Grants- Allowable Costs

Procedure #: 600.110
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1.0 Introduction

A. The cost principles for educational institutions (2 CFR, Part 220) specifically list certain costs that are unallowable on grants, either as direct or indirect costs. Principal Investigators need to be aware of them from a direct cost standpoint and the grant accountant needs to consider these when preparing the indirect cost study.

2.0 Procedure

A. A copy of this policy listing specific unallowable items will be included on The Citadel's web page for grant procedures. This will ensure that the unallowable items are known by the person in charge of the grant.

B. The Grants Accountant will review 2 CFR, Part 220 carefully prior to completing the indirect cost study to ensure that these items are eliminated during the elimination section of the study.

C. Unallowable items are:
   • Alcoholic beverages
   • Alumni activities
   • Bad debts
   • Charges representing the non-recovery of costs under other grant agreements
   • Commencement and convocation costs*
   • Contingency provisions*
   • Contribution and donation expenditures
   • Entertainment costs*
   • Employee morale costs
   • Excessive severance packages
   • Executive lobbying costs
   • Fines and penalties*
   • Fund raising expenses*
- Goods or services for personal use of employees
- Housing and personal living expenses
- Idle facilities and idle capacity*
- Interest and other financial costs
- Intramural activity costs
- Lobbying*
- Losses on other sponsored agreements and contracts
- Memberships, subscriptions, and professional activity costs for civic, community, country club, dining club or any social organizations
- Organizational costs
- Pre-agreement costs (*unless otherwise approved by sponsoring agency*)
- Selling and marketing expenses*
- Student activity costs (*unless otherwise specified in agreement*)
- Student club costs
- Student publication costs
- Trustee travel and subsistence costs

*With exceptions