

1305 GD.02

Unallowable Costs per OMB Circular A-21 Section J Sections with Specific Unallowable Cost Provisions

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Sections J.1 through J.54 provide principles to be applied in establishing the allowability of certain items involved in determining cost. These principles should apply irrespective of whether a particular item of cost is properly treated as a direct cost or indirect cost. Failure to mention a particular item of cost is not intended to imply that it is either allowable or unallowable; rather determination as to allowability in each case should be based on the treatment provided for similar or related items of cost. In case of a discrepancy between the provisions of a specific sponsored agreement and the provisions in Section J, the agreement should govern.

J.1	Advertising and public relations costs Some allowable
J.3	Alcoholic beverages
J.4	Alumni/ae activities
J.6	Bad debts
J.8	Commencement and convocation costs
J.10	Compensation for personal services Defines allowable General Salary rates for faculty members
J.10.e	Noninstitutional professional activities
J.10.f(3)	Pension plan costs Some unallowable
J.10.g	Institution-furnished automobiles
J.10.h	Severance pay Some unallowable
J.11	Contingency provisions
J.13	Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement
J.15	Donations and contributions
J.17	Entertainment costs
J.18.b	Equipment and other capital expenditures Defines allowable
J.19	Fines and penalties
J.22	Goods or services for personal use

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J.23	Housing and personal living expenses
J.25	Insurance and indemnification Some unallowable
J.26	Interest, fund raising, and investment management costs
J.28	Lobbying
J.29	Losses on other sponsored agreements or contracts
J.33	Memberships, subscriptions and professional activity costs Some unallowable
J.36	Preagreement costs
J.21	Profits and losses on disposition of plant equipment or other capital assets Some unallowable
J.42	Recruiting costs Some unallowable
J.43	Rental cost of buildings and equipment Defines allowable
J.45	Scholarships and student aid costs
J.46	Selling and marketing
J.48	Student activity costs
J.49	Taxes Some unallowable
J.53	Travel costs Some unallowable
J.50	Termination costs applicable to sponsored agreements Some unallowable
J.54	Trustees Some unallowable