

## [2 CFR 200.439](#)

This document is current through the April 27, 2020 issue of the Federal Register. Title 3 is current through April 3, 2020.

***Code of Federal Regulations > TITLE 2 -- GRANTS AND AGREEMENTS > SUBTITLE A -- OFFICE OF MANAGEMENT AND BUDGET GUIDANCE FOR GRANTS AND AGREEMENTS > CHAPTER II--OFFICE OF MANAGEMENT AND BUDGET GUIDANCE > PART 200--UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS > SUBPART E--COST PRINCIPLES > GENERAL PROVISIONS FOR SELECTED ITEMS OF COST***

### **§ 200.439 Equipment and other capital expenditures.**

(a) See §§ 200.13 Capital expenditures, 200.33 Equipment, 200.89 Special purpose equipment, 200.48 General purpose equipment, 200.2 Acquisition cost, and 200.12 Capital assets.

(b) The following rules of allowability must apply to equipment and other capital expenditures:

(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity.

(2) Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$ 5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.

(3) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency, or pass-through entity. See § 200.436 Depreciation, for rules on the allowability of depreciation on buildings, capital improvements, and equipment. See also § 200.465 Rental costs of real property and equipment.

(4) When approved as a direct charge pursuant to paragraphs (b)(1) through (3) of this section, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the Federal awarding agency.

(5) The unamortized portion of any equipment written off as a result of a change in capitalization levels may be recovered by continuing to claim the otherwise allowable depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the Federal cognizant agency for indirect cost.

(6) Cost of equipment disposal. If the non-Federal entity is instructed by the Federal awarding agency to otherwise dispose of or transfer the equipment the costs of such disposal or transfer are allowable.

(7) Equipment and other capital expenditures are unallowable as indirect costs. See § 200.436 Depreciation.

### **Statutory Authority**

**AUTHORITY NOTE APPLICABLE TO ENTIRE PART:**

[31 U.S.C. 503](#)

## History

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[\[78 FR 78590, 78608\]](#), Dec. 26, 2013; [\[79 FR 75871\]](#), Dec. 19, 2014]

Annotations

## Notes

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### [EFFECTIVE DATE NOTE:

[\[78 FR 78590, 78608\]](#), Dec. 26, 2013, added Part 200, effective Dec. 26, 2013; [\[79 FR 75871\]](#), Dec. 19, 2014, added paragraph (b)(7), effective Dec. 26, 2014.]

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