ATTACHMENT D

ALLOWABLE COSTS FOR REIMBURSEMENT

UNDER GRANT AGREEMENT

To be reimbursable under DHS Grant Agreement, expenditures must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient administration of the program and not be a general expense required to carry out the overall responsibilities of the agency.

b. Be authorized or not prohibited under federal, state or local laws or regulations.

c. Conform to any limitations or exclusions set forth in the applicable rules, program description or grant agreement.

d. Be accorded consistent treatment through application of generally accepted accounting principles appropriate to the circumstances.

e. Not be allocable to or included as a cost of any other state or federally financed program in either the current or a prior period.

f. Be the net of all applicable credits.

g. Be specifically identified with the provision of a direct service or program activity.

h. Be an actual expenditure of funds in support of program activities, documented by check number and/or internal ledger transfer of funds.

Examples of allowable costs include the following. This is not meant to be a complete list, but rather specific examples of items within each line item category. Refer to the federal OMB Circulars for specific guidance.

Personnel Services:

Gross salary paid to agency employees directly involved in the provision of program services.

Employer's portion of fringe benefits actually paid on behalf of direct services employees; examples include FICA (Social Security), life/health insurance, Workers Compensation insurance, unemployment insurance and pension/retirement benefits.

Contractual Services:

Conference registration fees

Contractual employees (require prior program approval)

Repair & maintenance of furniture and equipment

Postage, postal services, UPS or other carrier costs

Software for support of program objectives

Subscriptions

Training and education costs

Payments (or pass-through) to subcontractors or subgrantees are to be shown in the Contractual Services section - all subcontracts or subgrants require an attached detail line-item budget supporting the subcontracted amount. All subcontracts require DHS approval.

Allocation of the applicable portion of the following costs are allowable only if approved by the program and the allocation methodology is approved as part of the application process:

Rent or lease of space or facilities

Utility costs

Insurance

Copy machine rental or lease

Costs of improvements to real property

Travel:

Mileage (at state rate unless specifically noted otherwise)

Airline or rail transportation expense

Lodging

Per Diem or meal costs

Operation costs of agency owned vehicles

Commodities (Supplies):

Office supplies

Medical supplies

Educational and instructional materials and supplies, including booklets and preprinted pamphlets

Household, laundry and cleaning supplies

Parts for furniture and office equipment

Equipment items costing less than $100.00 each

Printing (include in Supplies):

Letterpress, offset printing, binding, lithographing services

Photocopy paper, other paper supplies

Envelopes, letterhead, etc.

Equipment (requires prior written program approval):

Items costing over $100.00 each, with useful life of more than one year. Costs shall include all freight and installation charges.

Office equipment and furniture

Allowable medical equipment

Reference and training materials and exhibits

Books and films

Telecommunications (include in Contractual Services):

Telephone services

Answering services

Repair, parts and maintenance of telephones and other communication equipment

Examples of unallowable costs include the following. This is not meant to be a complete list, but rather specific examples of items within each line item category. Refer to the federal OMB Circulars for specific guidance.

Bad debts

Contingencies or provision for unforeseen events

Contributions and donations

Entertainment, alcoholic beverages, gratuities

Fines and penalties

Interest and financial costs

Legislative and lobbying expenses

Real property payments or purchases Indirect cost plan allocations