

## **Attachment D**

### **Allowable Costs**

Determinations of cost allowability are based on cost principles found in the Federal OMB Cost Principles (A-87). Costs must meet certain criteria to be allowable. The costs must be reasonable, necessary, and conform to limitations set forth in legislation, regulation or circulars. They must be consistent with the grantee's procurement policies and procedures. Grantees are required to report and adequately document costs in accordance with Generally Accepted Accounting Principles (GAAP). Failure to follow these principles may result in an inappropriate use of Federal funds and the grantee may have to repay the funds or incur a financial penalty.

#### **Funds may be used for:**

1. **Equipment:** Equipment and supplies used to support program activities.
2. **Training:** Training for direct service providers.
3. **Travel:** Travel shall be reimbursed according to the then-current State per diem policy.
4. **Personnel:** Full-time and part-time program staff costs. Salaries and benefits for group leaders and/or directors (working specifically on the objectives of the grant or contract– i.e. direct labor costs) are allowable. Salary or wages for time spent attending training or meetings required by the Grant are allowable.
5. **Administrative Expenditures:** The Department will reimburse administrative costs (both direct and indirect) up to 10% of the total budget amount.
6. **Indirect Costs:** Grantees with an approved indirect cost rates must provide DWS with their approval letter from the federal cognizant agency. GRANTEES without a federally approved indirect cost rate are limited to an indirect cost rate of 10%.
7. **Eligibility:** Costs associated with determining eligibility (form 300) must be included in Administrative costs.
8. **Contractor fees:** Fee for contracted services to accomplish specific grant/contract objectives.

#### **Funds may NOT be used for:**

1. **Supplanting:** Grant funds must be used in addition to existing funds for the program and not replace current funding from other sources.
2. **Capital expenditures:** All equipment purchases over \$5,000 are considered capital expenses, which are not allowed under this Grant.
3. **Construction:** Construction of new buildings or renovation of facilities.
4. **Vehicles:** Purchases of motor vehicles are not allowed.
5. **Stipends and Honorariums:** Grant funds cannot be used for stipends or honorariums.