Costs

Allowable and Unallowable Costs

NOTE: Costs listed in this chapter which are not allowed means they cannot be charged to your victim services grant, nor can they be used as match. Your organization might have other funds which cover those expenses. Best practices are to have organizational business/financial policies and procedures in place and shared with staff. This will alleviate confusion and create consistency for staff and for the delivery of services to victims.

Active Investigation and prosecution of criminal activities – is allowable only with STOP VAWA funds and not allowed with any other victim services funding.

Advertising and public relations – For more information see 2 CFR 200.421.

Federal grants can pay for allowable advertising and public relations costs, while unallowable costs must be charged to state funding. Advertising and public relations costs with detailed budget justifications must be included in the grantee's approved budget.

The term advertising costs means the costs of advertising media and corollary administrative costs. Advertising media include magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and the like.

The only allowable advertising costs are those specific to a grant for:

- employee recruitment (see §200.463)
- the procurement of goods and services
- program outreach, such as recruitment of program participants

The term public relations includes community relations and those activities dedicated to maintaining the grantee's image or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

The only allowable public relations costs are:

- costs specifically required by the federal award
- communication with the public and press pertaining to specific activities or accomplishments which result from performance of a specific grant (these costs are considered necessary as part of the outreach effort)
- conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of funding opportunities, financial matters, etc.

Unless they are listed above, all other advertising and public relations costs are unallowable, including the following:

- meetings, conventions, convocations, or other events related to other activities of the entity (see also §200.432 Conferences), such as the costs of displays, demonstrations and exhibits, meeting rooms, hospitality suites, and salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations and providing briefings
- promotional items and memorabilia, including models, gifts, and souvenirs – unless they are specific to a grant and considered outreach
- advertising and public relations designed solely to promote an organization, rather than something specific to a grant

Bonuses or commissions - Bonuses or commissions to staff, officers or board members of profit or non-profit organizations are not allowed with federal or state funds.

Cash – Cash given directly to clients or program participants is not allowed. Making payments on behalf of a person to a third party is allowed. See client assistance.

Client assistance is allowed and can be charged to state or federal funding; however, there might be certain restrictions on the type of assistance allowed by each federal type. For more information on allowances or restrictions see the chapter for each grant source. Car and rental insurance are to be paid using state funds.

Compensation to federal employees - compensation or travel expenses - salary, consulting fees, or other enumeration of full-time federal employees, transportation, lodging, subsistence and related travel expenses of awarding agency employees are unallowable and cannot be paid with federal or state funds. Travel expenses of other federal employees for advisory committee or other program or project duties, or assistance are allowable if they have been approved by the federal employee's department or agency; and includes an identifiable item in the funds budgeted for the project or subsequently submitted for approval.

Compensation to staff - Salaries and benefits are allowable if costs are a part of an approved project budget and are necessary

for the project. Most personnel costs should be for direct victim services. A limited amount of personnel costs can be allocated to administration and prevention work, depending on the funding. Fundraising costs can never be charged to any federal source. Overtime is allowed per organizational policies and procedures and as required by federal labor laws. Post-employment benefit payouts are allowed if the grantee has written policies which clearly describe how post-employment benefits will be paid. Post employment benefits are likely accrued leave time; however, could include other benefits. These costs must be shared or allocated with other funding sources if applicable. Severance payouts are not allowed. See this document for additional information on allocating

Construction – Construction, capital improvements or major renovation are not allowed. Major renovations are changes to a building's structural foundation, increasing the size of a facility or changing the purpose or function of a facility. Minor renovations or alterations are allowed with FVPSA funds to ensure shelters and program facilities meet applicable health and safety requirements; prior approval is needed. Maintenance, repairs or replacement of essential items are allowable with VOCA funds. STOP VAWA and SASP funds cannot pay for any physical modifications to buildings, including minor renovations, such as painting or replacing carpet.

Conferences, Meeting and Training Activities – The following travel related activities and expenses are not allowed entertainment, sporting events, VISAs, passport charges, alcohol, or laundry charges. When hosting a conference, meeting or training, costs must follow state of Iowa per diem rates. In general food and beverages, gifts, trinkets, memorabilia or commemorative items (swag) are not allowed. Contact your grant coordinator before incurring these costs.

Consultant fees – are allowed when reasonable and consistent with what is paid for similar services in the marketplace. The rate is $650 per day or $81.25 per hour. See https://www.ojp.gov/funding/financialguidedoj/iii-postaward-requirements#29-0 for more information.

Corporate formation – the costs to form or create a corporation are not allowed.

Costs not within the period of performance – costs incurred prior to the start of an award or incurred after the award end date are not allowed to be charged to said award.

Credit card fees or credit card type of gift cards – are not allowed.

Depreciation or a use allowance on idle or excess facilities – are not allowed.

Directors, officers, and managers insurance – is allowable if charged to state funding; and not allowed to be charged to federal funding.

Entertainment costs – are unallowable, unless they have a specific and direct programmatic purpose and are included in the award. Entertainment costs include amusement, diversion, and social activities and any associated costs, such as gifts.

Equipment, Software and Hardware - are allowable when part of an approved budget and are necessary and incidental to the project. Equipment is defined as tangible non-expendable personal property having a useful life of more than one year and an acquisition cost of $10,000 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 is allowed. **Software Development** - is allowable and may be expended in the period incurred.

Food and beverages – Food and beverages are generally allowable only in these situations:

- With VOCA funds - for victims when an immediate need is present and there is no immediate access available due to the program's location (VOCApedia)
- With SASP funds – when the need is directly related to sexual assault, food, including culturally appropriate food is allowable for sexual assault victims and their families
- With FVPSA funds – food for shelter is allowed and when supportive services assist victims or their dependents in recovering from the effects of the violence
- With STOP VAWA funds – Food provision within the context of victim services (e.g., providing food in shelters) is permissible if the food is necessary or integral to providing services to women to enhance their safety.
- With State of Iowa funds – costs not allowed by federal sources, such as food for group counseling sessions
- for shelter programs as supplies – can be paid for with FVPSA, VOCA, STOP or State funds
- Allowed from all sources as travel expenses when traveling for grant-related activities and compliant with the state travel policies and per diem rates.

Food and beverages for conferences, meetings, or as office supplies (such as snacks) are not allowed.

Fundraising - Fundraising costs include grant writing, organizing financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions. Neither the salary of people engaged in fundraising activities, nor indirect costs associated with those salaries may be charged to a federal award or used as match. Grantees are allowed to use a minimal amount of state funds for fundraising. Fundraising activities must be clearly described in employees' time and activity logs. Grantees should have other non-federal funds to pay for fundraising.

Indirect costs – are allowed. Grantees can use the de minimus rate of 15% or their federally negotiated rate.

Intangible property – includes trademarks, copyrights, and patents – not allowed.

Interest – paid on credit cards is not allowed.

Land acquisition – not allowed

Legal Services or fees – Legal assistance to victims is generally allowed. Legal fees incurred by an organization are not allowed to be charged to federal grants. Any questions about legal services or fees should be directed to your grant coordinator.

Lobbying – is not an allowed activity. Lobbying costs cannot be charged to any victim services grant. In general, lobbying is when someone attempts to influence the outcome of any federal, state, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity. See 2 CFR 200. Providing education and information about victim services to elective officials is allowed.

Management and administrative training – The cost of management and administrative training cannot be charged to federal grants. With prior approval these costs can be charged to state funding.

Medical care – medical care is generally unallowed. Medical advocacy is allowed with all funding sources. Medical devices such

as wheelchairs, hearing aids, eyeglasses are allowable with VOCA and state funds and are likely allowable reimbursement through the compensation fund.

Post-employment payout – is allowable when grantees have written policies which clearly describe how benefits, such as accrued leave, will be paid out. These costs must be shared or allocated with other funding sources as applicable. Severance payouts are not allowed with grant funds.

Publication and printing - Project costs for publication and printing, including distribution, promotion, and general handling of electronic or print media are allowable. These costs should be allocated as indirect costs to all benefiting activities of the organization. To be considered allowable, publication costs must be incurred in accordance with the terms of the project. Additional guidance for publication and printing costs is set out in 2 C.F.R. § 200.461. All electronic and print media prepared and released by the grantee shall include this statement unless directed otherwise by a federal award: *"This project is funded under an agreement with the State of Iowa."*

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.
- Depreciation and Use Allowances on Publicly Owned Buildings: Depreciation or a use allowance on idle or excess facilities is NOT ALLOWABLE.

Travel - is allowed when grantees follow the State of Iowa travel policies. Travel upgrades are not allowed. See: https://das.iowa.gov/state-employees/state-accounting/travel-relocation/210-travel

Taxes –In general, taxes which grantees are required to pay are generally allowable. See 200.470 https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.470 for details on which taxes are allowed and which ones are not allowed.

Other unallowable expenses:

- Travel upgrades such as first class, additional leg room, or other unreasonable accommodations
- Sole source contracts (without prior written approval)
- Social justice projects or activities
- Depreciation or a use allowance on idle or excess facilities
- Severance packages (compensation an employer provides to an employee who has been laid off, whose job has been eliminated, who through mutual agreement has decided to leave the company, or who has parted ways with the company for other reasons)
- Interest
- Credit Card Fees
- Membership fees to an organization whose primary activity is lobbying
- Credit card type gift cards
- Membership fees to organizations whose primary activity is lobbying
- Capital purchases – (without prior written approval)
- Land or real property

Research

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