

## Unallowable cost items

- Depreciation
- Audit Costs except when deemed necessary to perform that project.
- Grant Application Preparation cost
- Food unless related to food demonstrations
- Volunteer Recognition costs
- Capital Improvement costs
- Renovation Costs
- Marketing Costs unless it is related to program outreach for project participants
- Entertainment Costs
- Insurance costs to protect against medical liability
- Client Assistance costs unless assistance is for medical services for clients
- "Flexible Client Funds"
- "Incidentals"
- "Quality"
- "Talent"
- Vacation Time
- Sick Time
- Disability

## Allowable cost items with restrictions

- Travel costs - Travel costs are restricted to mileage incurred to perform client services. Travel mileage log required to be kept in agency records.
- Supply costs - All supplies must be related to the scope of services provided in the proposed program. Applicant must provide narrative in the grant application to justify each listed supply line item.
- Insurance costs – When reasonable and necessary are generally allowable. Insurance to protect against defects in the institution's materials or workmanship are unallowable. Applicant must provide narrative in the grant application to justify an insurance cost line item.
- Conference costs – Grant funds may be used to pay for travel expenses (transportation, per diem, and lodging) of grantee employees, consultants, and experts to attend a meeting/conference if the expenses are reasonable and necessary to achieve the purposes of the grant. Applicant must provide narrative in the grant application to justify the need and costs associated with attending the conference.
- Utilities costs – All costs proposed to utilities must be related to the proposed scope of services proposed in the grant application. Grant funding cannot pay for 100% of an organization's utility costs unless 100% of the organization is performing only the project proposed in the grant application.

- Consulting costs – may be deemed allowable but the applicant must clearly demonstrate the necessity of contracting for the service, considering consultant services rendered by persons are members of a particular profession or possess a special skill and is contracted to accomplish specific grant/contract objectives.

#### Indirect costs

- Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.
- Rates of indirect costs cannot exceed 10% of the direct costs of the project.
- Administrative personnel salaries are typically included in the “indirect cost” budget table unless the organization is ONLY performing the program outlined in the grant proposal.

Please note: This is not meant to be an exhaustive list. Polk County reserves the right to make changes and/or update this list at any time.