Circular A-21, J18– Acquisition cost for equipment means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose it is acquired. Ancillary charges, such as taxes, duty, and protective in transit insurance, freight, and installation may be included in the acquisition cost.

- **Equipment** - an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds $5,000
- **Special purpose equipment** – used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment (though not exhaustive) include microscopes, x-ray machines, surgical instruments, and spectrometers. 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 approval of the awarding agency.
- **General purpose equipment** – is not limited to research, medical, scientific or other technical activities. Examples (though not exhaustive) include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. Capital expenditures for general purpose equipment, building, and land are unallowable as direct charges, except where approved in advance by the awarding agency. A-21, J18a(4). General purpose equipment, such as desktop computers and laptops, that will be used on multiple projects or for personal use should not be listed as a direct cost but should come out of the F&A, unless primarily or exclusively used in the actual conduct of the proposed scientific research. **NIH “Developing Your Budget.”** Projects that will reside typically unallowable costs for general purpose equipment as legitimate expenses should always be qualified through the process for “Major Projects and Unlike Circumstances.”

See related document entitled “**Purchase of Personal Computers and Laptops on Sponsored Project Accounts**” for additional discussion and information.