

Is “General Purpose” Equipment Eligible To Be Charged as a Direct Cost?

The *Code of Federal Regulations* defines “General Purpose Equipment” (covered by indirect costs) versus “Special Purpose Equipment” (charged as direct costs). However, certain circumstances may allow “General Purpose Equipment” to be charged as direct costs.

Many universities have a set of questions to ask to determine whether the “general purpose equipment” may be charged as a direct cost. For example, [Harvard University](#) gives three questions to determine whether the “General Purpose Equipment” may be charged as a direct cost:

“General purpose equipment is generally treated as an indirect cost because it cannot be easily linked to a particular project objective. Equipment types that are typically considered “general purpose” may only be appropriate as a direct expense when a PI is able to justify that the equipment is:

- necessary for the unique scientific/technical tasks of the specific agreement
- not already available, and
- will be initially utilized almost exclusively for the award objectives.”

When the answer to all three questions is “yes,” then the Project Director or Principal Investigator would be able to write the justification for requesting direct costs for that equipment.

Note: The *CFR* stipulates that if a fraction of use is not consumed by the primary federal award, the equipment’s use needs to be available first for the work of other federal awardees (and not general use).

2 CFR 200.1 - Definitions

“General purpose equipment means equipment that is not limited to research, medical, scientific, or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles.”

“Information technology systems means computing devices, ancillary equipment, software, firmware, and related procedures, services (including support services), and resources.”

“Special purpose equipment means equipment that is used only for research, medical, scientific, or other similar technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, spectrometers, and associated software.”

Last updated: June 1, 2025

Drafted by Gil Harootunian, PhD, Executive Director, University Initiatives. Contact information: gharootunian@csufresno.edu or (559)278-4850.