**Exhibit A – Allowable Costs**

 **The purpose of this exhibit is to:**

1. Provide further guidance on the allowable costs for this grant.
2. Define the budget and expenditure categories available for reporting allowable direct costs in the Grant Management System (GMS).

**Allowable Costs**

**Indirect Costs**

USDOE requires grants with a no supplant provision, such as Part C (34 CFR 303.225c), to follow specific regulations for indirect costs. Subrecipients choosing to charge indirect costs to this grant shall follow Section 1.5 of the Agreement.

Indirect costs charged to the Grant shall be in accordance with 34 CFR 303.225(c) and 34 CFR 76.560-76.580. The maximum amount of indirect costs charged to the grant shall be determined by the following formula:

Indirect costs = (Restricted indirect cost rate) × (Total direct costs of the grant minus capital outlays, subgrants, and other distorting or unallowable items as specified in the grantee's indirect cost rate agreement)

If a grantee uses a restricted indirect cost rate, the general management and fixed costs covered by that rate must be excluded by the grantee from the direct costs it charges to the grant. See 34 CFR 76.569.

Subrecipients with USDOE as their cognizant agency shall use the Restricted Indirect Cost Rate (RICR) approved by the Ohio Department of Education and Workforce (DEW) to charge indirect costs to the grant. Subrecipients submitting a provisional rate with their budget are required to upload their final rate approval letter from DEW by June 1, 2025. All indirect costs charged to the grant using the provisional rate shall be reconciled with the final rate no later than June 24, 2025. If necessary, Subrecipients shall request budget modifications and enter offsets in GMS as needed to ensure that the total amount charged to indirect costs aligns with the final rate approved by DEW.

For Subrecipients that do not have USDOE as their cognizant agency, the RICR is 8% unless the subrecipient can validate that their negotiated rate meets the requirements of a RICR as outlined in 34 CFR 76.564 – 34 CFR 76.569. Subrecipients charging indirect costs are required to submit documentation in GMS in accordance with Section 3.1 of this Agreement.

# **Direct Costs**

Grant funds shall be used in accordance with 34 CFR 303.501 (Use of Funds) to provide service coordination as defined in 34 CFR 303.34, evaluation and assessment as defined in 34 CFR 303.321, other costs related to providing these mandated activities, and early intervention child find outreach activities in accordance with 34 CFR 303.302. Direct costs for providing these services shall be charged in accordance with Office of Management and Budget Uniform Guidance 2 CFR 200, as adopted by the USDOE in 34 CFR EDGAR. Allowable direct costs:

1. Meet the purpose of this grant as outlined in the grant agreement.
2. Are given consistent treatment. (A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.)
3. Must not be included as a cost, or used to meet cost sharing or matching requirements, of any other federally-financed program in either the current or a prior period.
4. Are adequately documented.
5. Are reasonable.

**Allowable costs may be allocable:**

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. The method and calculation for this proportion must be documented.

Time and Effort for Personnel Costs.When charging personnel costs to the grant, subrecipients shall maintain time and effort reporting consistent with the requirements of the federal Office of Management and Budget Uniform Guidance Subpart D – Cost Principles, particularly 2 CFR 200.430-431, which covers compensation of personnel & fringe benefit costs.

Travel. Travel and travel expenses must meet the requirements of OAC 126-1-02 and 2 CFR 200.475 to be considered reimbursable. Mileage reimbursement shall be paid at the lesser of the established federal, state, or local rate. State mileage rates are updated quarterly and posted on the Ohio Office of Budget and Management website (<https://obm.ohio.gov/wps/portal/gov/obm/areas-of-interest/agency-overview/obm-travel-rule/obm-travel-rule>). The Departments shall reimburse for actual travel expenditures, as allowable, based on the rates for lodging, per diems and meals as set by the federal General Service Administration (GSA).

Equipment. Equipment means an asset or tangible personal property, including information technology systems, having a useful life of more than one year and a per-unit acquisition cost which is greater than $5000. Any equipment purchased with Grant funds shall be acquired used, maintained and disposed of in accordance with 2 CFR 200.313.

Equipment purchases made with this Grant shall be documented using the Fixed Asset Schedule (Exhibit D), which shall be attached in GMS when requesting Grant funds for equipment expenses. Equipment in the schedule shall have a unique identifier (“Asset ID”), a description (“Asset Description”), the date the asset was purchased (“Acquisition Date”), the location of the asset (“Asset Location”), the useful life of the asset (“Useful Life”), and cost of the asset (“Total Cost”). “Total Cost” includes the total purchase price, net of purchase discounts, plus any trade-in allowances, transportation charges, installation costs, taxes, and any other costs required to prepare the asset for its intended use.

Telecommunication Costs. In accordance with 2 CFR 200.471, costs incurred for telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, and cloud servers are allowable with exceptions in accordance with 2 CFR 200.471(b) and 2 CFR 200.216.

Conferences and Meetings. Subrecipient will comply with the US Department of Education’s Memorandum to ED Grantees Regarding the Use of Grant Funds for Conferences and Meetings (Exhibit G).

**Allowable Direct Cost Examples**

|  |  |  |  |
| --- | --- | --- | --- |
| **Uniform** **Guidance** **Section**  | **Uniform Guidance Section Title** | **Applicable GMS** **Expense Category** | **Examples** |
| 200.421 | Advertising | Other | Recruitment or procurement, such as running an ad to hire a service coordinator or evaluator. Advertising for the purpose of child find is allowable. Advertising for the purpose of central coordination activities is unallowable.  |
| 200.430 | Compensation -Personal Services | Personnel | Salary |
| 200.431 | Compensation ‐Fringe Benefits | Personnel | Health Insurance |
| 200.432 | Conferences | Other  | Conference fees for grant related professional development |
| 200.439 | Equipment | Equipment | Surface Pro with unit cost >$1000 |
| 200.452 | Maintenance and repair costs | Other | Repairs to a grant funded Surface Pro |
| 200.453 | Materials and supplies costs, including costs of computing devices | Supplies | Paper, booklets, iPads, laptops, where per unit cost is <$1000, Battelle and Bayley evaluation materials |
| 200.454 | Memberships, subscriptions and professional activity costs | Other | Professional certifications such as Division of Early Childhood, Infant & Child Journals, Battelle and Bayley subscriptions |
| 200.456 | Participant Support Costs | Client Expense | Transportation cost for family to see an audiologist |
| 200.459 | Professional Service Costs | Contracts | Service coordination contracts, interpreters to support the provision of the services provided in accordance with this Agreement |
| 200.461 | Publication and printing costs | Supplies | Printing |
| 200.463 | Recruiting Costs | Other | Advertisement to recruit staff |
| 200.471 | Telecommunication costs and video surveillance Exceptions to these allowable costs are found in 2 CFR 200.216 | Utilities/ Phone Service | Phones, internet & cell phone service |
| 200.473 | Training and education costs | Training | Dr. Solomon's P.L.A.Y training |
| 200.474 | Transportation costs | Supplies | Stamps, FedEx, USPS services |
| 200.475 | Travel costs | Travel | Mileage, transportation, lodging, meal per diem for employees |

Note on the purchase of mobile apps: The purchase of mobile apps is allowable if it meets the purpose of the grant as outlined in the grant agreement. Subrecipients choosing to use a gift card (ex. iTunes) to purchase apps shall not charge the purchase of the *gift card* to the grant and shall only charge the grant once the purchase of the app. The receipt from the app purchase shall be maintained as support documentation for the purchase.