

**Dartmouth College
Service Center Policy
Appendix B – Unallowable Costs**

Unallowable Costs

A cost identified in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance Part 200.400) as non-reimbursable by the federal government. Federal unallowable costs must be excluded from recharge operations and service center user fees.

Examples of unallowable costs include:

Advertising and public relations costs: Advertising and public relations costs are generally not allowable. These costs **are allowable** for the recruitment of staff or trainees, procurement of goods and services, disposal of scrap or surplus materials, publication of rates and services to members of the Dartmouth community, and other specific purposes necessary for the ordinary operation of the service center.

Alcoholic Beverages: Under no circumstances is the cost of alcohol allowable on federal grants and contracts.

Alumni Activities: Costs incurred for, or in support of, alumni activities are unallowable.

Bad Debts: Any costs, whether actual or estimated, arising from uncollectible accounts or other similar claims, including any related collection costs or legal fees, are unallowable.

Certain Legal Costs:

Charitable Contributions and Donations: Costs of contributions and donations, including cash, property, and services are unallowable

Contingencies: Budget estimate of future costs which is associated with possible events or conditions arising from causes the precise outcome of which is indeterminable at the time of estimate, and that experience shows will likely result, in additional costs for the approved activity or project. Amounts for major project scope changes, unforeseen risks,

**Dartmouth College
Service Center Policy
Appendix B – Unallowable Costs**

or extraordinary events may not be included.

Entertainment: Entertainment is defined in the Uniform Guidance as "costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities." Costs associated with after-work-hours receptions or meals where alcohol is served or whose purpose is primarily social should be classified as entertainment. Refer to Dartmouth's Business Expense Policy for more information.

Fines and Penalties.

First Class Air Travel.

Fund Raising: Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions are unallowable. Fund raising costs for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency.

Goods and Services for Personal Use: Costs of goods or services for personal use of employees are unallowable regardless of whether the cost is reported as taxable income to the employees. If approved in advance by the Federal awarding agency, costs of housing, housing allowances and personal living expenses are allowable as direct costs regardless of whether reported as taxable income to the employees.

Housing of Officers.

Interest: Interest on internal loans and external loans for operating purposes is not allowable.

Investment Management: Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable except when associated with investments covering pension, self-insurance, or cost related to the physical custody and control of monies and securities.

**Dartmouth College
Service Center Policy
Appendix B – Unallowable Costs**

Lobbying Costs: The cost of certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans; attempting to improperly influence either directly or indirectly, an employee or officer of the executive branch of the Federal government to give consideration or to act regarding a Federal award or a regulatory matter; attempts to influence the outcomes of any Federal, state, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity are unallowable. Activity specifically authorized to be undertaken with funds from the award are allowable.

Memberships and Dues: Dues are unallowable for organizational membership in professional organizations or societies unless it can be shown that such membership is necessary to accomplish the objectives of the service center.

Meals: Business meals are unallowable unless the primary purpose of the meeting is to conduct service center business in accordance with a formal agenda and there is a clear and compelling reason to meet outside the office over a meal.

Selling and Marketing Costs: Costs of selling and marketing any products or services (unless allowed under § 200.421 Advertising and public relations.) are unallowable, except with prior approval by the awarding agency when necessary for the performance of the award.

Telephone Line Costs:

Additional information on allowable and unallowable expenses on sponsored research awards is available on the Office of Sponsored Projects website. For help determining whether a specific expense is allowable contact the Office of Sponsored Projects (sponsored.projects@dartmouth.edu).