

Marketing and Public Relations

The Uniform Guidance, in 2014 incorporated effective spending allowances and limitations into 2 CFR 200.421. This provision defines advertising and public relations costs that are allowable or prohibited with the use of federal funds.

Advertising is defined as the costs of advertising media and corollary administrative costs. Advertising media includes, but is not limited to, magazines, newspapers, radio and television, direct mail, exhibits, and electronic or computer transmittals. Allowable advertising costs include recruitment of personnel, the procurement of goods and services specific to the federal award, and program outreach (such as recruiting project participants) necessary to meet the requirements of an award.

Federal funds may be used for outreach efforts to potential participants if the outreach effort is targeted to the specific population and program parameters of a specific federally funded project. In other words, outreach should be project specific rather than broad and general in nature.

Allowable public relations costs include those required by a federal award, communicating to the public specific activities or outcomes related to the federal award, and keeping the public informed on matters of public concern such as funding opportunities and financial matters.

Unallowable costs per 2 CFR 200.421 include:

- All advertising and public relations costs other than as specified in above;
- Costs of meetings, conventions, convocations, or other events related to other activities of the entity (see also [§ 200.432](#)), including:
 - Costs of displays, demonstrations, and exhibits;
 - Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and
 - Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;
- Costs of promotional items and memorabilia, including models, gifts, and souvenirs (aka swag);
- Costs of advertising and public relations designed solely to promote the non-Federal entity.



Some federal agencies such as the Department of Labor-WIOA, and the Department of Education, may have less restrictive requirements on certain costs that are permissible. Additionally, many federal agencies place limitations on the percentage of total costs that are allowed for outreach efforts, such as no more than 5% to the award. It is always important to follow the requirements, restrictions and guidelines of the funding award. In general, any advertising, outreach or public relations expenditures should follow cost principles in terms of reasonableness, allowability and allocability.

