

**University of Massachusetts Dartmouth  
Academic Affairs Division**

**Policy on Unallowable Costs**

**Purpose**

The purpose of this policy is to identify costs that cannot be charged to federal programs per federal regulations.

**Background**

Allowable costs on sponsored projects are defined by specific sponsor guidelines as well as federal, state and university policies and guidelines. The Office of Management and Budget (OMB) Circular A-21 “Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions” provides principles for determining allowable costs on sponsored agreements. The Circular identifies specific costs that may not be charged to sponsored agreements.

**Unallowable Costs**

The following costs have been identified in OMB Circular A-21 as not being allowable to sponsored agreements as either a direct charge or as part of the F&A recovery:

Advertising, except for help wanted and other advertisements for services necessary to carry out the award.  
Alcoholic Beverages  
Alumni Activity  
Bad Debts  
Contingency Reserves  
Commencement and Convocations  
Donations and Contributions  
Entertainment Costs  
Excessive Employee Recruitment Costs  
Fines and Penalties  
Fund Raising and Investment Costs  
Goods or Services for Personal Use  
Housing and Personal Living Expenses  
Lobbying Costs  
Losses on other Sponsored Agreements  
Memberships in Civic or Community Organizations or in Social or Dining Clubs  
Costs of Selling and Marketing any Services of the Institution  
Student Activity Costs  
First Class Travel

This list may exclude expenditures that have been explicitly unallowed by the University of Massachusetts. See the University policy for “Management of University Funds”.

Recommended by: Louis Espinoza  
Provost

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Chancellor

Date: July 18, 2006