



Investment management

Lobbing

Public relations unrelated to the performance of a sponsored award

Student activities: intramural activities, student publications, student clubs, and other student activities not specifically provided for in the sponsored award

- b. The following types of costs are unallowable:

Alcoholic beverages

Bad debt losses

First class travel

Fines and penalties

Internal interest expense

Membership in social, dining or country clubs

The allowable compensation for certain employees working on federally funded research is subject to a federal ceiling. Salary charges above the federal salary ceiling are unallowable on federal awards

- c. The University may identify other award costs as unallowable based on the consideration of:

Th

University policies and procedures; and

Facts and circumstances associated with a particular award

## **B. Indirect Costs**

- a. The following costs are ordinarily unallowable for direct charge to federal sponsors. However, they can qualify as indirect costs unless the item is for non-routine use that can easily and specifically be identified with an award, is required for its completion, and its purpose is justified with written documentation:

Advertising for goods, services, or personnel essential for a particular award

Communications (local calls, postage, freight)

General purpose instrumentation or equipment

Administrative and clerical support

- b. Costs normally considered indirect costs such as those above (administrative salaries, postage and express mail, telephone, copier expenses, general purpose equipment) may be allowable as direct costs if they meet all three of the following unlike purpose or circumstance criteria:

An unlike purpose and circumstance exist in which a sponsored award requires resources beyond those normally expected for a typical research award

The cost can be associated with the specific sponsored award with a high degree of accuracy

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Administrative services are integral to an award or activity;  
An individual or specific role can be specifically identified with the award or activity;  
Such costs are explicitly included in the budget and/or have the prior written approval of the Federal awarding agency; and  
The costs are not also recovered as indirect costs.

### **C. Enforcement**

If a cost cannot meet the criteria of reasonableness, allowability, allocability, and consistency, it is unallowable. Also, any costs considered inappropriate by the awarding agency are within the category of unallowable costs. See 2 CFR 200.31 (disallowed costs),

awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions

It is expected that only allowable charges are posted as direct expenses to sponsored projects. Periodic review (at least quarterly) of accounting records will be performed to detect unallowable costs. In the event that unallowable costs are identified on a sponsored project, those costs will be transferred to the home department of the Principal Investigator (PI) or Project Director (PD) by the Office of Grants and Sponsored Programs or the Business Office.

**Appendix A** contains a table of selected items of cost and their allowability. Keep in mind that depending on the nature of the award and the sponsor specific agreement, some costs that are generally unallowable may be allowable for a specific award.



Selected Cost Item	2 CFR Part 200.XXX	Rules
part-time faculty; sabbatical leave; standards for documentation)		
Compensation fringe benefits (discussion includes insurance; pension plans; organization-furnished automobile; severance pay; post-retirement health; fringe benefits in terms of tuition)	§200.431	

Selected Cost Item	2 CFR Part 200.XXX	Rules
Gains and losses on disposition of depreciable assets	§200.443	Allowable with restrictions
General costs of government (applicable to states, local governments, and Indian tribes)	§200.444	Unallowable with exceptions
Goods or services for personal use	§200.445 (a)	Unallowable
Housing, housing allowances, and personal living expenses	§200.445 (b)	Allowable with restrictions and only as direct costs
Idle facilities and idle capacity	§200.446	Idle facilities - unallowable with exceptions; idle - capacity allowable with restrictions
Insurance and indemnification	§200.447	Allowable with restrictions
Intellectual property, including royalties	§200.448	Allowable with restrictions
Interest	§200.449	Allowable with restrictions and additional conditions for states, local governments, Indian Tribes, and IHEs
Lobbying	§200.450	Unallowable with exceptions; additional restrictions on non-profits and IHEs
Losses on other awards or contracts	§200.451	Unallowable
Maintenance and repair costs	§200.452	Allowable with restrictions
Materials and supplies costs, including costs of computing devices	§200.453	Allowable with restrictions

Selected Cost Item	2 CFR Part 200.XXX	Rules
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Memberships, subscriptions, and professional activity costs

§200.454

Selected Cost Item	2 CFR Part 200.XXX	Rules
Scholarships and student aid costs	§200.466	Allowable with restrictions
Selling and marketing	§200.467	Unallowable with exceptions
Specialized service facilities	§200.468	Allowable with restrictions
Student activity costs	§200.469	Unallowable unless specifically provided for in the Federal award
Taxes (including Value Added Tax)	§200.470	Allowable with restrictions; additional conditions by type of award recipient
Termination costs	§200.471	Allowable with restrictions