

Financial Management and Allowability

The New York State of Education Department (NYSED) is sharing information below with sub-grantees as a reminder of requirements under the current RFP and updated [Education Department General Administrative Regulations](#) (EDGAR). The following information should be shared with program, partners and fiscal staff.

Budgeted costs must be in compliance with applicable State and Federal laws and regulations and the Department's Fiscal Guidelines. These guidelines, as well as the FS-10 form, are available online at the following URL: <http://www.oms.nysed.gov/cafe>.

Grant funds must be used to supplement and not supplant existing activities and services.

Information about the categories of expenditures and general information on allowable costs, applicable cost principles and administrative regulations are available in the Fiscal Guidelines for Federal and State Aided Grants at <http://www.oms.nysed.gov/cafe/guidance/guidelines.html>.

Allowable Costs

The term "allowable" refers to a cost, which is permitted within general federal regulations and the terms of a specific award. To be considered allowable for reimbursement, costs must meet the following general criteria:

- Be necessary and reasonable for the performance of the federal award.
- Allocable to the federal award.
- Consistent with policies and procedures that apply uniformly to both federally financed and other activities of the Lead Agency/District.
- Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.
- Consistent treatment.
- Adequately documented.
- Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in Part 200.
- Not included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.

Be the net of all applicable credits. For additional information regarding the above items, sub-grantees can also refer to the [Fiscal Policies and Procedures Template](#).

To be considered allowable for reimbursement, costs must meet all budget requirements as stated in the RFP (pages 20-24) as well as the following general criteria. Allowable and unallowable expenditures include, but are not limited to the:

Allowable costs	Unallowable costs
Transportation costs (i.e. driver salary and benefits, transportation vouchers, student bus passes)	Daily nutritional services for participants ¹
Curriculum materials related to afterschool programming	Grant writer fees
Programming staff salary and benefits such as teachers and tutors	Purchase of vehicles or facilities
Equipment purchases for instructional purposes (refer to local threshold)	Capital expenses (a building or land for a building)
Program evaluation	Indirect costs not pre-approved for an indirect cost rate by federal or state government agency
Youth Development contractors or Parent/Family Engagement speakers	Major remodeling or new construction
Rental costs of real property and equipment ²	Supplies for fundraisers
Supplies and Computing devices, including computers/printer, pertaining to academic and enrichment activities	Costs of Entertainment which includes amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approved of the Federal awarding agency
Staff Professional Development, trainings, and reimbursement of <i>approved</i> travel expenses	Planning expenses prior to the grant's start date
Equipment	Food or refreshments for staff meetings
	Incentives of any kind ³

¹ Limited food items may be purchased for special program activities such as cooking classes, field trips, and special events that are reasonable and necessary to meet the goals and objectives of the grant. Grantees must make a compelling case prior to incurring the food expense that the unique circumstances they have identified would justify these costs as reasonable and necessary. Generally, there is a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant.

² Rent is only allowable for carrying out grant's programming at program site(s).

³ Incentives may include, but are not limited to, participation t-shirts, tickets to movies or shows, gift certificates, trophies, ribbons, medals, food items, field trips offered only to students achieving at a particular level (e.g. perfect attendance or high honors trips), or any gift intended to increase participation in the 21st CCLC program. These items should not be charged to grants because they are not necessary and reasonable for the proper administration of the grant. In addition, the State Comptroller has determined that "favors" represent gifts of public funds which are unallowable under the State Constitution.

Allowable costs	Unallowable costs
	Expenses that would supplant already existing activities and services
	Any expenditures that do not contribute to achievement of the goals and objectives of the program

School Lunch Reimbursement Under Federal and State Programs

- It is SED policy not to pay for costs of any food in federal and state grants in an agency which also conducts a feeding program eligible for reimbursement under the National School Lunch Act, Child Nutrition Act or Summer Food Services Program for Children. However, since the National School Lunch Act does not provide for snacks (except milk), these costs are eligible for reimbursement, if specifically approved, under most grant programs.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442

Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

It is possible for the State and/or Lead Agency/District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable.