining to specific activities or accomplishments that result from performance of the Federal award. Costs of advertising and public relations at conventions, meetings or other events, including displays, demonstrations, exhibits, meeting rooms, hospitality suites, and special facilities used in conjunction with shows and special events; and salaries of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rgn=div6#se2.1.200_1420

ALCOHOLIC BEVERAGES

Costs of alcoholic beverages are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rgn=div6#se2.1.200_1423

BUILDING, CONSTRUCTION, RENOVATION COSTS

Building, construction, or renovation costs are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=b3756c0176b39f3b6aaa875e8a898f3f&node=sp2.1.200.e&rgn=div6#se2.1.200_1439 and http://www.ecfr.gov/cgi-bin/text-idx?SID=b3756c0176b39f3b6aaa875e8a898f3f&node=sp2.1.200.e&rgn=div6#se2.1.200_1462 and http://www.ecfr.gov/cgi-bin/text-idx?SID=bbc920f956dde264a6c822b902593fce&mc=true&node=se2.1.200_1452&rgn=div8 and http://www.ecfr.gov/cgi-bin/text-idx?SID=bbc920f956dde264a6c822b902593fce&mc=true&node=se2.1.200_1439&rgn=div8

CONFERENCES

Costs of meetings and conferences, including meals, transportation, rental of meeting facilities, and other incidental costs, where the primary purpose is the dissemination of technical information, are allowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rgn=div6#se2.1.200_1432

CONTRIBUTIONS, DONATIONS, HONORARIUMS, STIPENDS

Contributions and donations, including cash, property, and services, that use grant funds and are made by grant recipients to others, regardless of the recipient, are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rgn=div6#se2.1.200_1434

(NOTE: Honorariums and stipends are also unallowable. Wages, salaries, reimbursements, payment for work done, and fees charged by speakers are allowable)

ENTERTAINMENT

Costs of entertainment, including amusement, diversion, and social activities, and any costs directly associated with those, such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rqn=div6#se2.1.200_1438

FUND-RAISING

Costs of organized fund-raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or to obtain contributions, are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rqn=div6#se2.1.200_1442

GENERAL GOVERNMENT EXPENSES

The general costs of government, including services normally provided to the general public, such as fire and police, are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rqn=div6#se2.1.200_1444

INCOME FROM PROJECT

Project income, e.g., fees charged for the use of library space in the context of a grant project, or to recover out of pocket project-related costs, or to create products such as manuals, or for other expenditures directly related to and used for the purposes of the grant and accrued under the conditions of the grant award, are allowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=ed6760751925ce944e80f0c721b0d006&node=se2.1.200_1307&rqn=div8

LOBBYING

The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements or loans, is unallowable. Costs of membership in organizations substantially engaged in lobbying are unallowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rqn=div6#se2.1.200_1450

MEMBERSHIPS, SUBSCRIPTIONS, AND PROFESSIONAL ACTIVITIES

Costs of the grant recipient's memberships in business, technical, and professional organizations are allowable. (NOTE: The State Library's policy is that use of LSTA funds for personal memberships in organizations is not permitted.) Subscriptions to business, professional, and technical periodicals are allowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rqn=div6#se2.1.200_1454

PREMIUMS, PRIZES, INCENTIVES, AND SOUVENIRS

Costs of promotional items and memorabilia, including models, gifts, and souvenirs, are unallowable. See ADVERTISING AND PUBLIC RELATIONS (e)(3).

REFRESHMENTS

See ENTERTAINMENT (unallowable), and MEMBERSHIPS, SUBSCRIPTIONS, AND PROFESSIONAL ACTIVITIES (allowable).

TRAINING

The cost of training provided for employee development is allowable. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rqn=div6#se2.1.200_1472

TRAVEL EXPENSE

Travel costs are allowable for expenses for transportation, lodging, subsistence, and related items incurred by employees traveling on official business. Charges should be consistent with those normally allowed in like circumstances of the grant recipient organization in its regular operations and policy, in non-federally sponsored activities. An exception to this is that car mileage reimbursement for all awarded LSTA grants cannot exceed the current state rate of 54.5 cents per mile (CPM). Reimbursement is the preferred method of payment for travel expenses. Source: 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. See electronic code of federal regulations: http://www.ecfr.gov/cgi-bin/text-idx?SID=03c9d1e056cd920512dbf61e5ee8117c&node=sp2.1.200.e&rgn=div6#se2.1.200_1474

(NOTE: The State Library's policy on out-of-state travel and conferences is that they are generally not allowed. There are exceptions, however, based on the importance of the travel and/or conference to the grant. If your grant will include out-of-state travel or attendance at an out-of-state conference, consult with your grant monitor beforehand to obtain State Library approval before scheduling the trip or registering for the conference.)