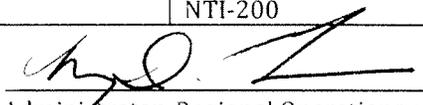


# NHTSA

## Regional Operations and Program Delivery

### Grant Management and Oversight Guidance

Guidance	<b>Sports Marketing</b>
Date of Issuance	12-15-2011
OPI	NTI-200

Signature  Date 12-15-2011  
Associate Administrator, Regional Operations and Program Delivery

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**Citation:**  
**2 CFR Part 225, Appendix B.14. *Costs of entertainment, including amusement, diversion, and social activities and other costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation and gratuities) are unallowable. [emphasis added]***

**Guidance:**  
When considering communications, paid media, and public information expenditures that involve attendance at sporting and entertainment events that charge admission, apply the following tests:

1. Determine if State/local regulations concerning purchase and acceptance of entertainment related events apply.
  2. Determine if the amount of the contract would decrease if the entertainment items (tickets) were removed from the contract price. If the cost of the contract is lower after the entertainment items (tickets) are removed, then the activity is unallowable and the management review finding will cite the 2 CFR Part 225 citation above. One remedy would be the reduction of the chargeable amount by the value of the tickets.
  3. Determine if the contract costs would remain the same with or without the tickets in the package. If the cost is unaffected by the inclusion of tickets or other entertainment items, then the activity is allowable
- If entertainment items are included in the contract, but specific costs for tickets, for example, can not be identified upon review, the State Highway Safety Office (SHSO) should request the vendor/contractor provide highway safety public service messages throughout the venue in lieu of the entertainment items.

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- If program benefit substitutions (e.g., additional ads on the scoreboard) are not available, to avoid the appearance of impropriety, the SHSO should give any entertainment items away as incentives for strong performance in the highway safety grant program.

When attending an event that charges admission, care should be taken to avoid any charges that could be interpreted as entertainment. 2 CFR Part 225, Appendix B. 14 specifically prohibits incurring costs for entertainment which it further defines to include tickets to shows or sports events, transportation, rentals, gratuities, lodging and meals.

Examples:

1. The SHSO team is assigned to work at a highway safety booth, which was rented with highway safety funds or donated by the venue. If the primary purpose for being at the event is the conduct of official highway safety business that meets the above tests, then admission for the SHSO team to the venue may be accepted.
2. The SHSO team attends a sports or other entertainment event and performs minimal highway safety business or has the use of an executive suite, then the accepting admission (whether characterized as free or not) would be unallowable.
3. Multiple Members of a SHSO attend a sports or other entertainment event with the purpose of monitoring the placement of highway safety message on the arena scoreboard and/or perimeter boards and perform no other highway safety business, the basic allowable tests stated above and in other State or local regulations will determine whether admission should be accepted.