

Guideline to Federal Regulations Governing Unallowable Costs

As a recipient of federal funding, the University is required to comply with federal regulations governing the use of those funds as established by the Office of Management and Budget in 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Costs must meet the following general criteria to be allowable:

- (a) Be necessary, reasonable and allocable to the sponsored program in accordance with the proportional benefit received;
- (b) Conform to any mandated exclusions or limitations pursuant to 2 CFR 200 Subpart E as listed in the following table or as specified in the sponsored agreement;
- (c) Be consistent with policies and procedures that apply uniformly to both federally sponsored and other activities;
- (d) Be accorded consistent treatment as either a direct cost or indirect cost;
- (e) Be determined in accordance with generally accepted accounting principles;
- (f) Not be included as a cost used to meet cost sharing or matching requirements of any other federal program;
- (g) Be adequately documented.

These principles apply both to direct costs, the expenses that are incurred solely for the performance of a particular sponsored program, and to facilities and administrative (F&A) costs, the indirect expenses that are incurred for the general operation of the University and which, therefore cannot be readily and specifically identified with a particular sponsored program, and are charged to sponsored programs through the F&A cost rate. These principles also apply to recharge activities because the customers that they distribute their costs to may include sponsored programs or other departments that comprise the F&A costs of the University.

Although some costs are unallowable for reimbursement by the federal government, they may still be appropriate and necessary business activities or expenses permitted by the University. If so, such costs must be properly accounted for to ensure they can be readily identified and excluded from charges to the federal government.

It should be noted that any cost directly associated with an unallowable cost is also unallowable. A directly associated cost is any cost which is generated solely as a result of the incurrence of another cost, and which would not have been incurred had the other cost not been incurred. For example, bad debt write offs are an unallowable cost. Although contract services are normally an allowable cost, if the service relates to the collection of bad debts, those costs are also unallowable.

The following table lists the unallowable costs identified in 2 CFR 200 Subpart E and addresses the methods that the University uses to identify these costs in the accounting records.

Type of Cost	Clarifications/Exceptions	Baylor Method of Identification
<p>Advertising and public relations [200.421]</p> <p>When the intent of an advertisement is to generate revenues, the costs are unallowable.</p> <p>Expenses designed solely to promote the University are unallowable.</p>	<p>Allowable advertising costs are those for recruitment of personnel, procurement of goods and services, disposal of scrap or surplus materials, or program outreach such as enlistment of research participants. Also, advertising to inform the public of a free event is an allowable cost.</p> <p>Allowable public relations costs are limited to those for communication of matters of public concern or as part of the outreach effort of a specific sponsored program.</p>	<p>Advertising costs to recruit personnel are allowable and normally recorded under account 93578x-Personnel Recruitment. All other advertising costs are recorded in 9303xx accounts and are subject to review for allowability.</p> <p>Public relations expenses are recorded in 01511xx departments under the VP for Marketing & Communications and included in the F&A base as a direct cost activity. This includes payments to KWBU for production and other services.</p> <p>Student recruiting costs are recorded under account 93678x-Recruiting Students and excluded from the F&A rate calculation.</p>
<p>Advisory councils [200.422]</p> <p>Costs associated with advisory councils or committees are normally unallowable as a direct charge.</p>	<p>The functions of an advisory council must be reviewed to determine whether the associated costs are allowable as an indirect cost.</p>	<p>Expenses of advisory councils may be tracked in separate departments such as Staff Council, 0731175, and Faculty Senate, 0301444.</p>
<p>Alcoholic beverages [200.423]</p> <p>Costs of alcoholic beverages are unallowable.</p>		<p>University purchasing policy prohibits the purchase of alcoholic beverages.</p>

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<p>Alumni activities [200.424]</p> <p>Costs incurred for, or in support of, alumni activities are unallowable.</p>		<p>Expenses in support of alumni operations are recorded in department 0999910 and excluded from the F&A rate calculation.</p> <p>Expenses associated with alumni activities are recorded in 018xxxx departments under the VP for Constituent Engagement. All 018xxxx departments are included in the F&A base as a direct cost activity.</p>
<p>Bad debt [200.426]</p> <p>Bad debts, whether actual or estimated, and related collection and legal costs are unallowable.</p>		<p>Bad debts are recorded in accounts 9307 or 9308 and excluded from the F&A rate calculation.</p> <p>Fees paid to a collection service are recorded in the Cashier's department 0751114 under account 9318. The transactions in 9318 are reviewed to identify the amounts to be excluded.</p>
<p>Commencement and convocation costs [200.429]</p> <p>Commencement and convocation costs are allowable only as an F&A cost under the Student Administration & Services (SAS) category <u>for the long-form method only</u>.</p> <p>All SAS costs are classified as direct for the short-form method.</p>	<p>Inclusion of costs in SAS results in 100% allocation to instruction.</p>	<p>These expenses are recorded in department 0301155-Catalogue-Commencement-Diplomas and included in the F&A base as a direct cost activity.</p>

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<p>Compensation – personal services & fringe benefits [200.430 & 200.431]</p> <p>Supplemental compensation is generally unallowable. [200.430 (h)(1)(ii)]</p> <p>Compensation in excess of statutory ceilings is unallowable. [200.430 (d)(2)]</p> <p>Tuition benefits for family members other than the employee are unallowable. [200.431 (j)(1)]</p> <p>That portion of the cost of institution-furnished automobiles that relates to personal use by employees is unallowable. [200.431(f)]</p>	<p>Supplemental compensation for incidental activities or for intra-institution consultation requires prior written approval by the awarding agency.</p> <p>Faculty must follow the University’s policies and practices concerning the permissible extent of consulting services that can be provided outside of the University.</p> <p>Limits are imposed on the amount of salary that an individual may receive under a NIH or NSF grant.</p>	<p>Supplemental compensation is recorded in accounts 915xxx and excluded from the F&A rate calculation.</p> <p>Tuition benefits for spouses and dependents are recorded in accounts 918920 and 918930, respectively, and are excluded.</p> <p>Institution-furnished automobiles are identified through inquiry of the Payroll Office and noted in the fixed asset inventory for exclusion of the entire amount of depreciation expense.</p> <p>Payments on gasoline credits cards under the vendor account designated for personal and business use are associated with Athletics. Since these expenses are in the F&A base, no adjustment is necessary.</p>
<p>Conferences [200.432]</p> <p>Conferences, such as meetings, retreats, seminars, symposiums, workshops or events that have the primary purpose of the dissemination of technical information beyond the University are allowable.</p> <p>Costs associated with internal meetings of University personnel are normally unallowable to charge to the sponsored agreement.</p>	<p>Allowable costs of hosting a conference include rental of facilities, speakers’ fees, costs of meals and refreshments, local transportation and other incidental items.</p>	<p>University purchasing policy prohibits expenditures for non-work related departmental, school/college, or divisional luncheons, dinners, or parties/celebrations/receptions.</p>

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<p>Contingency provisions [200.433(c)]</p> <p>Contributions to a contingency reserve are unallowable.</p>	<p>Exceptions may apply related to the following programs: self-insurance, pensions, severance and post-retirement health costs.</p> <p>Recharge activities are not allowed to include contributions to a contingency reserve in their rate calculations.</p>	<p>Reserves for items such as legal fees and maintenance expenses are normally recorded as transfers and thus excluded from the F&A rate calculation.</p>
<p>Contributions and donations made by the University [200.434]</p> <p>Donations, including cash, property and services, made by the University, regardless of the recipient, are unallowable.</p>		<p>University purchasing policy restricts donations. Approved donations are recorded, among other items, in account 9399, Miscellaneous Operating Expense. The transactions under this account code are reviewed in order to identify donations for exclusion from the F&A rate calculation.</p> <p>In-kind contributions to KWBU are summarized annually for disclosure in the notes to their financial statements and excluded.</p>
<p>Contributions and donations received by the University [200.434]</p> <p>The value of donated services or property is unallowable for reimbursement.</p>	<p>Subject to 200.436 below:</p> <p>The depreciation expense associated with donated fixed assets is allowable.</p> <p>Donated services or assets may be used to meet sponsored program cost sharing requirements.</p>	<p>Donated assets are included in the fixed asset inventory at the estimated fair market value or \$1.00 if fair market value is unknown.</p> <p>Donated goods or services are received by Athletics pursuant to trade agreements. The goods/services are recorded in various expense accounts and revenue is recognized in account 5953xx-Athletic Corporate Sponsorship. Since these expenses are in the F&A base, no adjustment is necessary.</p>

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<p>asset funded by the federal government is unallowable.</p> <p>Depreciation expense associated with any portion of the cost of an asset funded by the University to meet a cost share commitment on a federally sponsored program is unallowable.</p> <p>Depreciation expense associated with any asset funded by a non-federal sponsor is considered to be for the benefit of that sponsor and is unallowable for the F&A rate calculation. This also applies to assets funded by the University as cost share for a non-federal sponsored program.</p>		<p>associated with the funding department is used to identify items purchased on a federal, state or private sponsored agreement for exclusion of the depreciation from the rate calculation. Similarly, the fund code identifies equipment purchased as cost share so those items can be excluded as well.</p> <p>The University does not have any buildings with a portion of the cost funded by the federal government.</p> <p>Certain land improvements have been funded by the federal government. These costs are identified through supporting worksheets to the fixed assets system and excluded from the depreciation cost pool.</p>
<p>Employee health and welfare costs [200.437]</p> <p>Costs incurred in accordance with the University's documented policies for the improvement of working conditions, employer-employee relations, employee health, and employee performance are allowable.</p>		<p>University purchasing policy allows work related functions to be held on an infrequent basis to recognize the accomplishment of a major goal or initiative or to promote enhanced working relationships. These are considered allowable costs and are recorded in account 9199-Other Fringe Benefits.</p>
<p>Entertainment costs [200.438]</p> <p>Costs of entertainment including amusement,</p>		<p>Entertainment costs are recorded in the following accounts: 9342xx-Guests & Entertainment, 9343xx-</p>

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<p>diversion, and social activities and any associated costs such as tickets to shows or sport events, meals, lodging, rentals, transportation and gratuities are unallowable.</p>		<p>Housing Expense, 9314-Complementary Tickets, 9399xx-Miscellaneous Operating Expense, and 9199xx-Other Fringe Benefits. The transactions under 9399xx and 9199xx are reviewed in order to identify entertainment costs. The other accounts are excluded in entirety from the F&A rate calculation.</p> <p>Additionally, transactions in the Board of Regents' department 0101101 are reviewed for entertainment costs.</p>
<p>Equipment and other capital expenditures [200.439]</p> <p>The <i>total cost</i> of equipment or other capital expenditures is unallowable in the year purchased.</p> <p>The <i>depreciation</i> on equipment and other capital expenditures is allowable subject to 200.436 above.</p>	<p>Capital expenditures may be charged directly to a sponsored program when there has been prior approval by the sponsoring agency.</p>	<p>Capital expenditures are recorded in 970x accounts and excluded from F&A and recharge center rate calculations.</p>
<p>Fines, penalties, damages and other settlements [200.441]</p> <p>Costs resulting from violations of, or failure of the University to comply with, Federal, State, and local or foreign laws and regulations are unallowable.</p>		<p>The transactions under account code 9399-Miscellaneous Oper Exp are reviewed for any fines or penalties and any such items are excluded from the F&A rate calculation.</p>

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<p>Fund raising [200.442(a)]</p> <p>Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests and similar expenses incurred to raise capital or obtain contributions are unallowable.</p>		<p>Fund raising expenses are recorded in 070xxxx departments under the VP for University Development (includes college development officers) and excluded from the F&A rate calculation.</p> <p>A portion of the expenses of the Board of Regents and the President's Office are excluded due to the fundraising component of their responsibilities. The percentage excluded is an estimate consistent with that used for financial statement footnote disclosures and IRS Form 990 purposes.</p> <p>Although some of the various Deans of the University may also engage in fundraising activities, further review is not considered necessary since only 20% of their salaries can be included in the short-form method of calculating the F&A rate.</p>
<p>Gains and losses on disposition of depreciable assets [200.443]</p> <p>Losses on the disposition of depreciable property are unallowable if the loss results from the failure to maintain permissible insurance.</p>	<p>All other gains and losses on the sale, retirement, or other disposition of depreciable property are allowable as a credit or charge to depreciation.</p>	<p>The University maintains insurance on all depreciable property and therefore, does not normally incur any unallowable losses.</p> <p>Losses not covered by insurance deductibles are allowable under 200.447. These types of losses are recorded in account 9364-Uninsured Costs.</p> <p>Normal losses on the disposition of depreciable property are recorded in</p>

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		9319xx accounts and are treated as <i>allowable</i> costs for the F&A rate calculation.
<p>Goods or services for personal use [200.445(a)]</p> <p>Cost of goods or services for the personal use of University employees are unallowable.</p>		University purchasing policy prohibits personal purchases by employees, as well as personal gifts to employees.
<p>Housing & personal living expenses [200.445(b)]</p> <p>Costs of housing, housing allowances and personal living expenses for University employees are generally unallowable.</p>	Housing and personal living expenses may only be charged directly to a sponsored program when there has been prior approval by the sponsoring agency.	<p>The operating costs associated with the University owned Allbritton House (President’s home) are recorded in department 0101143 and excluded from the F&A rate calculation. Depreciation associated with the building and furnishings is identified in the fixed asset inventory under department 8000103 and excluded.</p> <p>The operating costs associated with the University owned Robbins Residence (Provost’s home) are recorded in department 0632504 and excluded from the F&A rate calculation. The Robbins Residence is not included in the fixed asset inventory, but instead treated as investment property.</p> <p>Housing expenses for other employees are usually only incurred on an interim basis and are recorded in either account 9343xx-Housing Expense or account 9199xx-Other Fringe Benefits. Account 9343xx is excluded in entirety. The transactions</p>

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		in account 9199xx are reviewed for allowability.
<p>Idle facilities and idle capacity [200.446]</p> <p>The costs of idle facilities are generally unallowable.</p>	<p>Idle facilities mean completely unused facilities that are excess to the University's current needs. Facilities includes land, buildings, equipment or any other tangible capital asset, wherever located, and whether owned or leased by the University.</p> <p>Idle capacity means the unused capacity of partially used facilities. Reasonable amounts of idle capacity are considered a normal cost of doing business.</p>	<p>Idle buildings are identified through inquiry of the appropriate University personnel.</p> <p>Properties held for campus expansion are identified in the fixed asset inventory by the funding department (6124803 & 6184801). The depreciation is excluded since the properties are generally not being used for academic purposes.</p>
<p>Insurance and indemnification [200.447]</p> <p>Indemnification means to reimburse after loss, i.e. to pay compensation to somebody for loss, damage or liability incurred.</p> <p>The cost of insurance on federally-owned property is unallowable unless specifically approved by the federal government.</p> <p>The costs of life insurance on University officers or regents that names the University as beneficiary is unallowable.</p> <p>The costs of insurance with respect to any costs incurred to correct defects</p>	<p>The costs of other insurance maintained by the University in connection with the general conduct of its activities (F&A cost) or pursuant to a sponsored program (direct cost) are allowable. Contributions to a reserve for a self-insurance program are allowable to the extent that the types of coverage, extent of coverage, and the rates and premiums would have been allowed had insurance been purchased.</p> <p>The costs of life insurance on University officers or regents are allowable to the extent that the insurance represents</p>	<p>Insurance costs (other than fringe benefit related) are recorded in account 9348, Insurance-Hazards and treated as <i>allowable</i> costs.</p> <p>The University does not carry insurance specific to federally-owned property.</p> <p>The University provides additional life insurance for Executive Council members as part of their compensation package, i.e. the University is not named as beneficiary.</p> <p>The University does not have a separate policy for insurance against defects, just the normal coverage provided by the general liability insurance policy.</p>

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<p>in the University's materials or workmanship are unallowable.</p> <p>Indemnification of any type of loss by the federal government is unallowable unless specifically approved by the federal government.</p> <p>Actual losses which could have been covered by permissible insurance are unallowable.</p>	<p>additional compensation as a fringe benefit.</p> <p>Losses not covered by insurance deductibles are allowable.</p> <p>Minor losses not covered by insurance that occur in the ordinary course of operations are allowable. These types of allowable losses are recorded in account 9364-Uninsured Costs.</p>	<p>The University maintains insurance on all depreciable property and therefore, does not normally incur any unallowable losses.</p>
<p>Intellectual property [200.448]</p> <p>Costs of applying for a patent or copyright: If the sponsored program <u>does not require</u> a patent or <u>copyright</u> or <u>does not convey</u> title or a royalty-free license to the federal government, the costs are unallowable.</p> <p>Royalties paid for the use of a patent or copyright or amortization of the costs of acquiring a patent or copyright: Costs are unallowable if the federal government has a license or the right to free use of the patent or copyright.</p>	<p>If the sponsored program <u>requires</u> a patent or <u>copyright</u> or <u>conveys</u> title or a royalty-free license to the federal government, the costs are allowable.</p> <p>Legal fees associated with general patent and copyright matters are allowable.</p>	<p>The University's Office of the General Counsel may incur legal costs associated with patents sought by faculty members. Legal fees recorded in account 934020 are reviewed for allowability.</p>
<p>Interest [200.449]</p> <p>Interest expense on debt used for general operations is unallowable.</p>	<p>Interest expense is limited to the least expensive alternative, e.g. capital lease or debt financed purchase.</p>	<p>Interest expense is recorded in account 9352. The use of funds associated with University debt is specifically identified and reviewed for allowability.</p>

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<p>Interest expense on internal loans of institutions funds is unallowable.</p> <p>Interest expense attributable to fully depreciated assets is unallowable.</p>	<p>For debt arrangements over \$1 million where the University makes an initial equity contribution to the asset purchase of 25% or less, the amount of allowable interest expense may be reduced by imputed interest earnings subject to a cash flow analysis.</p>	
<p>Investment management costs [200.442(b)]</p> <p>Costs of investment counsel and staff and similar expenses incurred to enhance income from investments are unallowable.</p>		<p>The costs of the operation of the University's Office of Investments are recorded in department 0201106 and excluded from the F&A rate calculation.</p>
<p>Lobbying [200.450]</p> <p>Attempts to influence the outcomes of any Federal, State or local election are unallowable.</p> <p>Contributions to a political party, campaign or political action committee are unallowable.</p> <p>Attempts to influence government officials in the introduction, enactment, modification, signature, or veto of Federal or State legislation are unallowable.</p> <p>Attempts to influence general public opinion on the enactment or modification of Federal or</p>		<p>University purchasing policy prohibits political contributions.</p> <p>The costs of the operation of the University's Office of Governmental Relations are recorded in department 0101138 and included in the F&A base as a direct cost activity.</p> <p>The University contracts with an outside firm for federal representation services. This cost is recorded in department 0101138 under account 9318 and up to \$25,000 included in the F&A base as a direct cost activity (MTDC basis).</p> <p>Memberships to organizations engaged primarily in lobbying activities are excluded. (See</p>

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<p>State legislation are unallowable.</p> <p>Attempts to influence an employee or officer of the Executive Branch of the federal government to give consideration or to act regarding a sponsored program or a regulatory matter are unallowable.</p> <p>Activities in support of or in preparation for lobbying are unallowable, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation.</p>		200.454 below.)
<p>Losses on other awards or contracts [200.451]</p> <p>Over expenditures, cost sharing, or under recoveries of F&A on one federally funded sponsored program are an unallowable cost to another federally funded sponsored program, either directly or through the F&A rate.</p>	<p>Over expenditures and cost sharing expenditures are to be recorded in the base for the F&A cost proposal.</p>	<p>Over expenditures are generally charged to the F&A Rev Share department of the principal investigator (PI) or the home academic department. These departments fall under either the research or instructions functions in the F&A base.</p> <p>Cost share expenditures are recorded under the same expense function as the sponsored program and normally funded by the transfer of funds from the PI's home academic department. Cost share expenditures associated with sponsored programs under non-research/instruction/public service functions are reclassified to the base for the F&A cost proposal.</p>

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		Un-reimbursed F&A is tracked in the grant system by project number and may only be used to meet the cost sharing requirement of that particular project.
<p>Materials & supplies costs, including costs of computing devices [200.453]</p> <p>Materials and supplies necessary to the performance of a sponsored agreement are allowable.</p> <p>Computing devices may be allowable.</p>	<p>Withdrawals from stockrooms must be charged at their actual net cost using a consistent method of pricing withdrawals, e.g. first-in, first out, average cost.</p> <p>Incoming transportation charges are a proper part of materials and supplies costs.</p> <p>Computing devices are allowable as a direct charge if essential to the performance of the award and charged in proportion to the relative benefit to the award.</p>	
<p>Memberships, subscriptions and professional activity costs [200.454]</p> <p>Memberships in any country club or social or dining club/organization are unallowable.</p> <p>Memberships in any organization whose primary purpose is lobbying are unallowable.</p>	<p>Memberships in business, technical, or professional organizations are allowable.</p> <p>Subscriptions to business, technical, or professional periodicals are allowable.</p> <p>Memberships in any civic or community organization are allowable with prior approval by the awarding agency.</p>	Memberships are recorded in account 9358. The transactions under this account code are reviewed in order to identify unallowable memberships.

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<p>Preaward costs [200.458]</p> <p>Costs incurred prior to the effective date of a sponsored program are unallowable unless approved by the sponsoring agency.</p>		
<p>Professional service costs [200.459]</p> <p>It is unallowable for an employee or officer of the University to be paid professional services fees in addition to their normal salary.</p> <p>Professional service fees are unallowable if the amount of the fee is contingent upon recovery of costs from the federal government.</p>		<p>Professional service costs are recorded under account 93408x-Honorarium & Professional Fees.</p> <p>The transactions under this account code in departments 0201199-Misc Institutional Support, 0101101-Board of Regents, and 0101103-President's Office are reviewed in detail for allowability and proper classification in the F&A rate calculation.</p>
<p>Proposal costs [200.460]</p> <p>The costs of preparing bids, proposals, or applications for potential awards are normally only allowable as an F&A cost, and not as a direct charge to a sponsored program.</p>		<p>The expenses of the Office of Sponsored Programs are included in the F&A cost pool.</p> <p>Departmental costs are generally charged to the academic home department of the PI and therefore included in the F&A base.</p>
<p>Recruiting costs [200.463]</p> <p>Special emoluments (perquisites), fringe benefits and salary allowances that do not conform to the University's established practices are unallowable.</p>	<p>Relocation costs incurred either as a direct or F&A cost for an employee who resigns within twelve months after hire must be refunded or credited to the federal government.</p> <p>Short-term, travel visa costs are generally allowable if critical and</p>	<p>Advertising costs to recruit personnel are allowable and normally recorded under account 9357xx-Personnel Recruitment.</p> <p>Moving expenses are usually allowable and recorded under account 9192.</p> <p>Visa costs are charged to</p>

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Long-term, immigration visa costs are generally unallowable.	necessary for the conduct of the project, and if approved by the sponsoring agency.	9199-Other Fringe Benefits if associating with hiring an employee. Visa costs associated with a speaker or lecturer are charged to 934090-Honorarium-Reimbursable Expenses.
<p>Scholarships and student aid costs [200.466]</p> <p>Costs are unallowable except when the purpose of the sponsored program is to provide training to selected participants and the charge is approved by the awarding agency, or when tuition remission or other forms of compensation are paid as, or in lieu of, wages to students.</p>		Student financial aid costs are recorded under 99xx accounts and excluded from the F&A rate calculation.
<p>Selling & marketing costs [200.467]</p> <p>Costs of selling and marketing any products or services of the institution are unallowable.</p>		The costs associated with the University's collegiate licensing activities are recorded in department 0252203 and excluded from the F&A rate calculations.
<p>Student activity costs [200.469]</p> <p>Costs incurred for intramural activities, student publications, student clubs and other student activities are unallowable.</p>		Expenses associated with student activities are charged to 08542xx departments and excluded from the F&A cost pools.
<p>Taxes [200.470]</p> <p>Taxes paid for which an exemption was available are unallowable.</p>	The University has been designated as a 501(c)(3) federal tax-exempt organization by the Internal Revenue Service.	

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	The University has received exemption from the State of Texas for state sales tax and state hotel occupancy tax. Exemptions certificates should be presented at the time of purchase or registration.	
<p>Termination costs [200.471] Termination costs are those which would not have been incurred had the sponsored program not been terminated early.</p> <p>The allowability of termination costs must be reviewed on a case-by-case basis.</p>		
<p>Travel costs [200.474] First class airfare is unallowable.</p>	International travel may require approval of the sponsoring agency. Use of U.S. flag carriers is normally required for international travel.	Pursuant to University travel policy, first-class airfare will not be reimbursed.
<p>Work study programs [200.406] Wages funded by the federal or state government under college work study programs are unallowable.</p>		Wages paid under government funded work study programs are recorded under 922x accounts and excluded from the F&A rate calculation.