

**UCSF COST ACCOUNTING STANDARDS GUIDELINES (CAS)**  
**(Charging Practices for Sponsored Projects)**

**APPENDIX A: UNALLOWABLE COSTS**

OMB Circular A-21 defines an unallowable cost as one which may not be charged as either a direct cost or as an indirect cost to a federally sponsored fund. This restriction does not preclude charging such costs to a non-federally sponsored fund, as long as the terms and conditions of the non-federally sponsored fund specifically permit the charge. Costs which are unallowable on federally sponsored funds may be charged to departmental discretionary funds, if appropriate. **NOTE:** Recharge funds, which operate under the provisions of OMB Circular A-21, are not discretionary funds.

The unallowable expenditure NCA codes on the left side of the table below **must** be used whenever the specific charges post to a discretionary fund source. Many unallowable NCAs on the left-hand side of the table have an allowable NCA on the corresponding row on the right-hand side of the table. The NCA on the right may be used when the circumstances warrant an allowable direct cost expense or allowable F&A.

COSTS THAT ARE <u>UNALLOWABLE</u> ON FEDERALLY SPONSORED FUNDS			COSTS THAT ARE ALLOWABLE ON FEDERALLY SPONSORED FUNDS		
(MAY BE CHARGED ONLY TO A DISCRETIONARY FUND)			(IF THEY MEET THE TERMS AND CONDITIONS OF THE NOTICE OF AWARD)		
Unallow- able NCA	Description of Unallowable Expenditure NCA Code	Example	Related Allowable NCA	Description of Allowable Expenditure NCA Code	Example
433525	Social Activities/Entertainment	Holiday Party	433510	Business Meetings, Food	Scientific Meetings
433615	Personal Memberships	Red Carpet Club	433610	Professional Memberships	Scientific Membership
433635	Personal Subscriptions	Sports Illustrated	433630	Professional Subscriptions	Scientific Journal not in Campus Library
434030	Advertising/Public Relations	Service Pamphlets	434020 *	Advertising- recruiting/procurement	Recruitment
437015	Travel In-State w/o Airfare	Lobbying	437010	Travel In-State w/o Airfare	Scientific Conference
437035	Travel In-State Airfare	Lobbying	437030	Travel In-State Airfare	Scientific Conference
437055	Travel Out-of-State w/o Airfare	Lobbying	437050	Travel Out-of-State w/o Airfare	Scientific Conference
437075	Travel Out-of-State Airfare	Lobbying	437070	Travel Out-of-State Airfare	Scientific Conference
437080	Travel – Hospital Only	N/A	N/A		
437576	Foreign Scholar Entry Visa	Expedited Fees	437575	Foreign Scholar Entry Visa	Standard Fees
437535	Donations and Contributions		N/A		
434275	Legal Services		N/A		
437585	Fines and Penalties		N/A		

\* Also allowable are equivalent NCAs 434560 and 434570 for Recharge-Advertising-Recruitment and Recharge-Advertising-Procurement, respectively.

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The following expenditure NCA code is never allowable on federal or federal flow through funds, nor on the 19900 state general fund.

<u>NCA Code</u>	<u>Specific Description of Expenditure NCA</u>
437970	General, Automobile, and Employment Liability (GAEL) Assessment

The following **F&A** expenditure NCA codes may never be used by departments. Any financial adjustments to F&A must be made by the Controller's Office:

<u>NCA Code</u>	<u>Specific Description of Expenditure NCA</u>
490030	Indirect Cost Recovery (Y)
490040	Indirect Cost Recovery – Manual Adjustment (X)

The following *budget* NCA codes may never be used as *financial* entries on ANY campus fund source:

<u>NCA Code</u>	<u>Specific Description of Expenditure NCA</u>
430000	Non-Payroll Unallocated - <b>Budget Only</b>
432900	Interest and Depreciation - <b>Budget Only</b>
433040	STIP Interest - <b>Budget Only</b>
438888	Campus Unallocated - <b>Budget Only</b>
490000	Expense Recovery - <b>Budget Only</b>

The following expenditure NCA codes are centrally controlled, and should never be used by departments:

<u>Unallowable NCA Code</u>	<u>Description of Unallowable Expenditure NCA Code</u>
432900	Interest and Depreciation
432985	Interest and Long Term Debt Service
433015	Operating Lease - Interest
433020	Interest - Working Capital
433030	Interest - Other
433040	STIP Interest (budget only)
433050	Depreciation - Recharges / Sales / Auxiliary
433060	Depreciation - Land Improvement (Hospital)
433070	Depreciation - Hospital Building (Hospital)
433080	Depreciation - ACC Building (Hospital)
433090	Depreciation - Leasehold Improvements (Hospital)
433110	Depreciation - Equipment (Hospital)
433115	Depreciation – Unallowable (Hospital Only)

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The following expenditure NCA codes refer to auxiliary service and other activities which have a mechanism to determine gross sales, cost of goods sold (COGS), and profit and/or loss. These expenditure NCA codes should never post to a sponsored project fund, only to auxiliary services and approved recharge methodologies with a COGS measurement:

<u>Unallowable NCA Code</u>	<u>Description of Unallowable Expenditure NCA Code</u>
436110	COGS – Other
436115	COGS – Cell Culture
436120	COGS – Text and Reference
436140	COGS – Medical and Dental Supplies
436143	COGS – Paper
436145	COGS – Postage
436150	COGS – General Office Supplies
436160	COGS – General Books
436165	COGS – Buyout Vend
436170	COGS – Clothing and Gifts
436175	COGS – Computer
436180	COGS – Convenience Store Items