



## Allowable Costs Reference Guide

*All references are taken from the Uniform Guidance provided by the Office of Management and Budget's CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Grants and the BCYF Grant Agreement.*

Type of Cost	✓ Allowable Cost	✗ Unallowable Cost
<b>Salaries and Wage Benefits</b>	Salaries and wages of personnel who directly contribute to the program's purpose.	Salaries and wages of personnel who are NOT supporting youth, young adults and/or children inside of Baltimore City.  Example: program staff serving senior citizens, regardless of location, or youth in Baltimore County.
<b>Fringe Benefits</b>	Fringe benefits of personnel who directly contribute to the program's purpose. Allowable costs are as follows: <ul style="list-style-type: none"> <li>• Employer taxes paid (FICA, FUTA, SUTA)</li> <li>• Workers Compensation</li> <li>• Employer sponsored health/dental/vision insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Recipients are unsubscribed to expenses being claimed (i.e., dental/health insurance)</li> <li>• Any personal IRS tax payments (i.e., estimated tax payments)</li> <li>• Retirement</li> <li>• Disability Insurance</li> <li>• Life Insurance</li> </ul>

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<b>Out-of-State Travel Costs</b>	<p>Allowable for reasonable transportation and lodging for employees and program participants whose travel is directly related to the program.</p> <p>Example: Paying for a hotel for an employee who serves as a chaperone for an overnight college tour trip with program participants.</p>	<p>Unallowable when travel costs are unreasonable.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• First-class airline or train tickets</li> <li>• Uber Black</li> <li>• Luxury hotels and meals</li> </ul> <p><b><i>Please refer to the <u>GSA provided Per Diem Rates</u> for guidelines on how much to spend for hotels, food, etc.</i></b></p>
<b>Training and Education Costs</b>	<p>Allowable for training provided for employee development associated with the sponsored program.</p> <p>Example: first aid training for youth development staff</p>	<p>Training for staff NOT serving the sponsored program or that may be unreasonable for the sponsored program.</p> <p>Example: paying for staff to attend a yoga retreat in India, even if you have a yoga program for youth</p>

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<b>Rental Costs of Buildings and Equipment</b>	<p>Allowable for reasonable costs when incurred specifically for the sponsored program. Grantees may not personally benefit from rental agreements.</p> <p>Example: paying rent for the space specifically used to host the program</p>	<p>Unallowable costs include:</p> <ul style="list-style-type: none"> <li>• Profit</li> <li>• Management Fees - fees paid to a real estate broker or management company. This does not include fees paid to a fiscal sponsor</li> <li>• Real Estate Taxes</li> <li>• Rent on a building or facility owned by the grantee or a family member</li> <li>• Building improvements to a property/building owned by the grantee or family member</li> <li>• Past or future rent outside of the programming period</li> </ul>
<b>Utilities</b>	<p><b>Allowable <u>ONLY</u> for utility costs directly related to rental/lease space agreements for the program.</b> Should NEVER be used for personal benefit.</p>	<p>No portion of personal housing or living expenses may be charged to the grant.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Utilities for personal home</li> <li>• Portion of rent or mortgage of personal home</li> </ul>
<b>Printing and Copying</b>	<p>Allowable for distribution of program-related print materials distributed to program participants.</p>	<p>Purchase of reproduction and printing equipment is unallowable. <b>See <i>equipment and other capital expenditures</i>.</b></p>

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<b>Communications</b>	<p>This cost is allowable for programmatic use ONLY. Communication support must be in the business name. Examples are:</p> <ul style="list-style-type: none"> <li>• Mobile phones</li> <li>• Landlines</li> <li>• Internet</li> </ul>	<p>Not for general purpose/personal use.</p>
<b>Participant Expenses</b>	<p>Allowable when specific costs that may otherwise be considered entertainment have a programmatic purpose.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Field Trips</li> <li>• Drums</li> <li>• Museum tickets</li> <li>• Meals</li> </ul>	<p>Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable.</p> <p>Examples: Hiring a marching band to announce the start of the program</p>
<b>Transportation/ Freight Costs</b>	<p>Allowable when related to goods purchased, in process, or delivered that are directly related to the program.</p> <p>Example: Rental vehicle directly associated with a field trip</p>	<p>Unallowable for routine/general costs or personal use.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>• Paying for extending the rental vehicle for an extra day for personal use</li> </ul>



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<b>Materials and Supplies</b>	<p>Allowable when necessary and used for the performance of the sponsored program.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Markers</li> <li>• Flipcharts</li> <li>• Soccer balls</li> <li>• Sheet music</li> <li>• Robotics kits</li> </ul>	<p>Unallowable for any personal use unrelated to programming. Costs should be directly related to the program and make sense according to the submitted narrative for the program.</p>
<b>Equipment and other capital expenditures</b>	<p>Allowable only for <b>special purpose equipment</b> that is used ONLY for programming and NEVER used for personal benefit at any time.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Laptop</li> <li>• Printer</li> </ul> <p><b>***Prior approval is required from BCYF for items with a unit cost of \$1,000 or more. ***</b></p>	<p>Unallowable for General Purpose Equipment and items that may be used for personal benefit.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Cell phones purchases</li> <li>• Motor Vehicles</li> <li>• Office equipment and furnishings</li> <li>• Telephone networks</li> <li>• IT equipment and systems</li> <li>• Air conditioning equipment</li> <li>• Reproduction and printing equipment</li> </ul>
<b>Consultant/ Contractors</b>	<p>Allowable costs for vendors/contractors paid to provide a service that is directly related to the program.</p>	<p>Unallowable for services provided outside of the submitted narrative of the program.</p>



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<b>Project Partner/Fiscal Sponsor Fees</b>	Allowable for Fiscal Sponsor costs ONLY	Unallowable for all other costs other than Fiscal Sponsor fee
<b>Marketing &amp; Advertising</b>	<p>Allowable ONLY if related to and necessary for the performance of the sponsored program.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Recruitment of staff</li> <li>• Youth Recruitment</li> <li>• Publicity for grantees' events</li> <li>• T-shirts youth are required to wear to participate in the program or field trips</li> </ul>	<p>Unallowable for advertising related to promoting the general image of BCYF. Unallowable for promotional items, including gifts.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Gift bags and other giveaways with the name of the program on them</li> <li>• T-shirts as a gift for youth in the program, free mugs for attending events</li> </ul>
<b>Stipends</b>	<p>Stipends should be directly related to the program and recorded as such, with the following detail:</p> <ul style="list-style-type: none"> <li>• person awarded,</li> <li>• amount awarded,</li> <li>• type of work performed,</li> <li>• hours worked,</li> <li>• justification,</li> <li>• recipient signing for payment</li> </ul>	<p>Stipends should not be given as gifts or incentives.</p> <p>Unallowable for general purposes that would personally benefit the participant.</p>



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	<p>Paying in cash, cash app or gift cards is not recommended but may be acceptable with the documentation noted above.</p>	
<p><b>Administrative/ Indirect Costs</b></p>	<p>Indirect (G&amp;A) costs are costs incurred for a common or joint purpose that benefits more than one cost objective.</p> <p>Indirect expenses should be grouped into different cost pools with a proposed indirect rate.</p> <p>An indirect rate proposal must be documented and prepared by the grantee when establishing an indirect cost.</p>	<p>Admin/Indirect total costs should not exceed 10% of the grant award.</p>
<p><b>OTHER</b></p>		

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<b>Conferences hosted by grantees</b>	<p>Allowable when the primary purpose is directly related to the program.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Food</li> <li>• Rental of Facilities</li> <li>• Speaker Fees</li> </ul>	<p>Unallowable for entertainment purposes.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Hosting a happy hour or mixer</li> <li>• Party entertainment such as a singer</li> </ul>
<b>Contributions and Donations</b>	<p>None</p>	<p>No contributions or donations given to other entities are allowable.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Buying food to donate to another organization's food drive</li> <li>• Buying coats to donate to another organization's coat drive</li> <li>• Making a charitable donation to another entity</li> </ul>
<b>Fines, Penalties, Damages or Settlements</b>	<p>None</p>	<p>Paying fines, penalties, damages and settlements are not allowed.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Finance charges</li> <li>• Bank fees</li> <li>• Overdraft charges</li> <li>• Parking tickets</li> </ul>



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		<ul style="list-style-type: none"> <li>• Fines for missing filing deadlines</li> <li>• City-issued fines</li> </ul>
<b>Goods &amp; Services for Personal Use</b>	None	<p>Goods and Services for Personal Use are not allowed.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Meals consumed by only you or you and family members</li> </ul>
<b>Housing &amp; Personal Living Expenses</b>	None	<p>No portion of personal housing or personal living expenses may be charged to the grant.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Groceries for your household</li> <li>• Gas/repairs for personal vehicle</li> <li>• Car payments for personal vehicle</li> </ul>
<b>Insurance &amp; Indemnification</b>	Allowable if it meets requirements of the BCYF grant agreement	<p>Unallowable for insurances not listed within signed contract agreement</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Flood insurance</li> <li>• Cyber insurance</li> </ul>

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<p><b>Maintenance &amp; Repair Costs</b></p>	<p>Allowable as direct cost only if necessary, to carry out the technical and scientific aspects of and used for the performance of the program.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Repairs to bikes for a sports program that teaches youth how to ride a bike</li> <li>• Repairs to musical instruments for music programs</li> </ul>	<p>Unallowable costs for:</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Maintenance, repair, and/or upkeep of buildings</li> <li>• Any change or maintenance that adds value to the equipment</li> </ul>
<p><b>Memberships, Subscriptions, &amp; Professional Activity Costs</b></p>	<p>Allowable when directly related to programming or capacity-building, i.e. for the betterment of the grantee and/or its program. Prior approval by BCYF must be documented.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>• Maryland Association of Nonprofits Membership</li> </ul>	<p>Unallowable when membership is for personal gain.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Country club/private club dues</li> <li>• Alumni association membership or dues</li> </ul>

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<b>Miscellaneous</b>	<p>This is a part of the “other expense” category in the program budget. These expenses are approved on a case-by-case basis dependent upon the need of the grantee and the justification provided.</p>	<p>This is a catch-all category of expenses that are unallowable. These are examples we have seen in financial expense reports that were rejected. The list includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Sales tax on allowable expense purchases</li> <li>• Expenses incurred outside of the grant cycle</li> <li>• Reimbursement for program meals purchased using food stamps</li> <li>• Payment of another grantee’s expenses</li> <li>• Payment of personal expenses and then paying back the organization</li> <li>• Purchasing alcohol/alcoholic beverages</li> <li>• Lobbying costs</li> <li>• Losses on other grants/contracts</li> </ul>