





**Division of Financial and Business Services  
Disbursement Control  
GOVERNMENT UNALLOWABLE DEFINITION**

Government unallowables are those items that, although potentially appropriate and reimbursable from other university sources, are not allocable to government activities per Federal Government regulation. (See *USC Expenditure Manual* for appropriateness of reimbursement.) The items listed below must be identified and segregated regardless of the account bearing the expense to avoid their being allocated to various government indirect cost categories.

**ALL** expenses related to:

- Alumni Events** - including fund-raising expenses
- Commencement** - including student graduation parties
- Development** - including promotional gifts to donors
- Public Relations** - including banquets & advertisements
- Student Activities** - including contributions to student organizations and events

As well as the following specific expenditures regardless of business purpose:

- Alcoholic Beverages**
- Contributions**
- Donations**
- Fines and Penalties** - including interest charges
- First-Class Airfare** - difference between first class & regular coach airfare is government unallowable
- Flowers**
- Gifts**