

UNALLOWABLE

For each kind of recipient, there is a set of cost principles for determining allowable costs. Allowability of costs are determined in accordance with the cost principles applicable to the entity incurring the costs. Selected unallowable costs are herewith listed, however this list is not exhaustive.

Advertising and public relations costs: Cost of convocation or other events related to instruction or other institutional activities 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 advertising and public relations designed solely to promote the institution including costs of promotional items or memorabilia, models, gifts, and souvenirs are unallowable.

Alcoholic beverages: Costs of alcoholic beverage are unallowable.

Alumni activities: Cost incurred for, or in support of, alumni activities and similar activities including services are unallowable.

Commencement and convocation costs: Costs incurred for commencement and convocations are unallowable.

Entertainment costs: Costs such as amusement, diversion, social activities and any costs directly associated with such costs are unallowable.

Goods and services for personal use: Costs of goods and services for personal use of the institution employees are unallowable regardless of whether the cost is reported as taxable income to the employees.

Interest, fund raising, and investment management costs: Cost of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are unallowable. Costs of investment counsel and staff and similar expenses incurred solely to enhance income from investments are unallowable.

Losses on other sponsored agreements or contracts: Any excess of cost over income under any other sponsored agreement or contract of any nature is unallowable.

Memberships, subscriptions and professional activity costs: Costs of membership in any civic or community organization and unallowable. Cost of membership in any country club or social or dining club or organization is unallowable.

Pre agreements costs: Costs incurred prior to the effective date of the sponsored agreement, whether or not they would have been allowable there under if incurred after such date, are unallowable unless approved by the sponsoring agency.

Selling and marketing: Costs of selling and marketing any products or services of the institutions are unallowable.

Student activity costs: Cost incurred for intramural activities, student publications, student clubs, and other student activities, are unallowable.