

## 205.0 Unallowable and Restricted Expenditures

Subject	Accounts Payable
Revised	04/2025
Effective Date	03/2013
Review Date/s:	04/2025
Responsible Party	Business Services, Financial Services & Payroll

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### 1. INTRODUCTION AND PURPOSE

The following is a list of restricted and unallowable charges for official university business. Purchases made on sponsored programs or indirect costs (IDC) funds or student club accounts may have additional considerations. Questions about an expense not listed should be directed to department coordinators, supervisors, the Office of Grants and Sponsored Programs, or a Business Services representative.

### 2. UNALLOWABLE EXPENSES

Unallowable expenditures include, but are not limited to:

- A. Airfare - seat upgrades unless ADA approved. ADA declaration documentation must be provided.
- B. Cash - cash withdrawals or non-travel cash advances.
- C. Donations - contributions or donations, including financial donations or gift components when registering for a conference, or “rounding up” at a merchant to donate to a cause or organization. Except for donations from student club accounts
- D. Fuel – fuel expenses for personal vehicles – must request mileage reimbursement on travel expense report.
- E. Hospitality - hospitality-related office supplies such as coffee, plates, napkins, tissue, etc. that are intended for employee consumption.
- F. Memberships - memberships such as Costco or Amazon where MSUB has corporate programs.
- G. Services - services provided by an MSUB employee. Payment should occur through the Payroll Office.
- H. Transactions - dividing transactions to circumvent purchasing thresholds. See General Purchasing Guidelines.

### 3. RESTRICTED EXPENSES

Restricted expenses include, but are not limited to:

- A. Alcohol and Drugs - purchase of drugs and alcohol or any substance, material or service, which violates policy, law or regulations is not allowed with the following exceptions:
  - 1. Alcohol - see the [Alcohol Policy](#).
  - 2. Drugs - may be purchased for medical purposes or for a sponsored research project.
  - 3. Tobacco - see the Tobacco Free Campus Policy.
- B. Clothing (non-uniform) - certain clothing may be purchased if it is required and utilized for protective personal equipment (PPE), research, or education (e.g., scrubs, lab coats, etc.). If purchased on sponsored program funds, include justification. Clothing items such as MSUB-branded shirts for events where employees represent the university may be allowable under specific conditions and are subject to a taxable threshold. See Restricted and Unallowable Policy Procedure.
- C. Gifts - gifts must serve official university business and are subject to additional requirements. Purchase of gift cards or gift certificates including from agency accounts is not allowed except for gift cards or certificates used for research or survey participants which are subject to additional requirements. See Restricted and Unallowable Expenditures Policy Procedure.

- D. Graduation Regalia - regalia for faculty and other campus leaders who participate in graduation may be provided by the University when approved by the applicable vice-chancellor/chancellor.
- E. Equipment - Equipment with a trade-in. Contact Financial Services Office.
- F. Moving / Relocation Expenses or Allowances - relocation allowances when approved by the applicable vice-chancellor/chancellor are taxable and paid through payroll.
- G. Parking Permits and Citations - long term MSUB parking permits for privately owned vehicles and payment of parking citations are not allowed with the following exceptions:
  - 1. Parking permits can be purchased for university-owned, State of Montana, or government vehicles.
  - 2. Short-term parking permits can be purchased for visitors on official business only. See Restricted and Unallowable Expenditures Policy Procedure.
  - 3. When grant funded, which is subject to additional requirements. Contact Sponsored Programs for guidance.