

Unallowable Costs on Federal Grant Awards

The following list is for general purposes only. All costs applied to sponsored research accounts should pass the test of being reasonable, allowable, allocable (specific to the project), and consistently treated. Consider whether you would feel comfortable explaining this cost on a federally funded grant award to an auditor or members of the press. If not, a non-grant account should probably be used.

Check with your RI Accountant before applying any of these expenses to a federal award, even if you feel you have an exception to the rule. Excellent documentation of unlike circumstances is always important in passing an audit.

- ❖ Advertising and public relations costs (*except in the case of recruitment for a position necessitated by the grant or public promotion of the grant activities*)
- ❖ Alcoholic beverages
- ❖ Alumni/ae activities
- ❖ Bad debt
- ❖ Capital expenditures (>\$5,000) not pre-approved by federal agency (*may become allowable if approved by RI and/or federal agency*)
- ❖ Commencement and convocation costs
- ❖ Computers and other technological devices, including cell phones, iPads, printers, etc. (*unless demonstrably to be used for the purposes of a grant **only** and included in proposal budget submitted to federal agency*)
- ❖ Contingency provisions
- ❖ Contributions or donations, including cash, property, or services
- ❖ Costs incurred in connection with any criminal, civil, or administrative proceedings
- ❖ Entertainment costs (*even on business trips*)
- ❖ Fines and penalties
- ❖ Food costs (*except for study participants or meals while traveling that abide by normal university policies*)
- ❖ Fund raising and investment costs
- ❖ Goods or services for personal use
- ❖ Housing and personal living expenses
- ❖ Institutionally furnished automobiles or other vehicles
- ❖ Lobbying costs, at any level of government
- ❖ Losses on other sponsored agreements or contracts (*it is not allowable to cover an over-expenditure on one grant by using funds from another*)
- ❖ Memberships and subscriptions (*except when necessitated by the grant*)
- ❖ Office supplies (*unless for a large printing project or mailing necessitated by the grant*)
- ❖ Payroll for university employees not engaged in the grant's activities
- ❖ Payroll in disproportionate amounts to the work performed on the grant (*i.e. a research assistant working half her time on a research project may not receive more than 50% of her pay from that award*)
- ❖ Postage (*included in F&A, exception can be made if large mailing is necessitated by the grant*)
- ❖ Professional service costs when work could be performed by qualified university personnel
- ❖ Proposal costs, including payroll for personnel working on the proposal
- ❖ Publication and printing costs (*except when a research paper reports work sponsored by the federal government*)
- ❖ Recruitment and relocation costs for employees not working on the grant (*allowable for grant-funded employees; however, if employee resigns within 12 months of hire, recruitment and relocation charges related to that employee must be moved off the grant*)

- ❖ Selling and marketing costs
- ❖ Student activity costs (*unless specifically provided for in the grant award*)
- ❖ Telephone--local charges (*included in F&A, long distance charges for specific purposes of the grant are allowable*)
- ❖ Tuition & fees (*except for training grants or tuition remission as, or in lieu of, pay for graduate students working on that particular grant*)