



Chapter 16 Allowable Costs

Allowable costs are identified in the [Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) and in the grant program's authorizing legislation. Costs must be reasonable, allocable, necessary to the project, consistently applied and comply with the funding statute requirements. In addition to the allowable costs outlined in the relevant [CVAD Fund Sources](#), discussions of certain elements of the following costs are listed in this chapter.

Conferences, Meetings and Training Activities

Cost thresholds and limitations are in place for the following items:

- Meeting room/audio visual services must be pre-approved by CVAD.
- Logistical Planners are RARELY ALLOWABLE.
- Programmatic Planners are RARELY ALLOWABLE.

All CVAD funded contracts for events that include lodging for 30 or more participants must not exceed the State of Iowa rate for [lodging](#). In the event the lodging rate is more than the State per diem rate, none of the lodging costs associated with the event are allowable costs to the award. Exceptions can be made but require prior approval by the VSS Administrator or CVAD Director. Without prior approval, the recipient would be required to pay for all lodging costs for the event, not just the amount in excess of the State per diem. For example, if the State per diem for lodging is \$65 per night, and the event lodging rate is \$100 per night, the recipient must pay the full \$100 per night with non-CVAD funds, not just the difference of \$35 per night.

Food and Beverage

Food and beverage costs are rarely allowable. See specific [Fund Source chapter](#) for more information.

Space

The cost of space in privately - or publicly - owned buildings used for the benefit of the program is allowable, subject to the conditions stated below:

The total cost of space may not exceed the rental cost of comparable space and facilities in a privately-owned building in the same locality. The cost of space procured for program usage may not be charged to the program for periods of non-occupancy, without authorization of the Federal-awarding agency.

- **Cost of Space:** The rental cost of space in a privately-owned building is allowable. Rent cannot be paid if the building is owned by the grantee or if the grantee has a substantial financial interest in the property.
- **Maintenance and Operation:** Utilities, property insurance, security, janitorial services, elevator services, upkeep of grounds, normal repairs and alterations, and the like are allowable to the extent they are not otherwise included in rental or other charges for space.
- **Occupancy of Space under Rental-Purchase or a Lease with Option-to-Purchase Agreement:** The cost of space procured under such arrangements is allowable when specifically approved by CVAD.
- **Depreciation and Use Allowances on Publicly-Owned Buildings:** Depreciation or a use allowance on idle or excess facilities is NOT ALLOWABLE.

Software Development

Software development is an allowable cost and may be expended in the period incurred.

Post-Employment

If an agency has a policy that clearly outlines post-employment benefits, this pay-out is allowable prior to the staff member leaving the program. Severance payouts are not allowed with CVAD funds.

General Salaries and Personnel Costs

Payment of personnel costs are allowable if costs are a part of an approved project and are necessary and incidental to project implementation and operation. Overtime is typically approved through a program's original budget. If not included in the original budget, a grantee must receive prior CVAD approval, to be approved on a case-by-case basis. Bonuses are not to be charged to any CVAD grant or used as match.

Consultant Fees

See [Chapter XV: Procurement of Professional Services](#) of the CVAD Grant Administrative Manual for allowable rates.

Equipment, Software, and Hardware

Equipment and hardware expenses which are part of an approved project and are necessary and incidental to that project, are allowable expenses. Equipment is defined as tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit; or Sensitive Minor Equipment defined as moveable, high-risk, sensitive property items purchased with a cost between \$500.00 and \$5,000.00, such as computers (i.e., laptops, tablets), TVs, and cameras, acquired, used and managed for criminal justice and victim services grant purposes. See [Chapter XII: Property and Equipment](#) of the CVAD Grant Administrative Manual for further details.

Travel

Travel is an allowable expense. Grantees must follow the State of Iowa travel policies. Exceptions may be made on a case-by-case basis with prior CVAD approval. For more information on Iowa travel policies, go to [Iowa Department of Administrative Services Website](#).

Indirect Costs

Indirect costs are allowable. For more guidance, see [Chapter III Financial Requirements-section j-Indirect Costs.](#)

If your agency has a federally negotiated indirect rate, the agreement must be included as part of your grant application or sent to your grants specialist. If your agency does not have a federally negotiated indirect rate and wishes to use the de minimis rate of 10%, the agency must notify CVAD by completing the [CVAD Indirect Costs Rate Form](#) and include it with the grant application email it to your grants specialist.

Grant Scope and Budget Modifications

Subrecipients must obtain prior written approval from CVAD for any change in program narrative or scope of services. Program and budget revisions are not automatic. Budget revisions may be considered for minor changes from what was originally submitted and approved in the grant application. Budget revisions are requested by outlining how much a grantee is asking to move, from one budget line item (payroll, benefits, travel, communications, etc.) to another, why the funds are available to move and how will this impact the goals/objectives outlined in the grant application (grant scope revision). Please do a budget revision request in the correspondence section of IowaGrants.gov. See [Chapter XIX-Grant Scope and/or Budget Modifications](#).

The following budget items must be approved prior to changes by the grantee:

- Salary adjustments – (including grant funded staff percentages and salary changes) Funds may not be moved into or out of the Salaries, Benefits & Taxes line item without prior approval.
- Overtime
- Staffing Changes – if a position is added or deleted from the budget
- Capital Purchases
- Equipment & Sensitive Minor Equipment – see [Chapter XII: Property and Equipment](#) of the CVAD Administrative Grant Manual for further details
- Furniture
- Clothing and/or Uniforms (Exception: Emergency clothing for victims/clients does not require prior approval.)
- Meeting room/audio visual services
- Indirect Cost – Funds may not be moved into or out of Indirect Costs without prior approval. The request must be accompanied by a copy of the agency's approved indirect cost rate or approved Cost Allocation Plan, which includes an indirect rate. Typically, the indirect cost rate approved through the grant application process is the rate that will be honored throughout the project period (typically three years). CVAD has the discretion to decline to honor an increased rate if CVAD determines the new rate significantly diminishes the ability of the program to carry out the project service goals and objectives. An increased rate will not result in an increased CVAD award amount.

NOTE: THIS LIST IS NOT ALL-INCLUSIVE. For further clarification, subrecipients should check the specific fund source in [Chapter XXV: CVAD Fund Sources](#) for additional allowable and unallowable costs.

Visit the [DOJ Grants Financial Guide – Allowable Costs](#) for additional information.

