

## **UNALLOWABLE EXPENSES ON GRANTS/DONATIONS/CHARITABLE DONATIONS OVERVIEW**

For competition purposes, expenditures are allowable if they:

- are necessary for the implementation of a competition project or participation in a professional development event;
- meet the requirements, limitations, and exceptions stated in the "Principles and Guidelines" section of the relevant competition;
- are determined in accordance with the Russian Federation accounting principles;
- are adequately presented in the budget and supplemented with relevant comments.

### **UNALLOWABLE EXPENSES FOR ALL COMPETITIONS**

The following expenditures are unallowable for grant/donation/charitable donations agreements:

- Repayment of debts, charges, fines, penalties, and loans;
- Repayment of borrowed capital interests and/or temporary usage of endowment;
- Purchase of securities except in cases of endowment's development and replenishment;
- Granting loans;
- Contributions to business enterprises;
- Monetary gifts, prizes;
- Purchase of alcohol and tobacco products and luxury items;
- Purchase of real estate property including land;
- Construction of new buildings, major repairs;
- Business class airflight or first-class/luxe compartment in a train for a grantee/beneficiary/project team member;
- Accommodation in hotel rooms higher than "standard" category for a grantee/beneficiary/project team member;
- Paid publications in media and specialized publications;
- Advertisement (with the exception of online promotion in social networks and social advertising);
- Unforeseen expenses not included in the budget of a project/professional development event that are not connected with the implementation of the project/participation in the professional development event;
- Hospitality and entertainment expenditures including expenditures for official receptions, business lunches, and attendance of cultural events.

### **UNALLOWABLE EXPENSES FOR SOME COMPETITIONS**

The following expenditures are unallowable for some grant/donation/charitable donations agreements: (These expenditures are determined by the "Principles and Regulations for Providing Support" for specific competitions):

- Minor refurbishment;
- Equipping facilities (purchase of furniture and etc.);
- Long-term lease of premises not for project purposes;
- Purchase of cultural property, expansion of archives and other funds and/or their automatization;
- Purchase of vehicles;
- Learning foreign languages;
- Transfer of funds to other organizations including donations, grants, and other financial support;
- Development and replenishment of endowment.

### **ALLOWABLE EXPENSES**

Depositing funds in case of grant agreements for more than 12 months to support a project or an organization's development. Deposit income after paying taxes must be used for statutory activities including running costs of NGO.