

## 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 (January 1, 2020 to December 31, 2020). If your MOA is executed after January 1, 2020, your agency will not be able to incur costs before the MOA execution date.
- 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).
  - 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.