

SOUTHERN OREGON CHILD AND FAMILY COUNCIL, INC.
ALLOWABILITY AND REASONABLENESS OF SPECIFIC COSTS

Revised 6-16-2011

ITEM	ALLOWABLE COSTS	UNALLOWABLE	ALLOWABLE WITH PRIOR APPROVAL
1. ADVERTISING AND PUBLIC RELATIONS COSTS	Advertising solely for recruiting, procurement and disposal of materials and equipment, any PR costs considered part of the outreach effort for the sponsored award, and notices of grant awards and financial matters.	Costs of advertising and public relations events related to fund raising or other organizational activities, or designed solely to promote the organization.	
2. ADVISORY COUNCILS	Costs incurred by advisory councils or committees are allowable as a direct cost where authorized by the Federal awarding agency.		
3. ALCOHOLIC BEVERAGES		Costs of alcoholic beverages are UNALLOWABLE.	
4. AUDIT COSTS	Costs of audits are allowable if specifically approved by the awarding agency as a direct cost to the award.		
5. BAD DEBTS		All bad debts are UNALLOWABLE.	
A. BID & PROPOSAL COSTS	Expenses incurred in obtaining bids and proposals for allowable Head Start projects.		
6. BONDING COSTS	Bonding as required by grants and sound business practice.		
7. COMMUNICATION COSTS	Usual communications costs necessary for allowable services and activities.	Personal long distance calls, personal faxes, and personal cell phone calls are UNALLOWABLE.	
8. COMPENSATION FOR PERSONAL SERVICES (Salaries, etc.)	Allowable		
9. CONTINGENCY PROVISIONS	Self insurance reserves, pension funds, and reserves for normal severance pay are excluded from this category.	Contributions to a contingency reserve or any similar provision made for events the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of their happening, are UNALLOWABLE.	
B. CONTRIBUTIONS		Contributions and donations by the organization to others are UNALLOWABLE.	
10. DEFENSE AND PROSECUTION OF CRIMINAL AND CIVIL PROCEEDINGS, CLAIMS, APPEALS AND PATENT INFRINGEMENT.		In general, costs incurred in connection with any criminal, civil, or administrative proceeding commenced by the Federal Government, or a State, local, or foreign government, are UNALLOWABLE.	
11. DEPRECIATION AND USE ALLOWANCES	Allowable as compensation for use of buildings, other capital improvements and equipment.		If there is an allowability problem, get prior determination.
12. DONATIONS	Resources received as donations are allowable as Federal matching funds only if resources would be an allowable expense.	Donations are not chargeable to grant funds as either direct or indirect costs.	

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13. EMPLOYEE MORALE, HEALTH, AND WEFARE COSTS AND CREDITS	Allowable for improvement of working conditions, employer-employee relations, employee morale and employee performance.		
14. ENTERTAINMENT COSTS		Costs of amusements, social activities, ceremonials and incidental costs relating to entertainment such as meals, lodging, rentals, transportation and gratuities are UNALLOWABLE.	
15. EQUIPMENT & OTHER CAPITAL EXPENDITURES	General purpose equipment with 2 year life and acquisition cost of \$5000 or more per unit.		Special purpose equipment with a cost of \$5000 or more per unit. All equipment with a cost of \$25,000 or more requires Region X approval.
16. FINES AND PENALTIES	Allowable only when resulting from specific provisions of grant or contract.	Fines and penalties are generally UNALLOWABLE.	
C. FRINGE BENEFITS	Fringe benefits in the form of regular compensation paid to employees.		
19. GOODS OR SERVICES FOR PERSONAL USE		Costs of goods or services for personal use are UNALLOWABLE.	
20. HOUSING AND PERSONAL LIVING EXPENSES	Allowable as direct costs to sponsored award when necessary for the performance of the sponsored award and approved by awarding agency.	UNALLOWABLE as fringe benefit or indirect costs.	Requires prior approval from Region X.
21. IDLE FACILITIES - IDLE CAPACITY	Idle capacity is generally allowable for normal costs of operations.	Idle facilities are generally UNALLOWABLE.	
22. INSURANCE AND INDEMNIFICATION	Generally allowable in amounts necessary per grant or contract and good business practice. At the present time insurance policies include, but are not limited to, general & child liability, building, vehicle, and bonding insurance.		
23. (& 17) INTEREST, FUND RAISING & INVESTMENT MANAGEMENT COSTS	Interest on debt incurred after 6/1/98 to acquire or replace capital assets (including renovations, alterations, buildings, equipment, land, and capital assets acquired through capital leases) is allowable.	Costs of organized fund raising, costs of investment council to enhance income from investments and costs incurred for interest on borrowed capital prior to 6/1/98 are all UNALLOWABLE.	
24. LABOR RELATIONS COSTS	Costs incurred in maintaining satisfactory relations between the organization and its employees are allowable.		
25. LOBBYING	Providing a factual presentation on a topic directly related to the performance of a grant.	Any attempt to influence the outcomes of elections and legislative activities.	

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26. LOSSES ON OTHER AWARDS		Any excess of costs over income on any award is UNALLOWABLE as a cost of any other award.	
27. MAINTENANCE/REPAIR COSTS	Allowable as necessary to maintain operating conditions.	Costs incurred for improvements which add to the permanent value or intended life of the buildings and equipment are capital expenditures.	Capital expenditures over \$25,000 require prior approval from Region X.
28. MATERIALS AND SUPPLIES	Usual and necessary agency and program supplies are allowable.		
29. MEETINGS - CONFERENCES	Generally allowable when usual and necessary.		
30. MEMBERSHIPS, SUBSCRIPTIONS AND PROFESSIONAL ACTIVITY COSTS	Generally allowable when incurred in the organization's name and interest.	Subscriptions and memberships in an individual's name are UNALLOWABLE.	Costs of membership in any civic or community organization are allowable with prior approval from Director and Region X.
31. ORGANIZATION COSTS			Expenditures in connection with establishment or reorganization are allowable except with prior approval from Region X.
D. OVERTIME, EXTRA-PAY SHIFTS, MULTI-SHIFT PREMIUMS	The personnel policies state that an employee is not to work over-time.		
32. PAGE CHARGES IN PROFESSIONAL JOURNALS	Allowable as a necessary part of research costs specific to the grant.		
33. PARTICIPANT SUPPORT COSTS	Allowable as required by grant or contract.		Participant support costs require prior approval.
34. PATENT COSTS	Costs of preparing disclosures, reports, and other documents required by the award.		
E. PENSION PLANS	Allowable - SOCF Retirement Plan.		
35. PLANT AND HOMELAND SECURITY COSTS	Allowable as necessary to comply with Government security requirements and safety procedures.		
36. PRE-AWARD COSTS		Generally UNALLOWABLE, but allowable with restrictions and prior approvals.	Allowable only if they would have been allowable if incurred after date of the award and only with prior approval from Region X.
37. PROFESSIONAL SERVICES COSTS	Costs of professional and consultant services rendered by persons possessing specific skills and who are not employees or officers of the organization are allowable.	UNALLOWABLE if contingent upon recovery of costs from Government.	
F. PROFIT & LOSSES ON DISPOSITION OF DEPRECIABLE PROPERTY OR OTHER CAPITAL ASSETS	Allowable as a charge or credit to the grant, depending on circumstances.		

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38. PRINTING AND PUBLISHING COSTS	Allowable as direct costs to benefiting activities of the organization.		
39. REARRANGEMENT AND ALTERATION COSTS	Allowable when incurred for ordinary or normal rearrangement and alteration of facilities.		
40. RECONVERSION COSTS	Allowable to restore facilities to condition existing prior to start of program.		
41. RECRUITING COSTS	Allowable costs of "help wanted" advertising.	Advertising that includes color or is excessive in size.	
42. RELOCATION COSTS	Allowable, with restrictions, when relocation is required by a permanent change in duty assignment.		
43. RENTAL COSTS	Allowable, subject to fair market value.		
44. ROYALTIES AND OTHER COSTS FOR USE OF PATENTS AND COPYRIGHTS	Generally allowable.		
45. SELLING AND MARKETING		Generally UNALLOWABLE.	Only allowable as direct costs, if necessary to the performance of the award. Requires prior approval from Region X.
G. SEVERANCE PAY	Allowable to the extent required by law, employer-employee agreement, established policy, or special circumstances of employment.		
46. SPECIALIZED SERVICE FACILITIES	The costs of services provided by highly complex or specialized facilities are generally allowable.		
47. TAXES	Taxes an organization is required to pay are generally allowable. Refunds must be credited as a cost reduction.	Taxes for which exemptions are available to the organization are UNALLOWABLE.	
48. TERMINATION COSTS	Generally allowable.	Costs continuing after termination due to neglect of agency are UNALLOWABLE.	
49. TRAINING AND EDUCATION COSTS	Generally allowable when designed to increase specific, on-th-job skills.		
50. TRANSPORTATION COSTS	Allowable pertaining to freight, express, and postage charges relating to goods purchased for business purposes.		
51. TRAVEL COSTS	Allowable within SOCFC travel policies and procedures, including expenses for transportation, lodging, subsistence, and related items as specified in policies and procedures.	The difference in cost between 1st class and economy air travel is UNALLOWABLE, except when economy travel is not available to meet mission requirements.	Foreign travel requires prior approval from Region X.
52. TRUSTEES	Travel and subsistence costs of trustees or directors, as provided in Travel Costs.		