

ALLOWABLE AND UNALLOWABLE COST GUIDANCE

CHILDREN, YOUTH AND FAMILIES DEPARTMENT
BEHAVIORAL HEALTH SERVICES
DOMESTIC VIOLENCE UNIT
MAY 5, 2021

PURPOSE

To prepare the budget request form for cost-reimbursement projects, Vendors should become familiar with the types of costs allowed with a CYFD BHS services contract for funding through the Administrative Services Organization. Vendors who have received CYFD BHS funding for multiple years should review this information as allowable costs may fluctuate from year to year due to changing state and federal requirements. These cost guidelines only apply to contracts negotiated through CYFD BHS's Administrative Services Organization (Falling Colors/NMstar).

AUTHORITY

These Cost Guidelines summarize, but do not replace, applicable state and federal guidelines. In some instances of state discretion, these Guidelines establish CYFD BHS policy. CYFD BHS encourages Vendors to discuss particular items of cost when they are inadequately addressed in these guidelines.

DEFINITIONS

Administrative Services Organization (ASO) is the organization contracted by the New Mexico Behavioral Health Collaborative to carry out purchases for the network of behavioral health service funders. The ASO is currently Falling Colors.

Budget means the financial plan for the project or program that CYFD BHS approves during the contracting process or in subsequent amendments to the Scope of Work or allocation.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- (1) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- (2) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

Capital expenditures means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Vendor for financial statement purposes, or \$5,000.

Exclusive or Direct costs are those costs that can be identified specifically with a particular Project or that can be directly assigned to such activities relatively easily with a high degree of accuracy. [See Shared Costs below].

Generally Accepted Accounting Principles (GAAP) has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Information technology systems means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.

“Less than Arm’s Length” relationships include those between the Vendor or any of the Vendor’s employees and:

- *Divisions of the Vendor organization or with an entity under common control through common officers, directors, or members.*
- *Directors, trustees, officers, or key employees of the Vendor.*
- *Family members and their spouses, including children, parents, siblings, grandparents, grandchildren, domestic partners, and any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.*

Personal property means property of any kind except real property. It may be tangible, having physical existence, or intangible, such as copyrights, patents, or securities.

Prior approval means written approval by an authorized CYFD BHS official evidencing prior consent before a recipient undertakes certain activities or incurs specific costs.

A *Project* refers to a definable group of program participants or deliverables, related to a Scope of Work, Standards, or within each BHSDstar allocation. A Project may receive funding from multiple sources; acceptable cost apportionment calculations for a Project budget are not limited to CYFD BHS allocations. (CYFD BHS)

Real property means land, including land improvements, structures, and additions thereto, but excludes moveable machinery and equipment.

Shared or Indirect Costs means costs not readily identified with a specific project or organizational activity but incurred for a common or joint purpose benefitting multiple projects and other activities. The time and effort of allocating shared costs to specific activities would be disproportionate to the results achieved.

Shared Costs Budget Calculation Definitions (CYFD BHS)

- **Agency Budget** – The total expenses of Vendor agency over the course of a year for all activities, verifiable through agency financial statements at year end.
- **Total Project Budget** – The total expenses for a definable Project within the Agency Budget, including but not limited to those expenses reimbursed by CYFD BHS.
- **CYFD BHS Portion of Project** – Portion of Total Project Budget expenses reimbursable by CYFD BHS through a CYFD BHS Scope of Work and allocation.

Supplies means all tangible personal property other than those described in Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the Vendor entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

Vendor means a nonprofit organization, local government, Indian tribe, or institution of higher learning that carries out the deliverables in a CYFD BHS Scope of Work. (CYFD BHS)

GENERAL GUIDELINES

All costs in the budget request must conform to the following:

1. Be reasonable in scope and size in accordance with the stated need and proposed statement of work as determined by a reasonably prudent person.
2. Be allowable according to the following criteria within limitations or exclusions set forth in these requirements or Federal Cost Principles.
3. Be subjected to generally accepted accounting principles for nonprofit organizations including maintenance of expenditure documentation for a period of no less than three years.
4. Be allocable solely to the CYFD BHS budget request and in proportion to a specific purpose within limitations or exclusions set forth in these requirements.
5. Be determined in accordance with generally accepted accounting principles (GAAP) for nonprofit organizations.
6. Be limited to costs associated with programming and services related to the contracted Project. If the vendor provides other services in addition to contracted project programming, they must allocate costs for CYFD BHS-contracted programming proportionally.
7. Exclude any costs associated with program areas that generate a fee charged to domestic violence victims receiving the services. This includes token fees or minimal fees that may not cover the entire cost of a service or a program. For example, if fees are charged for counseling services, CYFD BHS funding cannot be used to pay for any portion of the counseling program.
8. Exclude any costs that are also supported with reimbursed costs from victim compensation. If a funded program requests compensation directly and receives reimbursement, those same costs reimbursed by victim compensation cannot be supported with CYFD BHS funding.

SHARED COSTS

Unless the Vendor has a negotiated indirect cost rate (which will be honored by CYFD BHS) or utilize the federal de minimis indirect cost rate of ten percent (10%), Vendors need to allocate ALL project costs in a line-item budget proposal, including direct and shared costs. Shared costs are those costs not readily identified with a specific project or organizational activity but incurred for the joint benefit of multiple projects and other activities.

A proportional amount of shared costs can be allocated to the CYFD BHS Project budget proposal. Vendors should strive for consistency for this allocation method between Projects and funders.

Examples:

- Shelter advocates and shelter managers are likely to be 100% direct services.
- Executive Directors, finance managers, and human resources in most agencies are likely to be considered shared or indirect salaries (general management, grant writing and other fundraising, policy development, financial management, reports, board of director relations, etc.) and include time spent on unallowable activities.

Shared costs may not include ineligible costs (such as fundraising), which must be excluded from the budget allocation.

SHARED COST ALLOCATION OPTIONS

For the purposes of budgeting, Vendors may use one of the following calculation methods to allocated shared costs:

TOTAL PROJECT BUDGET RELATIVE TO THE TOTAL ORGANIZATIONAL OPERATING BUDGET

To allow Vendors to leverage all available funding for a Project, whether funded by CYFD or other sources, Vendors may calculate the maximum shared costs billable to CYFD BHS as the percentage of the Total Project Budget relative to the Total Agency Operating Budget, regardless of CYFD BHS's contribution towards the Project. For example, if the Agency Operating Budget is \$500,000 and the Project Budget for Survivor Services from all sources is \$250,000, the Vendor may allocate up to 50% of each shared cost item in their CYFD BHS budget. This is true even if the CYFD BHS allocation for the Survivor Service Project is only a portion of funders for the Project.

CYFD BHS PORTION OF AGENCY OPERATING BUDGET

A vendor may determine that the CYFD BHS portion of shared expenses is based on CYFD BHS portion of the total Agency Operating Budget. For example, if the total Agency Operating Budget is \$500,000 and CYFD BHS funding for a Survivor Services is \$150,000, the CYFD BHS portion of any shared expense should be no more than 30% of the total cost. For example, if the total expenditures for office supplies is \$500, the CYFD BHS portion should be no more than \$150.

OTHER

A vendor may determine cost allocations based on other factors at their own discretion so long as the vendor is able to explain the reasoning behind determining the cost allocations. This information should be included in the budget submitted to CYFD BHS.

INDIRECT COST RATES

Indirect costs have the *same* definition as shared costs, but the Vendor uses an indirect cost rate of either 10% or a negotiated rate that is added to direct costs to cover indirect/shared costs. Indirect Cost Rates include shared costs and may include minor items that are directly related to contracted services for reasons of practicality and efficiency (45 CFR 75.413(d)).

- 10% De Minimis Rate – No additional backup documentation is required to justify how the 10% indirect cost rate is utilized for expenses in the agency, but the indirect cost methodology used by the Vendor needs to be submitted.

- Negotiated Rate¹ – The provider may need to track all expenditures made with the indirect cost rate monies and reconcile project costs at the end of the fiscal year.

CONFLICT OF INTEREST

No purchases of items or services made by the Vendor under a CYFD BHS Scope of Work may be less-than-arm's-length without prior approval of CYFD BHS, to avoid any actual or perceived conflict of interest.

¹ At this time, CYFD BHS does not have the resources to negotiate indirect cost rates with Vendors but will honor indirect cost rates negotiated with another funding entity.

ALLOWABLE & UNALLOWABLE COSTS

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
Accounting	<ul style="list-style-type: none"> Salaries for employees who perform accounting/bookkeeping functions related to management of CYFD BHS funding. Contract employees who perform accounting/bookkeeping functions related to management of CYFD BHS funding. Other pre-approved costs for establishing and maintaining accounting systems related to management of CYFD BHS funding. 	<ul style="list-style-type: none"> Accounting systems without specific, prior approval. Non-proportional costs. 	45 CFR §75.413	
Advertising	<ul style="list-style-type: none"> Recruitment of employees paid with CYFD BHS funds or volunteers or board members performing allowable activities related to goals and objectives. Procurement of goods or services required to meet CYFD BHS goals and objectives. Disposal of surplus materials. Communicating with the public pertaining to CYFD BHS-funded activities. 	<ul style="list-style-type: none"> Promotion of fundraising events. Promotional items such as gifts or souvenirs (“SWAG”). Non-proportional costs. 	45 CFR §75.421	
Alcoholic Beverages	<ul style="list-style-type: none"> No allowable examples 	<ul style="list-style-type: none"> All alcoholic beverages for any purpose. 	45 CFR §75.423	
Attorney Fees	<ul style="list-style-type: none"> Legal representation programs established by CYFD BHS for the public benefit (e.g., legal services for survivors of domestic violence) 	<ul style="list-style-type: none"> Attorney fees paid by FVPSA Funds 	45 CFR §1370.2 State Discretion	Civil legal assistance programs must be funded with State General Funds
Audits/Financial Reviews	<ul style="list-style-type: none"> Fees charged by an independent auditor/accounting firm for a financial review or an audit if required by CYFD BHS as part of state or federal funding. 	<ul style="list-style-type: none"> Non-proportional costs 	45 CFR §75.425 State Discretion	May only use federal funds if required to conduct audit under the Single Audi Act
Bad Debts	<ul style="list-style-type: none"> No allowable examples. 	<ul style="list-style-type: none"> All bad debts including losses (whether actual or estimated) arising from uncollectable accounts or other claims. Related collection and legal costs. 	45 CFR §75.426	
Bonding Costs	<ul style="list-style-type: none"> Costs of bonding for assurance against financial loss if required by Vendor or CYFD BHS. Allowable for employees who handle grant funds when in accordance with sound business practices. 	<ul style="list-style-type: none"> Non-proportional costs. 	45 CFR §75.427	

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
Budgeting	<ul style="list-style-type: none"> Development, preparation, presentation, and execution of CYFD-BHS budgets. 	<ul style="list-style-type: none"> Development of non-CYFD BHS budgets or grant proposals. Non-proportional costs 	State Discretion	
Program Participant Assistance	<ul style="list-style-type: none"> Purchase of items or services on behalf of a Program Participant to meet documented Project goals (for example, improving over-all functioning in the areas of safety, permanency/stability, and well-being). Program participant assistance programs that are available to all program participants, subject to funding availability. 	<ul style="list-style-type: none"> Direct payments to program participants Purchases that result in a potential or de facto cash payment to program participant (rental deposits, principal payments on owned property) Gift cards (unless backed up by receipts of purchases made with cards) Purchase of unallowable items 	42 USC §10408(d)(1)	Client assistance should be limited to State General Funds
Client Food and Supplies	<ul style="list-style-type: none"> Perishable and non-perishable food items for residential and non-residential clients. Other supplies may be purchased such as diapers and hygiene products so long as they are stored or provided in a manner accessible to all clients. Funded programs may use petty cash, check, or credit cards to make purchases. Funded programs may also purchase gift cards which only staff may use to purchase food and supplies. 	<ul style="list-style-type: none"> Non-proportional costs. 	42 USC §10408(d)(1)	Client assistance should be limited to State General Funds
Client Transportation	<ul style="list-style-type: none"> Purchasing gas cards, which may be given to individual clients if the cards are purchased in bulk, i.e., multiple cards at once. Purchasing bus or train tokens/passes or taxi fares, which may be given to individual clients if they are purchased in bulk, i.e., multiple tokens/passes at once. 	<ul style="list-style-type: none"> Reimbursement of clients for taxi charges, bus tickets, plane tickets, etc. Principal payments on client-owned vehicles 	FVPSA 42 USC §10408(b)(G)(v)	
Communications	<ul style="list-style-type: none"> Telephone and fax lines, mobile phones, postage, messenger services, electronic communications, telecommunications, internet service. 	<ul style="list-style-type: none"> Non-proportional costs. 	State Discretion	
Compensation – Fringe Benefits	<ul style="list-style-type: none"> Reasonable costs of leave, pensions, unemployment benefit plans, employer contributions for social security, and employee life, health, unemployment, and worker’s compensation insurance Leave (including payouts of unused leave) may only be paid if the funded program uses sound accounting methods to compute an employee’s eligibility for paid 	<ul style="list-style-type: none"> Benefits paid directly to an employee. Fringe benefits paid without written policy, formally approved by the organization (e.g., board of directors) Non-proportional costs. 	45 CFR 75.431	

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
	<p>leave, apportions paid leave equitably between projects, and has established written policy to support allowable paid leave costs.</p> <ul style="list-style-type: none"> All paid staff must have written job descriptions reviewed within the past two years. The funded program must have written personnel policies reviewed and approved by the Board of Directors or applicable organizational authority within the past two years. Severance pay, to the extent that it follows established, written policy 			
Compensation - Personal Services	<ul style="list-style-type: none"> Reasonable salaries and wages <ul style="list-style-type: none"> <i>Reasonable</i> = Consistent with that paid for similar work in other activities within the Vendor's organization or similar work in the labor market. Incentive compensation based on cost reduction, efficient performance, or suggestion awards if 1) overall compensation is reasonable and 2) costs are paid or accrued after approval of a budget by CYFD BHS for such compensation. 	<ul style="list-style-type: none"> Non-proportional costs 	45 CFR 75.430	
Donations and Contributions from Vendor to another entity	<ul style="list-style-type: none"> No allowable examples 	<ul style="list-style-type: none"> Cash, property, and services. Note: Donated or volunteer services or goods or space may be furnished to another entity, but the value of these services cannot be reimbursed by CYFD BHS. 	45 CFR 75.434	
Employee Morale, Health, and Welfare	<ul style="list-style-type: none"> Allowable as they relate to CYFD BHS funding. Certificates of appreciation, awards, etc. Health or first-aid clinics, employee counseling. Costs should be incurred in accordance with the program's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale, and employee performance. 	<ul style="list-style-type: none"> Funded programs should use discretion when rewarding employees with the use of public funds and seek prior approval of CYFD BHS. Non-proportional costs. 	45 CFR 75.437	
Entertainment	<ul style="list-style-type: none"> Costs that might be considered entertainment, but have a programmatic purpose (e.g., outings with children of survivors to the zoo), with the prior approval of CYFD BHS 	<ul style="list-style-type: none"> Employee or director entertainment costs 	45 CFR 75.438	

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
Equipment Purchases and Other Capital Expenditures	<ul style="list-style-type: none"> (Please see definition of Equipment) Equipment and Capital expenditures can only be made with the prior approval of CYFD BHS² 	<ul style="list-style-type: none"> Any capital expenditure undertaken without prior approval of CYFD BHS 	75 CFR 75.439 State Discretion	In general, Equipment and capital expenditures will be funded with State funds
Equipment Rentals	<ul style="list-style-type: none"> Personal computers, phone, photocopiers, etc. 	<ul style="list-style-type: none"> Leases from a person or entity that has less-than-arms-length relationship with anyone in the Vendors organization Leases of any property owned by any individuals affiliated with the Vendor. Non-proportional costs 	45 CFR 75.465	
Fines and Penalties	<ul style="list-style-type: none"> Costs that have the prior approval of CYFD BHS 	<ul style="list-style-type: none"> Late fines related to utilities or banking. Fines related to failure to comply with federal, state, tribal, local, or foreign laws 	45 CFR 75.441	
Fundraising and Investment Management	<ul style="list-style-type: none"> Costs related to the physical custody and control of monies and securities related to the CYFD BHS allocation. Fundraising for the purposes of meeting the CYFD BHS Project goals <u>and</u> has the prior approval of CYFD BHS 	<ul style="list-style-type: none"> Financial campaigns, endowment drives, and solicitation of gifts and bequests. Writing of grant proposals (other than for the continuation of the CYFD BHS-funded Project), financial campaigns, organizing events, and solicitation of financial gifts, donations, and contributions. 	45 CFR 75.442	
Gift Cards	<ul style="list-style-type: none"> Allowable if they are used by staff to make purchases for the funded program's general use and there is a 	<ul style="list-style-type: none"> Non-Proportional costs. 	State Discretion	

² As a general rule, CYFD BHS will not approve or reimburse capital expenses through the Behavioral Health Collaborative's ASO contracts, unless 1) the Vendor's ability to provide the CYFD BHS contracted services will be adversely and imminently affected without the capital expenditure; the funding is available through CYFD BHS such that there is minimal impact on overall Project allocations; the Vendor is likely to provide Project services for the life of the capital asset; other funding for the capital expense(s) have been considered and CYFD BHS determines that, on balance, CYFD BHS funding of the capital expense is the most efficient or beneficial to ensuring project delivery. In the event that the Vendor purchases property that will be considered a capitalized asset, the agency shall document its intended use and submit a report annually to CYFD BHS detailing the current inventory of capitalized assets and their accumulated depreciation. The Vendor will continue to track and report on each capitalized asset until it is fully depreciated on the Vendor's financial statements. In the event that the Vendor ceases to have a contract with CYFD BHS, the Vendor will ensure that any such capital assets will be used for the intended purpose throughout their useful life, including the transfer of ownership to an entity that will use the asset for a similar public purpose.

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
	<p>written policy that requires staff to reconcile the receipts to the amount on the card.</p> <ul style="list-style-type: none"> Allowable for small program-related client incentives (e.g., completion of surveys) if they exclude the purchase of unallowable items. 	<ul style="list-style-type: none"> Used to purchase items that are otherwise unallowable. 		
Insurance	<ul style="list-style-type: none"> Insurance which the organization is required to carry or otherwise approved by CYFD BHS, which is maintained in connection with the general conduct of operations. 	<ul style="list-style-type: none"> Non-proportional costs. 	45 CFR 75.447	
Interest	<ul style="list-style-type: none"> <i>Generally unallowable</i> Interest costs that are directly related to the funded Project, have the prior approval of CYFD BHS, and meet additional conditions. 		45 CFR 75.449	
Land and buildings	<ul style="list-style-type: none"> Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings which neither add to the permanent value of the property nor appreciably prolong its intended life but keep it in an efficient operating condition. ONLY with prior approval of CYFD BHS: Program-necessary improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to existing land or buildings for necessary programming to continue. [See Maintenance, Operations, and Repair] 	<ul style="list-style-type: none"> Purchase of Land or Buildings Additions 	State Discretion	
Lobbying	<ul style="list-style-type: none"> Providing technical or factual presentation of information on a topic directly related to the performance of a grant, contract, or other agreement through hearing testimony, statements or letters to the Congress or a State legislature in response to a documented request. 	<ul style="list-style-type: none"> Staff time spent lobbying or attempting to influence the outcomes of any Federal, State, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity. Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections. 	45 CFR 75.450	

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
		<ul style="list-style-type: none"> Any attempt to influence the introduction of Federal or State legislations. Legislative liaison activities. Printing of lobbying materials. Non-proportional costs. 		
Maintenance, Operations, and Repair	<ul style="list-style-type: none"> Administration, operation, maintenance, preservation, and protection of the organization’s physical buildings or facilities used for CYFD BHS-funded activities to include: <ul style="list-style-type: none"> Janitorial and utility services. Repairs or normal alternations. Care of grounds. Security. Disaster preparedness. Environmental safety. Hazardous waste disposal. General Liability Insurance 	<ul style="list-style-type: none"> Non-proportional costs. 	45 CFR 75.452	
Materials and Supplies	<ul style="list-style-type: none"> Office supplies used to conduct normal business operations. Purchases such as materials used in the delivery of Project services. 	<ul style="list-style-type: none"> Non-proportional costs. 	45 CFR 75.453	
Meetings and Conferences	<ul style="list-style-type: none"> Purpose of meeting or conference must be to disseminate technical information to staff, volunteers, allied professionals, or community members and be related to the funded Project. When hosting or organizing meetings or conferences, reasonable meals, transportation, rental of facilities, audiovisual equipment, or speakers’ fees. 	<ul style="list-style-type: none"> Entertainment costs. Alcoholic beverages. Non-proportional costs. 	45 CFR 75.432	
Memberships, Subscriptions, and Professional Activities	<ul style="list-style-type: none"> Allowable for membership with civic, professional, and technical organizations related to delivery of CYFD BHS-funded activities or related to successful management of a CYFD BHS contract for funding. Membership must be in the name of the grantee organization and not the name of an individual. 	<ul style="list-style-type: none"> Country club, social or dining club memberships. Membership in organizations whose primary purpose is lobbying (e.g., fees to a DV Coalition to support lobbying efforts.) Non-proportional costs. 	45 CFR 75.454	

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
Mileage	<ul style="list-style-type: none"> Client transportation Project-related employee travel 	<ul style="list-style-type: none"> Personal use 	CYFD BHS discretion	See Footnote ³
Mortgage Costs	<ul style="list-style-type: none"> No allowable examples. 	<ul style="list-style-type: none"> Payments to lending institution for service on debt for owned property. 		
Organizational establishment or reorganization; Organizational defense or prosecution	<ul style="list-style-type: none"> No allowable examples 	<ul style="list-style-type: none"> Incorporation costs Management consultants Organizational attorneys Investment counselors 	45 CFR §75.455	
Participant support costs	<ul style="list-style-type: none"> Stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of non-employees for conferences or training projects 	<ul style="list-style-type: none"> Any such costs incurred without prior approval 	45 CFR 75.456	
Professional and Consultant Contracted Services/Fees	<ul style="list-style-type: none"> Professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not employees or volunteers of the program, if Vendor can justify the necessity of the expense, including that it cannot be done more economically by an employee position. Includes bookkeepers, auditors, contract staff, therapists, etc. Must have contract that is reviewed annually by the Board of Directors. Must complete a W-9 for each contractor as applicable. Must meet all other allowable cost requirements. 	<ul style="list-style-type: none"> Costs that are unreasonable. Direct reimbursement to clients for individual therapy sessions. Non-proportional costs. 	45 CFR 75.459	
Public Relations	<ul style="list-style-type: none"> Allowable when specifically related to communicating with the public regarding CYFD BHS-funded activities and keeping the public informed regarding the availability of Project services in the community. 	<ul style="list-style-type: none"> Promoting the organization to increase donations. Non-proportional costs. 	45 CFR 75.421	
Publication and Printing Costs	<ul style="list-style-type: none"> Materials used to promote availability of funded Project services. Community education/awareness materials for Project programming. Training materials such as volunteer training manuals. 	<ul style="list-style-type: none"> Materials used in projects other than the funded Project. Publications and printed materials related to fundraising. Non-proportional costs. 	45 CFR 75.461	

³ Mileage must be demonstrated with a log of mileage (beginning and ending odometer), reason for transportation, name of employee or de-identified client id. You may follow DFA rates or your own agency travel policy, if your policy does not exceed Federal mileage rates.

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
	<ul style="list-style-type: none"> General photocopying for programming and grant management tasks related to Project services. 			
Recruiting	<ul style="list-style-type: none"> Costs associated with keeping an employee and volunteer pool to manage Project workload. Help wanted advertising and interviewing costs. Relocation costs for new employees, if part of the Vendor's standard recruitment program. 	<ul style="list-style-type: none"> Non-proportional costs. 	45 CFR 75.463	
Religious Activities	<ul style="list-style-type: none"> No allowable examples 	<ul style="list-style-type: none"> Direct financial assistance for activities that include explicitly religious activities as part of CYFD BHS-funded programs or services 	45 CFR §87.3	See Footnote ⁴
Rental and Lease Agreements	<ul style="list-style-type: none"> Allowable to the extent that the rates are comparable to that of other rental property in the locale. 	<ul style="list-style-type: none"> "Less-than-arms-length" rental or lease arrangements, without prior approval of CYFD BHS. Non-proportional costs. 	45 CFR 75.465	
Security Costs	<ul style="list-style-type: none"> Necessary and reasonable expenses incurred for protection and security of facilities, personnel, and work products including equipment, barriers, devices, contractual security services, and consultants. 	<ul style="list-style-type: none"> Unreasonable costs. Capital expenditures (security-related equipment) without prior approval. Non-proportional costs. 	45 CFR 75.457	
Severance Pay	<ul style="list-style-type: none"> Allowable if required by law, employer-employee agreement, or written agency policy. 	<ul style="list-style-type: none"> Non-proportional costs. 	45 CFR 75.431	
Supplies	<ul style="list-style-type: none"> Programmatically necessary property that is valued at less than \$5,000 (i.e., computers and computer accessories) regardless of life of the product. 	<ul style="list-style-type: none"> Costs that exceed limitations. Non-proportional costs. 	45 CFR 75.453	
Taxes	<ul style="list-style-type: none"> Taxes that the program is required to pay. 	<ul style="list-style-type: none"> Taxes from which the organization is exempt. Taxes on capital assets, without prior approval. Non-proportional costs. 	45 CFR 75.453	
Training	<ul style="list-style-type: none"> Costs associated with employee, board and volunteers attending trainings related to Project or nonprofit management. Registration fees, travel, mileage, transportation, hotel etc. 	<ul style="list-style-type: none"> Non-proportional costs. 	45 CFR 75.472	

⁴ Religious activities conducted separately from funded Project activities and that are voluntary in nature, as well as the religions activity or expression of program participants, are not prohibited because of accepting CYFD BHS funding.

Item Expenditure Type	Allowable Examples	Unallowable Examples	Applicable Regulation(s)	Special Restrictions or Considerations
	<ul style="list-style-type: none"> • If paying for above noted costs, the funded program must have a written travel reimbursement policy approved by the Board of Directors. • Costs associated with delivery of training to community partners. • On-the-job training or classroom training to increase employee capacity and effectiveness. • Materials, textbooks, salaries for employees to attend training or facilitate sessions. 			
Translating and Interpreting Fees	<ul style="list-style-type: none"> • Translating domestic violence programming materials such as brochures into primary language of clients. • Hiring interpreters to work with clients and staff to improve communications. 	<ul style="list-style-type: none"> • Translation and interpreting for programming and services for clients other than domestic violence survivors. • Translation and interpreting used for fundraising events. • Non-proportional costs 	State Discretion	
Travel	<ul style="list-style-type: none"> • Costs that include transportation, lodging, subsistence for employees or volunteers who are in travel status in conducting business or attending trainings or meetings. • Mileage, hotels, per diem, airfare. • Funded program must have a written travel policy. 	<ul style="list-style-type: none"> • Excessive travel costs. • Non-proportional costs. 	45 CFR 75.474	
Trustees	<ul style="list-style-type: none"> • Travel and subsistence costs of trustees (or directors) at nonprofit organizations are allowable, apportioned as a shared cost. 	<ul style="list-style-type: none"> • Non-proportional costs 	45 CFR 75.475	
Vehicle Costs	<ul style="list-style-type: none"> • Lease agreement for a vehicle used by staff to transport program clients or travel to Project-related meetings and events. • Maintenance related to a vehicle that meets the description above. 	<ul style="list-style-type: none"> • Vehicle purchase • Non-proportional costs. 	State Discretion	If CYFD BHS reimburses lease and related expenses, the Vendor may not also bill for mileage. CYFD BHS prefers that Vendors utilize mileage reimbursement rather than actual vehicle costs for leased and Vendor-owned vehicles.