

**Columbia University
Office of the Treasurer & Controller**

POLICY STATEMENT NO. 92 - 1

Subcodes for Segregation of "Unallowable" Expenses

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The attached outline sets forth accounting subcodes which must be used by each department, based on Federal guidelines on indirect costs.

The guidelines set forth "unallowable" costs that cannot be charged to Federal grants and contracts either directly or indirectly. In order to ensure that the University does not inadvertently include any to these expenses in its direct or indirect charges to grants and contracts, unallowable expenses have been assigned a special series of subcodes. Departments must use either subcode 8500 (Unallowables - General), or the specific subcodes described in the attachment, for such activities. Only lobbying costs may not be charged to the general unallowable subcode (8500); these must be charged to subcode 8590, as the University is required to segregate lobbying costs.

In certain circumstances the nature of an activity may create a conflict between existing (allowable) subcodes and the unallowable subcodes. In such situations, the unallowable subcodes should be used.

It is important to note that while these expenses are unallowable for purposes of Federal reimbursement, "unallowable" does not mean that legitimate expenditures in these categories cannot be incurred. Rather, certain costs that are permissible under current University policies may not be reimbursed directly or indirectly with Federal funds. These "unallowable" costs must be segregated by use of the special subcodes.

Questions regarding these procedures should be directed to the Associate Controller <mailto:rr1@columbia.edu> for Restricted Funds.