



# California Community Colleges

## Economic and Workforce Development

### INDUSTRY DRIVEN REGIONAL COLLABORATIVE (IDRC) GRANTS

#### Allowability of General Costs

The purpose of this document is to inform Economic Workforce Development (EWD) grantees of the allowable grant expenses. The following allowable costs are governed by a combination of authorizations, such as the Chancellor's Office grants and contracts manual, Legal provisions of Articles I and II, federal Office of Management and Budgets (OMB) and Program details as outlined in Statute (ED Code 88600).

Expense	Allowable	Allowable With Prior Approval	Unallowable
Advertising and Public Relations <sup>1</sup>	Yes	No	Yes
Advisory Councils (if the Request for Application (RFA) requires or allows Advisory Councils)	Yes	No	No
Alcoholic Beverages	No	No	Yes
Alumni Activities	No	No	Yes
Bad Debts	No	No	Yes
Commencement and Convocation Costs	No	No	Yes
Communication Costs (telephone, telegrams, postage, messenger)	Yes	No	No
Compensation for Personnel Services (salary, wages, fringe benefits)	Yes	No	No
Contingencies	No	No	Yes

Expense	Allowable	Allowable With Prior Approval	Unallowable
Contributions or Donations Received (cash, property, services)	Yes	No	Yes
Entertainment Costs <sup>2</sup>	No	No	Yes
Equipment <sup>3</sup>	Yes	No	Yes
Fines and Penalties <sup>4</sup>	No	No	Yes
Fund Raising and Investment Costs	No	No	Yes
Gifts of Public funds are never allowed (memorabilia, honoraria, gifts, souvenirs, etc.) <sup>5</sup>	No	No	Yes
Goods and Services for Personal Use	No	No	Yes
Improvements <sup>6</sup>	Yes	No	Yes
Indirect or Administrative Expenditures (4% of total direct costs)	Yes	No	No
Lobbying <sup>7</sup>	No	No	Yes
Losses on Other Sponsored Agreements or Contracts	No	No	Yes
Materials & Supply Costs (only those actually used for performance of sponsored agreement)	Yes	No	No
Meetings and Conferences <sup>8</sup>	Yes	No	Yes
Memberships <sup>9</sup>	No	Yes	No

Expense	Allowable	Allowable With Prior Approval	Unallowable
Professional and Consultant Services	Yes	No	No
Publication and Printing Costs (must be a direct cost, indirect cost can only use the 4%)	Yes	No	No
Maintenance & Repair Costs <sup>10</sup> (keeping in efficient operating condition)	Yes	No	Yes
Student Expenses, Activities or Direct Services <sup>11</sup>	No	No	Yes
Selling and Marketing <sup>12</sup>	No	No	Yes
Travel <sup>13</sup>	Yes	No	No
Out-of-Country Travel <sup>13</sup>	Yes	Yes	Yes

<sup>1</sup> **Advertising and Public Relations:** 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 term public relations include community relations and mean those activities dedicated to maintaining the image of the institution or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.

**ALLOWABLE Advertising:** Costs that are solely for: (1) The recruitment of personnel required for the performance by the institution of obligations arising under a sponsored; (2) The procurement of goods and services for the performance of a sponsored agreement; (3) The disposal of scrap or surplus materials acquired in the performance of a sponsored agreement except when non-Federal entities are reimbursed for disposal costs at a predetermined amount; or (4) Other specific purposes necessary to meet the requirements of the sponsored agreement.

**ALLOWABLE Public Relations:** Costs that are solely for: (1) Costs specifically required by the sponsored agreement; (2) Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of sponsored agreements (these costs are considered necessary as part of the outreach effort for the sponsored agreement); or (3) Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary keep the public informed on matters of public concern, such as notices of Federal contract/grant awards, financial matters, etc.

**UNALLOWABLE:** Advertising and public relations costs include the following: (1) All advertising and public relations cost unless specified as allowable above; (2) Costs of meetings, conventions, convocations, or other events related to other activities of the institution, including: (a) Costs of displays, demonstrations, and exhibits; (b) Costs of meeting rooms, hospitality suites, and other special facilities used in conjunction with shows and other special events; and (c) Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings; (3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs; (4) Costs of advertising and public relations designed solely to promote the institution.

<sup>2</sup> **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.

<sup>3</sup> **Equipment:** Equipment means article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the institution for financial statement purpose, or \$5,000. Any equipment requested within the SB 1070 Career Technical Education (CTE) Pathways Program 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 awarding agency approves them in advance. The Chancellor's Office considers general purpose equipment and furnishings to be the responsibility of the local education agency and as such it will not approve such expenditures.

<sup>4</sup> **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 sponsoring agency authorizing such payments in advance.

<sup>5</sup> **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 to give them out (under the marketing banner). This would still be considered a gift of public funds. Awards and honorariums would also be considered a gift of public funds and not allowed.

<sup>6</sup> **Improvements:** Improvements for land, buildings, or equipment which materially increases their value or useful life are unallowable as a direct cost except with the prior approval of the awarding agency. The Chancellor's Office will not approve improvements for land, building, or equipment with the following exception: If a piece of equipment has been approved for purchase and that piece of equipment has some building modification required in order to make it usable for the purpose for which it was acquired (upgraded plug/wiring etc.) then that improvement to the building is allowed.

<sup>7</sup> **Lobbying:** Lobbying is never allowed unless it meets the following criteria: (1) Technical and factual presentations on topics directly related to the performance of a grant, contract, or

other agreement (through hearing testimony, statements, or letters to the Congress or a State legislature, or subdivision, member, or cognizant staff member thereof), in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member thereof, provided such information is readily obtainable and can be readily put in deliverable form, and further provided that costs under this section for travel, lodging or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearings.

<sup>8</sup> **Meetings and Conferences:** Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowed. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. Be aware not to cross over into entertainment costs.

**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 district's per diem guidelines for food purchases. The Chancellor's Office is not allowing the cost of food to be charged for outreach and/or student events.

<sup>9</sup> **Memberships:** The Office of Management and Budget (OMB) only allows institutional memberships (not individual memberships), the Chancellor's Office Budget and Accounting Manual allows individual memberships that are required within a job description. The CTE Pathways Program Grant is regional in its function and therefore if the Project Director requests any (individual, institutional, or regional) membership costs the application must justify why the regional workplan cannot be accomplished without paying for such membership(s). 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.

<sup>10</sup> **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. None of the current funding sources SB 1070, SB 1402, or Perkins IV authorized this type of expense. Maintenance of equipment which 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.

<sup>11</sup> **Student Expenses, Activities or Direct Services:** All forms of student aid are allowed only when the purpose of the sponsored agreement is to provide training to selected participants, and the charge is approved by the sponsoring agency. SB 1070 does not specify providing training to select participants so no student expenses or direct services to students is allowed per this funding. Cost incurred for intramural activities, student publications, student clubs, and other student activities are unallowable.

<sup>12</sup> **Selling and marketing:** Cost of selling and marketing any products or services of the institution are unallowable unless the agreement requires this activity or if it is an allowable cost under public relations costs (see #1 above).

<sup>13</sup> **Travel:** 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 fiscal agent's 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 institution 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 requires completion of the [Out-of-State Travel Request Form](#) and must be disclosed on the Budget Detail sheet. After the application is fully executed, any further Out-of-State travel requires prior approval of the Project Monitor by sending in the above-mentioned form for approval. The state reserves the right to limit Out-of-State travel.

**OUT-OF-COUNTRY TRAVEL:** The Chancellor's Office has determined that Out-of-Country travel will not be an allowable cost via this funding source.