

APPENDIX A: GUIDELINES, DEFINITIONS, AND ALLOWABLE EXPENDITURES

Guidelines, Definitions, and Allowable Expenditures

Determining if a Cost is Allowable

All allowable costs must meet three primary criteria: (1) Substantiate that the cost was necessary and reasonable for proper and effective administration of the allocations; (2) The cost must be allocable to the funding source activities; and (3) The cost must not be a general expense required to carry out the grantee's overall responsibilities (not supplanting). However, even if the costs meet the prior three criteria, the costs must be approved within the statement of work/budget of the grantee; otherwise, they are not allowable within that year without changes to the statement of work/budget. In addition, the grantee has the discretion to impose special conditions beyond the funding source that would also determine allowability of cost.

While the proposed cost is allowable under the funding source, is it also *reasonable*?

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances pre-vailing at the time the decision was made to incur the cost.

Systems that can guide this definition are necessary for the performance of the grant; following sound business practices (procurement processes, follow state and local laws, follow the terms of the grant); use of fair market prices; acting with prudence under the circumstances; and having no significant deviation from established prices.

What are the guidelines of *allocable*?

Allocable is defined by the dictionary as capable of being allocated or assigned. A cost is considered allocable to a particular funding source/program to the extent it actually benefits the objectives of that program. You can only charge in proportion to the value received by the funding source/program. An example would be that a Project Director works 80% on the funded program (only 80% of the salary and benefits can be charged in the grant application). Beyond this definition, allocable also means that the cost must be directly related to the statement of work/budget that have been approved by the Chancellor's Office.

What is *supplanting*?

Grant funds provide under this funding opportunity must supplement and not supplant state or local funds. Funding may not result in a decrease in state or local funding that would have been available to conduct the activity had these funds not been received. Funds may not free up state or local dollars for other purposes but should create or augment programs to an extent not possible without grant funds provide under this funding opportunity. You must be able to demonstrate that Grant funds provide under this funding opportunity are added to the amount of state and local funds that would, in

absence of Grant funds provide under this funding opportunity, be made available for uses specified in your plan. Allocation recipients and sub-recipients must use grant funds to provide extra goods, services, materials, staff coordination positions, etc. that would not otherwise be purchased with state, local, or other funds not related to Grant funds provide under this funding opportunity .

Perkins V Grants Permissible Uses

The base funding for the grantee utilizes Perkins V funds. The following are broad categories that may be supported by Perkins V funds:

1. Support for preparation for non-traditional fields in current and emerging professions, support for programs for special populations, and other activities that expose students, including special populations, to high skill, high wage, and in-demand occupations.
2. Individuals in state institutions, such as state correctional institutions, including juvenile justice facilities, and educational institutions that serve individuals with disabilities.
3. Providing technical assistance to local eligible recipients
4. Activities that achieve the state's strategic vision and goals for "preparing an educated and skilled workforce" as well as meeting the state's determined levels of performance for the core accountability indicators and reducing disparities or performance gaps in those levels.

Permissible uses of funds include:

1. Developing statewide programs of study;
2. Approving locally developed programs of study;
3. Establishing articulation agreements;
4. Establishing sector or industry partnerships;
5. High-quality comprehensive professional development;
6. Supporting eligible recipients in eliminating inequities in student access to high-quality programs of study and effective instructional personnel;
7. Supporting the adoption and integration of recognized postsecondary credentials and workbased learning into programs of study, and for increasing data collection associated with 11 recognized postsecondary credentials and employment outcomes or consultation with other state agencies on licenses or certifications;
8. Success initiatives leading to a recognized postsecondary credential;
9. Supporting CTE programs for adults and out-of-school youth;
10. Supporting competency-based curricula;
11. Supporting programs of study or career pathways in areas declared to be in a state of emergency;

12. Partnering with qualified intermediary organizations;
13. Improving career guidance and academic counseling programs;
14. Supporting the integration of employability skills into CTE programs and programs of study;
15. Supporting programs and activities that increase access, student engagement, and success in science, technology, engineering, and mathematics fields (including computer science, coding, and architecture), supporting the integration of arts and design skills, and supporting hands-on learning, particularly for students who are members of groups underrepresented in such subject fields;
16. Supporting career and technical student organizations;
17. Establishing and expanding work-based learning opportunities;
18. Integrating and aligning programs of study and career pathways;
19. Supporting the use of CTE programs and programs of study aligned with in-demand industry sectors or occupations;
20. Making all forms of instructional content widely available;
21. Developing valid and reliable assessments of competencies and technical skills and enhancing data systems to collect and analyze data on secondary and postsecondary academic and employment outcomes;
22. Supporting accelerated learning programs that are part of a program of study;
23. Other activities that improve CTE.

Allowable General Costs

There are permissible activities within Perkins Program funds. In addition, there are criteria for what can be funded while doing those activities. The following table is a synopsis of rules to determining allowability of costs.

Activities	Allowable	Allowable with Prior Approval	Unallowable
Advertising and Public Relations	-	-	X
Alcoholic Beverages	-	-	X
Alumni Activities	-	-	X
Audit Costs	-	-	X
Bad Debts	-	-	X
Commencement and Convocation Costs	-	-	X

Activities	Allowable	Allowable with Prior Approval	Unallowable
Communication Costs (telephone, telegrams, postage, messenger)	-	X	-
Compensation for Personnel Services (salary, wages, fringe benefits)	X	-	-
Contingencies	-	-	X
Contributions or Donations Given or Paid Out (cash, property, services)	-	-	X
Entertainment Costs ¹	-	-	X
Equipment ² (low value assets with a value greater than \$250 - \$4,999)	X	-	X
Equipment ²	-	-	X
Fines and Penalties ³	-	-	X
Fundraising and Investment Costs	-	-	X
Gifts of Public Funds are never allowed (memorabilia, honoraria, gifts, souvenirs, etc.) ⁴	-	-	X
Goods & Services for Personal Use	-	-	X
Improvements ⁵	-	-	X
Indirect or Administrative Expenditures (<i>rate approved by the Chancellor's Office</i>)	X		
Lobbying	-	-	X

Activities	Allowable	Allowable with Prior Approval	Unallowable
Losses on Other Sponsored Agreements or Contracts	-	-	X
Materials & Supply Costs (only those actually used for performance of sponsored agreement)	X	-	-
Meetings and Conferences ⁶	X	-	-
Memberships ⁷	-	X	-
Professional and Consultant Services	X	-	-
Proposal Costs	-	-	X
Publication and Printing Costs (printing and publication costs related only to funded project activities)	X	-	-
Maintenance & Repair Costs ⁸ (keeping in efficient operating condition)	X	-	-
Maintenance & Repair Costs ⁸ (construction, remodeling, increasing value)	-	-	X
Student Expenses, Activities or Direct Services	-	-	X
Selling and Marketing ⁹			X
Travel ¹⁰	X	-	-
Out-of-State Travel ¹⁰	-	X	-

Activities	Allowable	Allowable with Prior Approval	Unallowable
Out-of-Country Travel ¹⁰	-	-	X

¹ Entertainment Costs: Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable.

² Equipment: For the purposes of the Regional Collaboration and Coordination Grant, equipment includes low value assets of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost that equals or exceeds the lesser of the capitalization level established by the institution for financial statement purpose. Equipment with a value higher \$5,000 must obtain prior approval before purchase from the Chancellor’s Office. Any equipment requested within the Regional Collaboration and Coordination Grant will be closely scrutinized to determine purchases meet the intent of the funding and show long-term sustainability.

General Purpose Equipment – General purpose equipment furnishings, modular offices, telephone, networks, information technology equipment systems, air conditioning equipment, reproduction and printing equipment, motor vehicles, etc. are unallowable unless the Chancellor’s office approves them in advance.

³ Fines and Penalties: Costs resulting from violations of, or failure of the institution to comply with, Federal, State, and local or foreign laws and regulations are unallowable, except when incurred as a result of compliance with specific provisions of the sponsored agreement, or instructions in writing from the authorized official of the Chancellor’s Office authorizing in advance such payments.

⁴ Gifts of Public Funds: If it looks like a gift, it is. You are not allowed to purchase pencils, pens, mouse pads, t-shirts, etc. and give them out (under the marketing banner). This would still be considered a gift of public funds. Awards and honorarium would also be considered a gift of public funds and not allowed.

⁵ Improvements: Improvements for land, buildings, or equipment that materially increases their value or useful life are unallowable as a direct cost.

⁶ Meetings and Conferences: Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes costs of meals, transportation, rental of facilities, and other items incidental to such meetings or conferences. Be aware not to cross over into entertainment costs. Must obtain prior approval from the Chancellor’s Office.

NOTE: Food is only allowed at meetings that require a working breakfast, lunch, or dinner and disseminate technical information to participants. The meeting must have

an agenda that shows a working meal; must have a sign-in sheet for participants; and cannot go over the fiscal agent's per diem guidelines for food purchases.

⁷ **Memberships:** Only institutional memberships are allowed (not individual memberships). If the Regional Collaboration and Coordination Grant applicant requests any (institutional) membership costs, the application must justify why the statement of work cannot be accomplished without paying for such membership(s). Grantee must demonstrate how they will sustain the membership beyond the term of the grant. Business, technical, and professional organization or periodical memberships are allowed. Civic or community, or country club or social or dining club memberships are not allowed.

⁸ **Maintenance and Repairs:** Activities such as construction and remodeling, which increase the value of an asset or appreciably extend its useful life, are not allowed unless authorized by the funding source. Maintenance of equipment that neither adds to the permanent value of the property nor appreciably prolongs its intended life, but keeps it in an efficient operating condition, is allowable.

⁹ **Selling and Marketing:** Cost of selling and marketing any products or services of the institution, including marketing and outreach activities, are unallowable.

¹⁰ **Travel:** The following travel constraints pertain all grant funds in this funding opportunity.

Only travel necessary for the project is allowed. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business for the grant. Such costs will be based on the host District/College per diem rates. These costs shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the District/College in its regular operations as the result of the institution's written travel policy.

OUT-OF-STATE TRAVEL: Out-of-state travel will be closely scrutinized and must be disclosed in the Budget summary. After the application is fully executed, any further out-of-state travel requires prior approval by the Chancellor's Office by submitting the necessary (as determined by the Chancellor's Office) documentation for approval. The Chancellor's Office reserves the right to limit out-of-state travel.

OUT-OF-COUNTRY TRAVEL: Out-of-country travel will not be allowable via this funding source.

Cost must be necessary, reasonable, allocable, and not supplanting, and any additional cost restrictions listed in the RFA would supersede allowable costs within this summary.