

Cost Accounting Standards Guidelines

Appendix A: Unallowable Costs

OMB Circular A-21 defines an unallowable cost as one which may not be charged as either a direct cost or as an indirect cost to a federally sponsored fund. This restriction does not preclude charging such costs to a non-federally sponsored fund, as long as the terms and conditions of the non-federally sponsored fund specifically permit the charge. Costs which are unallowable on federally sponsored funds may be charged to departmental discretionary funds, if appropriate. Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather, determination as to allowability in each case should be based on the treatment provided for similar or related items of cost. In case of a discrepancy between the provisions of a specific sponsored agreement and the information below, the agreement should govern. **NOTE:** Recharge funds, which operate under the provisions of OMB Circular A-21, are not discretionary funds. http://www.whitehouse.gov/omb/circulars_a021_2004/

The unallowable expenditure account codes on the left side of the table below **must** be used whenever the specific charges post to a discretionary fund source. Many unallowable accounts on the left-hand side of the table have an allowable account on the corresponding row on the right-hand side of the table. The account on the right may be used when the circumstances warrant an allowable direct cost expense or allowable F&A.

COSTS THAT ARE UNALLOWABLE ON FEDERALLY SPONSORED FUNDS			COSTS THAT ARE ALLOWABLE ON FEDERALLY SPONSORED FUNDS*		
(MAY BE CHARGED ONLY TO A DISCRETIONARY FUND)			*(IF THEY MEET THE TERMS AND CONDITIONS OF THE NOTICE OF AWARD)		
Unallowable Accounts	Description of Unallowable Expenditure Account	Example	Related Allowable Accounts	Description of Allowable Expenditure Account	Example
57250	Social Activities/Entertainment	Holiday Party	57200	Business Meetings, Food	Scientific Meetings
57251	Personal Memberships	Red Carpet Club	57201	Professional Memberships	Scientific Membership
57251	Personal Subscriptions	Sports Illustrated	57201	Professional Subscriptions	Scientific Journal not in Campus Library
57835	Advertising/Public Relations	Service Pamphlets	57901	Advertising recruiting/procurement	Recruitment
57253	Travel In-State w/o Airfare	Lobbying	57252	Travel In-State w/o Airfare	Scientific Conference
57253	Travel In-State Airfare	Lobbying	57150	Travel In-State Airfare	Scientific Conference
57253	Travel Out-of-State w/o Airfare	Lobbying	57252	Travel Out-of-State w/o Airfare	Scientific Conference
57253	Travel Out-of-State Airfare	Lobbying	57150	Travel Out-of-State Airfare	Scientific Conference
57253	Travel – Hospital Only	N/A	N/A		
57813	Foreign Scholar Entry Visa	Expedited Fees	57810	Foreign Scholar Entry Visa	Standard Fees
57843	Donations and Contributions		N/A		
55602	Legal Services		N/A		
			57400	General, Automobile, and Employment Liability (GAEL) Assessment	
55603	Fines and Penalties		N/A		
55150	Security/Police	Fingerprinting/ID Badges	N/A		