

UNALLOWABLE GRANT COSTS

Unallowable costs are costs that may not be charged to a federal award, either as direct or indirect costs. An organization is not necessarily prohibited from incurring unallowable costs at their own expense, but they cannot be recovered either directly or indirectly under a federal award. If you have a question about whether your expense is allowable, please contact your Federal Grant Accountant prior to incurring the cost.

- I. Costs incurred before or after the Subaward period per your MOA. For the JJ10 grant award, the Subaward period for MOAs with an effective date of February 1, 2021 is February 1, 2021 to December 31, 2021.
- II. Entertainment (2 C.F.R. §200.438), including amusement and social activities (e.g. tickets to a show or sporting event), *unless*:
 - a. There is a direct programmatic purpose authorized in your budget, or
 - i. BBBSA has provided written approval – i.e. Parent Engagement Activities: purpose must be clearly stated, how it meets the objectives of the grant, provide attendance roster.
- III. Food and Refreshments
- IV. Honoraria (versus speaker fee)
- V. Goods and Services for Personal Use (2 C.F.R. §200.445)
 - a. Personal use of office supplies and shipping services
 - b. Picture frames, greeting cards, flowers, awards/trophies
 - c. Promotional items (e.g. BBBS logo items)
 - d. Take-aways/souvenirs/memorabilia (e.g. t-shirts)
 - e. Purchasing electronics not written into the budget for the performance of the Federal Award (e.g. digital cameras and computers).
 - f. Janitorial Supplies (e.g. paper towels, facial tissues, disinfectant wipes, hand sanitizer, toilet paper, air fresheners, etc.)
- VI. Lobbying (2 C.F.R. §200.450)
- VII. Fundraising (2 C.F.R. §200.442)
- VIII. Most State and Local Sales Tax (2 C.F.R. §200.470)
- IX. Fines/penalties/damages (2 C.F.R. §200.441)
- X. Alcoholic beverages (2 C.F.R. §200.423)
- XI. Audit Services (2 C.F.R. §200.425) (e.g. Services paid to conduct your Single Audit)
- XII. Contributions and Donations (2 C.F.R. §200.434)
- XIII. Social Memberships (2 C.F.R. §200.454)
- XIV. Advertising (2 C.F.R. §200.421)
 - a. Costs of meetings, conventions, and other events related to activities of the non-profit organization, including:
 - i. Costs of displays, demonstrations, and exhibits;
 - ii. Costs of promotional items;
 - iii. Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and
 - iv. Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings;
 - b. Costs of promotional items and memorabilia, including models, gifts, t-shirts, caps, lanyards, bags, and souvenirs.
 - c. Costs of advertising and public relations designed solely to promote the Agency.

Besides the expenses listed above, BBBSA reserves the right to be more restrictive with the costs that are allowed for reimbursement on our federal grants. Examples of these costs that are not reimbursable include, but are not limited to:

1. Stipends – Stipends are not reimbursable. If your agency subjects the stipends to FICA taxes, the tax related to the stipends are not reimbursable either. Examples include stipends intended to pay for cell phone usage, car allowance (mileage), and health insurance.
2. Bonuses – Bonuses and the related FICA taxes are not reimbursable.
3. Overtime Pay – The grant will pay for hours worked on grant. For hourly employees, the reimbursable rate will be at the regular rate, not an overtime rate. For Salaried employees, the hourly rate must be recalculated based total gross salary divided by total hours worked.
4. Subscriptions or membership fees are not reimbursable. (e.g. Professional fees, Adobe, Zoom, Microsoft Office, etc.)
5. Registration Fees – registration fees for conferences are not reimbursable.
6. Licenses are not reimbursable. This applies to software and server licenses.
7. Certain Facility and Grounds Maintenance Costs are unallowable, including:
 - Landscaping
 - Janitorial services, trash removal
 - Property Management
 - Pest control
 - Window cleaning
 - Alarm services
 - Garbage Collection
8. Repairs and Maintenance – Repairs and Maintenance expenses are generally not reimbursable under the grant. A general monthly allocation to keep a reserve for repairs and maintenance is not reimbursable either. However, if your agency needed to repair something that was deemed necessary such as a repair for air conditioning or replacing lightbulbs, those expenses would be reimbursable under the FTE factor.
9. Auto Insurance – Insurance on a company owned vehicle is reimbursable. if the insurance has an annual premium, the amount of the allowable portion is 1/12th of the premium, assuming that amount has been PAID during the grant performance period.

If the insurance is to cover staff and volunteers, they auto insurance is not allowable under the grant.