

<p style="text-align: center;"><b>Nutrition Services</b> <b>Department of State Health Services</b></p>
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Effective June 1, 2002

Policy No. AC:23.0

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## **Unallowable Costs**

### **Purpose**

To ensure compliance with expenditure restrictions imposed by OMB Circular A-87.

### **Authority**

OMB Circular A-87

### **Policy**

Local agencies (LAs) shall not request reimbursement for the following unallowable costs:

- I. alcoholic beverages;
- II. bad debts;
- III. contingencies;
- IV. contributions and donations;
- V. entertainment, including food and beverages;
- VI. fines and penalties;
- VII. fund raising and investment management costs;
- VIII. governor or legislative expenses;
- IX. idle facilities;
- X. interest and other financial costs;

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- XI. lobbying;
- XII. membership in organization engaged in lobbying;
- XIII. prosecution and defense of criminal and civil proceedings and claims;  
or
- XIV. under recovery of costs under federal agreements.

**Guidelines**

Additional information regarding unallowable costs as well as other circulars from the Office of Management and Budget may be obtained at <http://www.whitehouse.gov/omb/circulars/>.