

# Unallowable Cost Guidelines

## Definition

Unallowable costs are defined by Smith College as those expenses which are not reimbursable under the terms and conditions of federally sponsored agreements and/or those specifically identified as unallowable in 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), published by the United States Office of Management and Budget (OMB).

## Unallowable Costs

Below is a partial list of specific costs that have been identified as unallowable on Federal awards. At no time should unallowable costs be charged to a sponsored award. This list is not an all-inclusive list and for further details regarding the Federal requirements, please review the Uniform Guidance, General Provisions for Selected Items of Cost § 200.420 – 200.475.

- **Advertising costs including promotional items and memorabilia e.g. models, gifts, and souvenirs:** Expenditures to promote the College are not allowable. Advertising for recruitment for employees or human subjects is allowable.
- **Alcoholic beverages**
- **Alumni/ae activities**
- **Bad debt losses**
- **Commencement or convocation costs**
- **Contingency provisions (reserves)**
- **Charitable contributions, donations, remembrances**
- **Development/fundraising costs**
- **Entertainment costs:** Costs of entertainment, including amusement diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sporting events, meals, lodging, rentals, transportation, and gratuities) are not allowable.
- **Fines and penalties**
- **First class travel**
- **Goods or services for personal use of employees (including gifts)**
- **Housing and personal living expenses of College officers**
- **Investment management costs**
- **Lobbying**
- **Memberships in social, dining or country clubs**
- **Moving costs if employee resigns within 12 months**
- **Pre-agreement costs,** unless approved by the sponsoring agency or permitted under expanded authorities.
- **Salary charges** above the federal salary ceiling are unallowable on federal awards.
- **Selling and marketing costs** of any products or services of the institution
- **Student activities:** intramural activities, student publications, student clubs, and other student activities not specifically provided for in a sponsored award.