

**Financial Policy & Procedure Instructions Manual
FPI K-4 Federal Unreimbursable Costs Quick Guide**

The following categories are identified as unallowable charges by the federal government and must be separately identified in all University accounts and Fund Groups. (Or an account may be designated as unallowable where the entire activity is unallowable.)

CATEGORY	SUBCODE	DESCRIPTION OF UNALLOWABLE CHARGES	EXCEPTIONS
1. Advertising (Excluded) – See FPI D-1	4190++	Unallowable: Any advertising promoting the University or instruction. (Ex. Ag Day advertising.)	Allowable: Advertising for the recruitment of personnel, procurement of goods and services, disposal of scrap, or other specific purposes as required by the terms of the agreement. The subcode for allowable charges is 4210.
2. Alcoholic Beverages – See FPI D-1	4820	Unallowable: Alcoholic beverages are unallowable even in connection with allowable University hosting costs.	None.
3. Alumni Activities – See FPI D-1	4190++	Unallowable: All departmental costs in support of alumni activities. Or the entire account can be coded as unallowable.	None.
4. Commencement and Convocation – See FPI D-1	*	Unallowable: As a direct cost to any sponsored agreement.	Allowable: For indirect cost purposes only. (As the student services administration portion of the Instruction indirect cost rate.)
5. Contingency Provisions – See FPI D-1	*	Unallowable: Contingency reserves made for events which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening.	None.
6. Donations and Contributions to the University – See FPI D-1	*	Unallowable: The value of donated services and property are not allowable direct or indirect costs to sponsored agreements.	Allowable: To meet cost sharing and matching requirements.
7. Charitable Donations & Other Contributions made by	*	Unallowable: University services, property, or funds cannot be donated by University employees.	None.

**Financial Policy & Procedure Instructions Manual
FPI K-4 Federal Unreimbursable Costs Quick Guide**

University – See FPI D-1			
8. Entertainment – See FPI D-1	4820	Unallowable: Costs of entertainment including amusement, diversion, and social activities are unallowable. Examples: tickets to shows or sporting events or parties.	Allowable: Lunches which have a business purpose are allowable.
9. Equipment and Capital Expenditures – See FPI D-1	8210 8420 8440	Unallowable: Expenditures for equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the sponsoring agency, Expanded Authorities and/or Federal Demonstration Partnership.	Allowable: Scientific equipment is allowable if approved in award document or with sponsor's prior approval. General purpose equipment will be approved only in unusual circumstances.
10. Fines and Penalties – See FPI D-1	5300	Unallowable: Unallowable if resulting from violations of or failure to comply with federal, state, local, or foreign laws and regulations.	Allowable: As direct costs to awards, allowable only when incurred as a result of compliance with specific provisions of the sponsored agreement.
11. Fund Raising – See FPI D-1	4190 3520 4820	Unallowable: Costs of fund raising, including gift solicitation or capital campaigns, for the sole purpose of raising capital or obtaining contributions should be coded to the appropriate subcode in non-federal accounts.	None.
12. Goods or Services for Personal Use – See FPI D-1	*	Unallowable: Costs of goods or services for personal use by University employees are unallowable.	None.
13. Interest – See FPI D-1	4740	Unallowable: Interest charges for use of funds from other university accounts or borrowed funds from external parties for operating purposes.	Allowable: When paid to an external party for buildings, remodeling, and equipment greater than \$10,000. See explanation in this Unallowables FPI section.
14. Legal Costs	*	Unallowable: Legal and	None.

**Financial Policy & Procedure Instructions Manual
FPI K-4 Federal Unreimbursable Costs Quick Guide**

– See FPI D-1		other costs associated with certain court actions and administrative proceedings are unallowable.	
15. Lobbying – See FPI D-1	*	Unallowable: Attempts to influence the outcome of federal, state or local elections, referendums, initiatives or similar procedures. The entire account is coded unallowable.	Allowable: Specifically requested technical and factual presentations to legislative bodies on topics directly related to sponsored agreements and activities authorized by statute.
16. Memberships, Subscriptions and Professional Activities – See FPI D-1	3540 4480 4490	Unallowable: Costs of membership in civic, community organizations, country club, or social/dining clubs.	Allowable: Memberships in business, technical, and professional organizations; subscriptions to business, professional, and technical periodicals are normally treated as indirect costs. Permitted as direct costs only in exceptional circumstances.
17. Official Functions – See FPI D-1	4820	Unallowable: Meals and hospitality suites associated with hosting.	Allowable: Only official functions that are specifically required by and approved in the sponsored agreement. Examples: training session refreshments, costs of hosting professional meetings. Alcohol is excluded!
18. Overruns on Sponsored Agreements – See FPI D-1		Unallowable: Overruns on sponsored agreements may not be charged to other federal awards. Coordinate recording these overruns with Sponsored Programs.	None.
19. Pre-agreement costs – See FPI D-1	*	Unallowable: As a direct charge to sponsored agreements unless approved by the sponsoring agency.	Allowable: Awards incorporating expanded authorities and/or FDP terms and conditions may provide for institutional approval of pre-agreement costs.
20. Promotional Items – See FPI D-1	3520 ++	Unallowable: Promotional items or memorabilia such as mugs and hats.	None.
21. Proposal	*	Unallowable: Costs of	Allowable: Proposal costs

**Financial Policy & Procedure Instructions Manual
FPI K-4 Federal Unreimbursable Costs Quick Guide**

Costs – See FPI D-1		new proposals are unallowable as a direct charge to sponsored agreements.	related to continuation projects may be allowable as a direct cost. See this Unallowables FPI.
22. Public Relations – See FPI D-1	*	Unallowable: Any public relations expenses relating to instruction, commencements, hospitality suites, promotional items, memorabilia, etc. All Public Relations department accounts are coded as unallowable.	Allowable: Public relations expenses only as specifically required by the terms of the agreement. Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from the performance of sponsored agreements would be an allowable indirect cost.
23. Recruiting – See FPI D-1	4440 4470	Unallowable: Recruitment materials that use color, are unusually large, or which also serve other purposes.	Allowable: Search expenses, including costs of travel and relocation costs for new employees. Costs of meals which are part of the recruitment process.
24. Travel – See FPI D-1	30xx 31xx	Unallowable: Airfare costs in excess of the lowest available commercial discount airfare.	Allowable: Fares that are reasonable and consistent with institution's travel policy (include in proposal).
++ This is a new subcode created to segregate excluded expenses.			
* Various subcodes are used for this type of activity such as salary, travel, or materials and supplies.			