

Allowable and Unallowable Costs

This document provides examples of program activities and specific costs for which NCA grant funds may be used. This is not an exhaustive list and items not listed below are reviewed on a case-by-case basis.

Please use this document along with DOJ's Grants Financial Guide and 2 C.F.R. Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, hereafter "Part 200 Uniform Requirements") as a resource for your budget-related questions, and in conjunction with your tribe's or organization's policies and procedures, to determine the parameters of budgeted costs when developing your Grant Budget.

When considering whether costs are allowable through this grant program, use these two questions as a guide:

1. Is this cost related to the goals and objectives/activities for the grant project?
2. How does this expense help achieve the outcomes of the grant project?

Please note that NCA also offers [Program-Specific Budget Considerations](#) guidance tailored to each award type. While this Allowable and Unallowable Costs document identifies **what** costs are permissible, the Program-Specific Budget Considerations document helps you determine **how** to plan and structure your budget to meet program goals and expectations. We encourage you to use both resources together when developing or modifying your project budget.

Allowable Costs

Allowable costs are those costs consistent with the principles set out in the Uniform Requirements 2 C.F.R. § 200, Subpart E, and those permitted by the grant program's authorizing legislation. To be allowable under federal awards, costs must be reasonable, allocable, and necessary to the project, and they must also comply with the funding statute and NCA requirements. Keep in mind that 2 C.F.R § 200.302(b)(7) requires recipients and subrecipients of federal awards to maintain written procedures for determining the allowability of costs in accordance with federal cost principles and the terms and conditions of the federal award. For additional guidance, please see the NCA [Cost Allowability Guide Sheet](#) resource.

Unallowable Costs

Under federal awards, some costs are categorized as unallowable and will not be reimbursed. Awardees must not use award or program income for unallowable costs. Also within the category of unallowable costs are any costs considered inappropriate by NCA as a pass-through entity.

Standard unallowable costs are identified in 2 C.F.R. § 200, Subpart E - Cost Principles, and 2 C.F.R. § 200.31 (Disallowed Costs). (For-profit entities and hospitals follow different cost principles – see FAR 31.2, and 2 C.F.R. Part 200b Appendix. IX, respectively). The general table below contains some items of unallowable costs that may be of particular relevance to NCA grants, however, it is not a comprehensive list of all costs that may be considered unallowable or not relevant under the specific grant type awarded.

There are certain costs that are generally unallowable in grant project budgets, including:

- Any activity or payment related to lobbying or fundraising (to finance-related or complementary project activities).
- Any expenditure not directly related to the NCA-approved goals and objectives of the project.
- Any Chapter Statewide Project expenses that do not clearly fall under the [Eligible Objectives and Activities](#) List.
- Any costs that are incurred either before the start of the project period or after the expiration of the project period.
- Food/beverages/meals/refreshments at meetings, conferences, or trainings (not including M&I per diem).

Examples of Allowable and Unallowable Costs

This document provides examples of program activities and specific costs for which program grant funds may and may not be used. Use it as a guide when developing your Grant Budget and Application Narratives (which should be consistent with each other) to describe the proposal for NCA review. NCA will review all proposed costs in the context of the grant proposal. **Please note that items are subject to change.**

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Personnel

Award funds may be used to pay the salary for full- and part-time employees who will spend their time and effort on grant-related activities. See DOJ Grants Financial Guide ([3.9 Allowable Costs, Compensation for Personal Services](#)) and [2 C.F.R. § 200.430](#).

Recipients must track staff time spent on grant activities. Time not spent on grant-related activities may not be charged to grant funds. Personnel expenses must be based on **actual time worked** on grant-specific activities, not simply divided based on the percentage the employee is funded/budgeted.

Example:

- If the Forensic Interviewer is expected to spend only 30% of their time on grant activities, the salary for the position should be budgeted at 30% of the annual salary.
- The grant recipient must keep documentation (e.g., timesheets) that show the Forensic Interviewer's time spent on grant activities, and this documentation must be consistent with the amount of grant funds obligated, expended, and drawn down for those activities.
- If the Forensic Interviewer ends up spending only 20% of their time on grant activities, the grantee may only obligate, expend, and draw down funds commensurate with that, and not the full 30% budgeted.

Cost Category	Allowable Cost Examples	Unallowable Cost Examples
Personnel	• Salaries – <i>Compensation must be reasonable and consistent with that paid for similar work in the organization.</i> • Paid time off (PTO) – <i>Compensation for PTO is allowable if consistent with the organization's personnel policies and charged to the award in proportion to the employee's documented effort on grant-funded activities.</i>	• Stipends for attending training • Bonuses (including longevity pay) • Overtime expenses • Performance-based bonuses • Dual compensation of salaried employees • Personnel Activities that include: ▪ Fundraising. <i>Grant-funded personnel performing fundraising activities may not charge time/effort spent on those fundraising activities (e.g., coordinating/organizing fundraising) to the award.</i> ▪ Lobbying or advocacy activities with respect to legislation or to administrative changes to regulations or administrative policy (cf. 18 U.S.C. § 1913), whether conducted directly or indirectly.

Fringe Benefits

Award funds may be used for allowances and services provided in compensation in addition to regular salaries and wages. Fringe benefits costs must be reasonable and are allowable to the extent required by law, agreement, or established policy of the grantee. Fringe benefits must be allocated consistently with the employee's certified time and effort; therefore, only the portion corresponding to the percentage of time worked on grant-funded activities during the applicable period may be charged to the award. Applicants must follow provisions included in the DOJ Grants Financial Guide ([3.9 Allowable Costs, Compensation for Personal Services](#)) and the Part 200 Uniform Requirements ([2 C.F.R. § 200.431](#)).

Cost Category	Allowable Cost Examples	Unallowable Cost Examples
Fringe Benefits	• Workers' compensation insurance • Unemployment insurance • Employee insurance - (<i>health, dental, vision, life, disability - must be purchased through the CAC</i>) • Federal Insurance Contributions Act (FICA) taxes - <i>employer share for Medicare and Social Security</i> • Retirement contribution • Life insurance	• Profit sharing - unless part of a pension plan • Fringe benefits associated with any unallowable salary costs • Health insurance reimbursement - <i>unless purchased through the CAC through a health reimbursement agreement (HRA)</i> • Health insurance stipends - <i>any payment made directly to employees for health insurance is considered a stipend unless it is part of a health reimbursement agreement (HRA)</i> • Any employee paid expense

Travel

Travel costs are the expenses for transportation, lodging, and related items incurred by employees who are in travel status on official business of the nonfederal entity related to the award. Grantees must reimburse travel expenses based on their agency travel policy and must follow provisions included in the NCA Grantee Resource Pages, DOJ Grants Financial Guide ([3.9 Allowable Costs, Travel](#)) and the Part 200 Uniform Requirements ([2 C.F.R. §200.475](#)). Any grantee that does not have an established travel policy must abide by the federal travel policy, including per diem rates (www.gsa.gov/perdiem).

Cost Category	Allowable Cost Examples	Unallowable Cost Examples
Travel	• Mileage reimbursement - <i>for program employees to use their personally owned vehicles to travel to participate in project-related meetings and events.</i> • Airfare, air taxi, railway fare, and bus fare - <i>must be the most economical fare (coach class).</i> • Lodging - <i>up to the maximum federal nightly lodging rate for the city + applicable taxes.</i> • Baggage fees • Ground transportation - <i>e.g., shuttle service, rental cars, or rideshare fees such as Uber or Lyft associated with program activities only. Please note: rental cars require PRIOR written approval in order to be eligible for reimbursement.</i> • Tolls & Parking fees • Per Diem - <i>meals and incidentals may only be claimed at the federal per diem rate as published on https://www.gsa.gov/ for the dates and destinations of travel.</i> • Taxes and fees associated with travel • Tips - <i>Taxi and ride-share tips up to 20% of the total cost of the ride.</i>	• Mileage reimbursement for non-grant-related activities. • Expenses related to travel for unauthorized/unapproved conferences, meetings, or other events. • Expenses purchased using any rewards program, such as mileage points, credit card travel points, my wallet funds, gift cards or other personal rewards. • Recreational trips during a conference - e.g., from a training center to a mall or restaurant. • Cancellation, ticket change, attrition, or seat upgrade fees. • Rental Cars (unless the agency has clearly demonstrated that this is the least expensive means of transportation for group travel). • Telephone, Internet charges, laundry, movie costs, or minibar charges incurred at the hotel. • Lodging costs that exceed the federal per diem rate as published on https://www.gsa.gov/ for the dates and destinations of travel cannot be charged to these grant funds. • Meals reimbursed by actual costs or purchased using a company card • Entertainment and Sporting events • Passport charges or visa fees

Equipment

Award funds can be used to obtain equipment for program staff to use to carry out project activities. All equipment obtained with grant funds must be reasonable and necessary for project purposes. The DOJ Grants Financial Guide ([3.7 Property Standards, Equipment](#)) defines equipment as tangible personal property (including information technology systems) having (1) a useful life of more than 1 year **and** (2) a per-unit acquisition cost of \$10,000 or greater (or greater than the organization's capitalization threshold, if it is less than \$10,000). [See Part 200 Uniform Requirements \(2 C.F.R. § 200.1, def. of Equipment\)](#). If the item **does not** meet those thresholds, categorize it under the *Supplies* category.

Cost Category	Allowable Cost Examples	Unallowable Cost Examples
Equipment	• Interviewing equipment • Equipment necessary to complete medical exams for victims - e.g., forensic medical exams, including an exam table, alternate light source, colposcope, or high-definition camera and related forensic photography equipment.	• Security system equipment • Construction • Equipment for entertainment purposes • Equipment to support law enforcement activities (e.g., surveillance equipment)

Supplies

Award funds can be used to purchase supplies necessary to carry out project activities. Supplies include all other items of tangible personal property **that are not equipment**. This includes computing devices that cost less than \$10,000 per unit (or the organization's capitalization threshold, if that is less than \$10,000). Applicants must follow provisions included in the DOJ Grants Financial Guide under [3.7 Property Standards, Supplies](#), and the Part 200 Uniform Requirements ([2 C.F.R § 200.314](#)) or 2 C.F.R. 200.1 definitions.

Cost Category	Allowable Cost Examples	Unallowable Cost Examples
Supplies	• Project office supplies, printing materials, and supplies. • Equipment-like items that come in under \$10,000 each. • Therapeutic supplies – <i>for approved modalities</i> • Educational supplies • Basic meeting supplies • Computers, laptops, and tablets – <i>must be allocated appropriately</i> • Warranties/Maintenance Contracts – <i>warranties that extend beyond the award period must be pro-rated</i>	• Trinkets (hats, mugs, portfolios, t-shirts, coins, gift bags, etc.) to be given away at grant-funded trainings, conferences, or meetings • Giveaway items such as toys (other than therapeutic toys used during therapy or interviews, which are allowable), clothing items, food, beverages, and promotional materials • Supplies that support law enforcement-related activities (e.g., bulletproof vests) • Furniture and soft furnishings of any kind • Artwork – i.e., paintings, murals, frames, sketches, sculptures

Consultant

Award funds can be used to procure goods or services for the benefit of the grantee. Contracts must be conducted using the organization's procurement policies and procedures. Applicants must follow provisions included in the DOJ Grants Financial Guide under [3.8 Procurement under Awards of Federal Assistance](#) and the [Part 200 Uniform Requirements at 2 C.F.R. § 200.317 through 2 C.F.R. § 200.326](#), which detail requirements and restrictions imposed on subrecipients that use federal assistance funds to procure services needed to carry out the grant-funded project.

A consultant is defined as anyone, not on the agency's payroll and receiving compensation for work, up to the maximum daily consultant rate: \$650/day based on an 8-hour day, if a consultant works less than 8 hours follow the rate of \$81.25 an hour. Compensation for individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace. The prep time allocated for the provision of these services may be included in an 8-hour workday, however, the correlation with the time spent on conducting the actual project must not exceed a 1:1 ratio.

If a subrecipient has paid a contractor with grant funds without a contract in place, the subrecipient may be required to repay all related contractual expenses for failure to properly support the use of award funds.

NOTE: Special attention should be paid to the relationship with the consultant. Any consultant who is acting as a subrecipient, as defined below, is unallowable.

Cost Category	Allowable Cost Examples	Unallowable Cost Examples
Consultant **see Conference Cost section	• Consultant Services – <i>consultants are subject matter experts who guide or assist grantees in carrying out grant-funded activities.</i> ○ Trainers/presenters ** – <i>consultants to provide training or make presentations as part of a grantee-sponsored training event.</i> ○ Training** and Technical Assistance: <i>Retaining the services of an individual or organization to (1) help plan and deliver training to project staff and/or staff from collaborative partners; (2) assist program staff/collaborative partners with resolving problems related to program development and implementation; and/or (3) aid program staff/collaborative</i>	• Reimbursement for rates exceeding \$650/day or \$81.25/hour • Consultant training prep that exceeds a 1:1 ratio • Sole-source contracts over \$250,000 • Retainer fees – fees associated with flat charges that do not define a number of minimum hours or work to be performed • Subrecipients - A nonfederal entity is acting as a subrecipient if it– ○ <i>determines who is eligible to receive grant-funded services;</i> ○ <i>has its performance measured in relation to whether the objectives of the federal program were met;</i>

	partners with implementing innovative strategies to meet the needs of those served by the funded project. o Mental Health Consulting - only for approved modalities and the service provision must align with NCA's Mental Health Standard, including participation in case review.	- o bears responsibility for making decisions about programmatic activities; - o bears responsibility for adhering to federal program requirements; and - o uses award funds to carry out a program for a public purpose specified in the program statute, as opposed to providing goods or services for the benefit of the pass-through entity.
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Other Costs

This category includes costs that do not fit into the other budget categories, but that are necessary for the activities proposed in the project. *Note: These costs must be reasonably apportioned if they also support non-grant activities, and may not be charged directly if charged indirectly.*

Cost Category	Allowable Cost Examples	Unallowable Cost Examples
Other **see Conference Cost section	• Registration fees - for training and conferences • Audit Costs - for entities that expend \$1,000,000 or more during their fiscal year in federal awards, audit costs must be prorated and charged to the grant based on the ratio of all Federal grants being audited. • Recording, transcription, or translation services • Membership fees for professional organizations • Background investigation for grant-funded staff • Meeting space/facility rental** - for grant activities (e.g., training event). • Reproduction/printing costs** - associated with training materials (job aids, workbooks, etc.) for grant-funded training events. • Telemedicine/telemental health access - subscription fees for a HIPPA-compliant telemedicine platform to provide synchronous,	• Costs associated with audits for entities that expend less than \$1,000,000 during their fiscal year in federal awards • Corporate formation fees • Charitable Registration Fees • Non-profit incorporation fees • Credit card fees (<i>transaction/processing fees</i>) • Late Fees, Fines and penalties • NCA Annual Membership or Accreditation fees • Chapter membership fees • Membership in organizations whose primary purpose is lobbying • Non-recognized evidence based mental health treatment costs (includes fees for trainings and supplies) • Mortgages, Capital campaigns, Land acquisition, Construction, Renovations, Remodeling • Vehicle purchases

	<i>remote behavioral health services and medical/clinical consultation and supervision.</i> • Software support – subscription and support fees for case management and other data collection software systems. • Website creation/maintenance – costs associated with creating and maintaining a website necessary for the project.	• Food or Beverage charges (other than travel related per diem), including conference refreshments. • Any costs associated with the home office workspace and related utilities • Employee stipends (e.g. phone, mass transit) • Gift cards • Any expense purchased using credit card points, my wallet funds, gift cards, or other personal rewards program
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Indirect Costs

Indirect costs may be charged to an award **only** if (a) The recipient has a current (unexpired), federally approved indirect cost rate or (b) the recipient is eligible to use, and elects to use the “de minimis” indirect cost rate described in [Part 200 Uniform Requirements](#), as set out at [2 C.F.R. 200.414\(f\)](#) and [Section 3.11 Indirect Costs](#) of the DOJ Grants Financial Guide.

Indirect Costs	If indirect costs are included in the budget, a signed current indirect cost rate agreement must be included with the application. If the agreement is expired and the applicant is awaiting approval for a new rate agreement, the applicant must note that in the budget narrative and reimbursement of indirect costs will be prohibited until the new agreement is approved.
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Additional Considerations

Cost Transfers	Cost Transfers that are required to correct errors or to achieve the proper, consistent, and equitable distribution of costs to grant projects will be allowed, provided adequate justification for the change is provided. Such Cost Transfers should be made as soon as possible after the necessity for the transfer is recognized. A Cost Transfer made within 90 days after the posting date of the transaction will be considered timely. In exceptional instances, Cost Transfers may be required after the 90-day period. In such situations, it is acceptable to process a Cost Transfer beyond the 90-day limit if the Cost Transfer request is properly supported and certified, and adequate documentation is provided.
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Program Income	If NCA funds are used to support any part of a revenue producing venture, revenues shall be considered program income. The grant recipient must report any related program income to NCA within 30 days and submit a budget modification request showing how those revenues will be used to further the purpose of the approved NCA grant. Revenues must be expended within the grant year that they were accrued. Program Income is gross revenue earned by the grantee that is generated directly by a supported activity or earned because of a federal award. Please note that Program Income involves gross revenues not net revenues after expenses. Examples of Program Income • Use of Federal grant funds to host a conference. Conference participants pay a registration fee. The fees are considered program income. ◦ <i>Program income cannot be used to cover the cost of non-grant funded meals</i> • Receiving payment for services provided by a grant funded activity. This includes insurance billing, state reimbursement of exams, etc. • Producing an educational curriculum or pamphlets using Federal grant funds and selling the curriculum or pamphlets. The money from the sales is considered program income. • Developing and delivering training, using Federal grant funds, and participants pay a fee to attend the training. The fees are considered program income. Please refer to NCA's Program Income Guidance located on the Grantee Resource Page.
Conference Costs	Conferences are defined as a prearranged formal event with some of the following characteristics: designated participants and/or registration; a published agenda; and scheduled speakers or discussion panels on a particular topic. This can include meetings, retreats, seminars, training and symposiums. All conferences conducted with grant funding must receive prior written approval and must be submitted within a specified timeframe. An approved budget is not considered prior approval. Conference-related expenses may span multiple cost categories and have specific post-event reporting requirements. Failure to adhere to the advanced deadlines and approval requirements may result in the disallowance of those expenses. For a detailed breakdown of allowable conference costs, submission procedures, approval timelines, and post-event reporting requirements, please refer to NCA's Conference Cost Guidance located on the Grantee Resource Page.