

## Implementation of Grant Costs

The portions of reasonable, necessary and allowable costs associated with implementation of the project initiatives.

### Direct Costs

Costs directly charged (allocated) to the grant/contract funds, whose function is implementation of purposes and goals of the initiative.

Examples of direct cost for a training grant might be salaries, benefits, and other expenses for staff that perform the following functions: Student Instruction, Direct Student Services, such as Guidance or Assessments, etc. including rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space; travel costs incurred for official business in carrying out program implementation.

(Note: each grant may have special provisions for allowed or disallowed activities based on eligibility, scope of work or other general restrictions.  
. i.e. Adult Education does not allow LEA's to pay for GED testing vouchers. Perkins won't pay for remedial classes as they are not a part of a Careertech Course of Study, etc.)

## Match

Simply put "match" is the non-federal share of costs that the grantee or their partners are required to contribute to accomplish the purposes of the initiative.

### Cash

Actual Expenditures of non-federal funds tracked by awardee or subawardees.

### In-kind

Value of Donated goods or services (usually from a third party.) Method of Valuation must be strictly documented.

Must meet the same guidelines for allowability, allocability as the federal funds.

## Administrative Costs

The portions of reasonable, necessary and allowable costs associated with overall project management and administration. These costs can be both personnel and non-personnel, and both direct and indirect. Some awards have regulatory limitations (or administrative caps.) Therefore, the cap applies to the combined claims for indirect and direct administration costs.

### Direct Costs

Costs directly allocated to an initiative, whose function is managing the implementation of an initiative.

Examples of direct administration: salaries, benefits, and other expenses for staff that perform the following functions: overall program management/coordination and office management functions including salaries and related costs of the executive director, project director and/or project evaluator; preparing program plans and budget schedules; monitoring programs, projects and related systems and processes; developing systems or procedures for assuring compliance with program requirements; preparing reports (LACES) and documents related to program requirements; evaluating results against stated objectives; divisional level administrative services such as program specific accounting; costs of goods and services required for administration, including rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space; travel costs incurred for official business in carrying out program management.

(Note: if any of these items is included as indirect in the IDC proposal, they may not also be charged as direct)

### Indirect Costs (IDC)

(aka. F&A)

An amount that may be charged to an initiative by applying an approved IDC rate to the actual initiative expenditures. IDC is a way to recover expenses associated with "doing business" that are not directly identifiable with a particular initiative. (i.e. organization-wide functions like general administration, personnel, procurement, facilities and utilities, etc...)

If a grant has a restricted IDC rate or an administrative cap, it is understood not all costs are recoverable and must be borne by the sub-grantee.

Generally, direct administration costs differ from indirect charges in that the latter are considered organization-wide costs.

## Disallowed Costs

Prohibited function or costs--items that may not be charged to the grant or included as a part of matching funds.

Examples are: bad debts; contingencies; entertainment; Food Purchases; alcoholic beverages; fines/penalties; Fund Raising; Lobbying; Promotional Items; Bad Debts; Unused Leave Payouts; Tuition & Fees; Construction; Acquisition of Property, etc.