NEW YORK STATE | Council on Developmental Disabilities

Allowable and Unallowable Expenses

The following list contains examples of allowable and unallowable contract expenditures. This list applies to both grant expenditures and match requirements.

The source of this guidance is The Code of Federal Regulations:
https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200

Please Note: Each line item in a grantee's budget will be reviewed to determine whether it is allowable and reasonable. All costs associated with the project must be appropriate, necessary, and prudent. The Council reserves the right to request a revised budget if any costs or expenses do not meet these requirements.

1. **Travel Expenses:** Any reimbursement for necessary travel expenses and per diem shall be at rates set in accordance with allowable state guidelines and per diem and mileage rates. Travel outside the State of New York must have prior approval.

   To find up to date per diem rates visit: U.S General Services Administration

2. **Dues and Fees:** Costs for dues, attendance at conferences, or meetings of professional organizations are not allowed, unless attendance is necessary in connection with the project, and must have prior approval.

3. **Equipment and Supplies:**

   - **Equipment** refers to tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the capitalization level established by the non-Federal entity for financial statement purposes, or $10,000. Unallowable expense examples include equipment to support entrepreneurship or given to launch a small business, motor vehicles, etc.

   - **Supplies** are all tangible personal property other than those described in *Equipment.* A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000, regardless of the length of its useful life.

4. **Information Dissemination:** Costs related to disseminating information about project outcomes can only be included in the funding request if this expense is to be incurred during the term of the contract period.

5. **Capital Expenditures:** Acquisition, construction, or structural renovation of facilities are not allowable expenses.

6. **Food and Refreshments:** For any event lasting **under 3.5 hours**, funds shall **not** be used to purchase food for participants at grantee-sponsored advisory meetings, focus groups, etc.

7. **Incentives and Giveaways:** Funds shall **not** be used to purchase incentives (gift cards) or giveaways (pens, water bottles, trinkets, note pads, etc.) for participants at any grantee-sponsored event.

8. **Childcare Vouchers:** "Participant Support Costs" are allowable, when the program participants would not otherwise be able to attend grant-supported activities. For example, if childcare is necessary for a participant to join in grant-funded activities, those costs are allowable.

9. **Purchased services:** Costs that include essential services are allowed when they cannot be met by the grantee. These include consultant contracts, project advisory committee travel, maintenance agreements, audit services, personal assistance services, job coaches, printing, etc.

10. **Staff Time:** No staff person can be committed to more than 100% of that person's time. NYS CDD reserves the right to verify and determine reasonableness of staff time committed to other jobs/projects.

11. **Miscellaneous Unallowable Items:**
    - Alcoholic beverages;
    - Bad debts;
    - Capital expenditures for land or buildings;
    - Contingency funds;
    - Entertainment, including amusements, social activities, and related incidentals;
    - Federal employee compensation or travel expenses;
    - Interest, fines, and penalties;
    - Fund raising;
    - Lobbying;
    - Memberships;
    - Ongoing organizational activities;
    - To purchase furnishings;
    - Organization costs such as incorporation fees, brokers'

fees, attorneys, accountants, or investment counselors in connection with the establishment or reorganization of an organization;

- Direct services for individuals with developmental disabilities (unless these services are part of a model demonstration);
- To duplicate or replace existing services provided to individuals with developmental disabilities and family members;
- To supplant existing private, state, or federal funding sources.

12. **Additional Cost Categories Requiring Approval:**

- Advertising: radio, TV, and printed matter for public information, or recruitment of project staff.

Please note: **The information provided in this section is for guidance purposes only and should not be considered exhaustive.**