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When is a Student Cost a Supply, an Other Cost, or a Budget Red Flag?

A practical guide to online platforms, student assessments, orientation materials, giveaways, and student support costs in TRIO budgets.

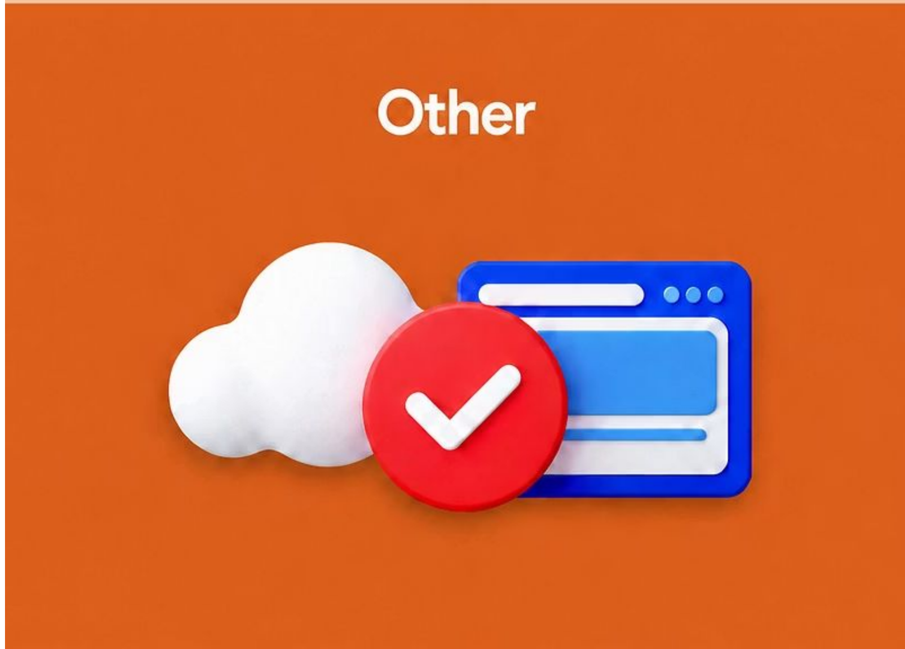
ISSUE NO. 3

ESTIMATED READING TIME: 7 MINUTES

The Quick Answer

A cost should not be placed in Supplies just because it supports students. The Supplies category is generally for **tangible** personal property, meaning physical items that are not equipment. Many online platforms, subscriptions, licenses, digital services, testing fees, assessment fees, printing costs, communication costs, and student-success tools belong in the Other category, not Supplies.

> The practical answer is: **If you can hold it in your hand, it may be Supplies. If you access it, license it, subscribe to it, or pay a fee for it, it goes under the Other budget category.**



The Real Compliance Question

A TRIO Director asks: *"We want to purchase StudentLingo, CliftonStrengths assessments for students, an online tutoring platform, or another online student success tool. Should we put that under Supplies?"*

That is a common question. The confusion happens because these tools support students. They may provide academic content, assessment results, success workshops, tutoring access, career guidance, or student-development resources, but budget category classification is not based only on who benefits.

> **The Better Question to Ask:** What is the project actually buying — a physical item or access to a service, subscription, license, assessment, or platform?

✅ Physical Item

Belongs under Supplies if tangible and not equipment

⚠️ Access, License, or Fee

Usually belongs under Other, not Supplies

What the Budget Instructions Say

In the Department of Education (ED) budget instructions, Supplies are generally described as tangible personal property that is not Equipment.* That means physical items such as consumable office supplies, instructional materials, printed handouts, calculators, headphones, webcams, books, notebooks, folders, pens, or similar items may fall under Supplies when they are necessary, reasonable, allocable, and properly justified.

***Equipment:** Under federal grant rules (Uniform Guidance 2 CFR 200.1), equipment is defined as tangible personal property, including information technology systems, with a useful life of more than one year and a per-unit acquisition cost meeting specific financial thresholds. For newer federal awards, the cost threshold is $10,000, or the organization's lower internal capitalization limit if applicable ($5,000 for older legacy awards)

Supplies Are Things

Supplies are physical, tangible personal property that is not Equipment— items you can touch, hold, and distribute.

Other Often Covers Services and Fees

Examples of Other commonly include required fees, communication costs, rental of space, printing costs, and similar costs not otherwise covered.

The Uniform Guidance Adds the Same Point

1

Supply Defined

The Uniform Guidance defines a Supply as **tangible personal property other than Equipment.** A laptop sleeve, headset, calculator, notebook, or printed workbook may be a supply. **2 C.F.R. § 200.1, 200.453.**

2

Intangible Property Defined

The Uniform Guidance also recognizes intangible property, including items such as **data, licenses, websites, intellectual property, software, software subscriptions, and licenses** as Other costs. That distinction matters for TRIO budgets. **2 C.F.R. § 200.1.**

3

The Practical Line

An online student success platform, subscription-based workshop library, student communication platform, CliftonStrengths assessment access, digital credentialing tool, or online tutoring service is **not a supply just because students use it.** It is generally better classified under Other.

Put plainly: The budget category follows what you are buying — **not who receives the benefit.**

Classification is Not the Same as Allowability

This is one of the biggest budget mistakes. Saying something belongs under Other does not mean it is unallowable. Saying something belongs under Supplies does not automatically make it allowable. **There are two separate questions:**

1

Is the Cost Allowable?

Is the cost allowable, reasonable, necessary, allocable, and consistent with the approved project? **This is the allowability question.**

2

What Budget Category Does It Belong In?

If the cost is allowable, which budget line correctly describes what the project is buying? **This is the classification question.**

Allowability and budget classification are related, but they are not the same question. Allowability determines whether the project can pay for the cost with grant funds. Budget classification determines where the cost belongs in the approved budget. **A cost may be allowable, but it still must be classified correctly.**

The Simple Classification Test

Use this test before placing a cost under Supplies or Other.

1

Is It a Physical Item?

If yes, it may belong under Supplies — unless it meets the definition of Equipment.

2

Is It a Service, License, Subscription, or Fee?

If the project is paying for access, assessment, platform use, membership, or a digital tool, it usually belongs under Other.

3

Is It Printing or Communication?

These often belong under Other, depending on ED instructions and institutional practice.

4

Is It a Student Benefit, Incentive, or Giveaway?

Stop and analyze carefully. Do not classify it as Supplies just because it is handed to a student. The item must be necessary, reasonable, allocable, and tied to an approved project activity.

Examples Commonly Classified as Supplies

These items may be classified as Supplies when they are physical items, necessary for approved project activities, and supported by a clear budget justification.

Possible Supplies	Why It May Go Under Supplies
Pens, pencils, folders, notebooks	Physical instructional or workshop materials used during approved project activities.
Calculators	Physical academic support item when tied to math, testing, tutoring, or coursework needs.
Headphones or headsets	Physical item used for tutoring, online advising, accessibility, or workshops.
Webcams or basic cameras	Physical item used for virtual services, advising, tutoring, or project activities.
Printed participant materials	Physical materials used in workshops or services tied to approved project activities.
Books or workbooks	Physical instructional materials when tied to approved services.

Lisa's Take: *The item should be tied to the approved project activity — not handed out because it is nice to have.*

Examples Commonly Classified as Other Costs

These examples usually belong under Other, not Supplies.

Possible Other Costs	Why It May Go Under Other
StudentLingo or similar online workshop platform	Subscription, license, or online service — not tangible property.
CliftonStrengths assessments for students	Assessment access, fee, license, or student-development service.
Online tutoring platform	Service or platform access — not a physical item.
College and career exploration platform	Subscription or software access.
Project Database	License, subscription, or service.
National Student Clearinghouse fees	Data-access or verification fee.
Printing and communication costs	Printing, postage, phone, internet, texting, or communication-related services rather than tangible instructional supplies.

Lisa's Take: *If the project is paying for access, service, subscription, assessment, license, or use of a platform, do not force it into Supplies just because students benefit from it.*

What About StudentLingo, CliftonStrengths, or Online Student Platforms?

StudentLingo-style platforms and CliftonStrengths assessments are good examples of costs that may be useful for participants but still do not belong in Supplies. The project may be purchasing online workshops, student success modules, academic skills content, financial literacy lessons, assessment access, strengths-based student development tools, or access to a digital student support library. Those costs may be reasonable TRIO costs if they are tied to approved project services and participant needs, but they are not Supplies in the ordinary budget sense.

Better classifications are usually:

OTHER: Online Student Success Platform / Student Workshop Subscription

OTHER: Student Assessment and Development Tool

SAMPLE BUDGET DESCRIPTION

Funds will support online student success resources and student assessment tools to provide participants with access to academic success workshops, strengths-based advising resources, financial literacy content, and related student-support modules aligned with approved project services.

What About Online Tutoring?

Online tutoring is another common example of an Other cost. The service may directly support academic tutoring, retention, course completion, or college success — that can make it programmatically valuable. But online tutoring is usually not Supplies. It is generally a contracted service, subscription, or platform access cost.

✅ Other

For subscription or service access to an online tutoring platform. This is the most common classification for TRIO budgets.

⚠️ Contractual

If the institution treats the vendor relationship as a contract and the ED form or competition permits use of that line.

❌ Not Supplies

Online tutoring is not a physical item. Placing it under Supplies misclassifies the cost regardless of how valuable the service is to participants.

> **For TRIO budgets, the cleanest description is Other: Online Tutoring Platform / Academic Support Service**

Watch the Participant Giveaway Problem

A cost is not automatically allowable because it is inexpensive, popular, or useful. These examples can create problems if the project cannot tie them clearly to an approved service, participant need, or activity.

Higher-Risk Items

Backpacks, water bottles, general swag, gift bags, logo items, broad orientation giveaways, and supplies handed out mainly as attendance incentives.

The Key Distinction

A calculator used during a math workshop is different from a backpack given to every attendee just for showing up. A notebook used during an academic planning session is different from a general gift bag.

✅ More Supportable

Item tied to a specific approved project activity with documented participant need.

❌ Higher Risk of a being an Unallowable Cost

Item given broadly as an incentive with no documented connection to an activity.

Lisa's Take: *Documentation cannot magically turn a weak giveaway into a necessary project cost.*

The Orientation Supplies Example

A project wants to provide each participant with a backpack, notebook, folder, pens, pencils, and calculator at orientation. This needs to be broken down.

✅ More Supportable - Allowable Cost	⚠️ Higher Risk - Unallowable Cost
Notebook used during an academic planning activity	Backpack as a general giveaway
Folder used to organize the participant's advising materials	Supplies given only to encourage attendance
Calculator used during a math readiness or financial literacy session	Items with no documented connection to the activity or participant need
Pens and pencils used during workshop activities	Excessive quantities or items that look more like promotional materials than instructional supports

> ***The better approach:*** *Connect each item to a specific orientation activity, workshop, advising session, or participant need.*

Sample Budget Narrative

Supplies

Instructional and Participant Materials: $2,500

Calculators, notebooks, folders, pens, headphones, printed participant materials, and other tangible items necessary for tutoring, advising, workshops, academic planning, financial literacy, and participant services.

Sample Budget Narrative

Other

Online Student Success Platform: $4,000 — Subscription or license for online student success workshops and academic support modules aligned with approved project services.

Student Assessment and Development Tools: $3,000 — Fees, licenses, or subscriptions for student-development assessments, such as CliftonStrengths assessments for participants, aligned with advising, career planning, leadership development, or academic success services.

Online Tutoring Platform: $6,000 — Access to online tutoring and academic support services for eligible project participants.

Data and Verification Fees: $1,200 — Fees for participant tracking, enrollment verification, completion verification, or other approved project data needs.

Printing and Communication Costs: $1,000 — Printing, communications, and other direct costs not clearly covered by other budget categories.

Lisa's Take

A budget category should describe what the project is buying — not just who benefits from it. If the project is buying physical items, Supplies may be correct. If the project is buying access, a license, a subscription, a service, a fee, an assessment, or a platform, Other is usually the better fit.

The practical rule: **Do not put online platforms, subscriptions, software licenses, student assessments, or student success services in Supplies just because students use them. And do not call every item handed to students a supply unless it is necessary, reasonable, allocable, and tied to approved project services.**

Key Points to Remember

Supplies are generally tangible personal property that is not Equipment.

Other is generally used for direct costs not clearly covered by other budget categories.

Online platforms, subscriptions, licenses, software access, student success tools, student assessments, and digital services usually belong in Other.

StudentLingo-style platforms, CliftonStrengths assessments, and online tutoring platforms should generally not be classified as Supplies.

Classification and allowability are separate questions.

Student items should be tied to an approved service, activity, or documented need. Giveaways and attendance incentives create higher risk of being deemed as unallowable costs.

Budget narrative should explain both the cost and the project purpose.

References

- 2 C.F.R. § 200.1, Definitions, including Supply and Intangible property.
- 2 C.F. R 200..1. Definitions, including Equipment
- 2. C.F.R. § 200.405, Allocable costs.
- 2 C.F.R. § 200.403, Factors affecting allowability of costs.
- 2 C.F.R. § 200.453, Materials and supplies costs, including costs of computing devices.
- ED Form 524 Budget Instructions, Budget Information, Non-Construction Programs.
- Applicable TRIO program regulations and approved project budget narrative.

Lisa's Take reflects NEC's practical interpretation of common TRIO compliance questions based on the Higher Education Act of 1965, as amended, applicable regulations, Uniform Guidance, and decades of experience administering, evaluating, and providing technical assistance to federally funded TRIO projects. These articles are intended as general guidance and should not be construed as legal advice or official policy of the U.S. Department of Education.