

Policy for Non-Allowable & Allowable Expenses For Contractors

Policy: 5.3

Establishes the proper use of funds by contractors by defining what the Board does and does not reimburse for.

Non-Allowable Expenses

- Grant funds cannot be used to supplant other federal, state, or local funds supporting existing programs or activities (i.e. childcare assistance or subsidy to eligible recipients).
- Grant funds cannot be used for construction, renovation, or land acquisition.
- Grant funds cannot be expended for the payment of real estate mortgages or taxes; dues to organizations or federations; costs for social activities not related to the purpose of this program; costs related to a political activity; interest costs, fines, penalties, lawsuits or legal fees; contingencies such as pending litigation possible liabilities, etc.; and contributions and donations.
- Grant funds cannot be used for the purchase of fixed assets such as automobiles, computer equipment, or fixtures unless such purchases have been specifically approved by the Board during or after the contract negotiation period of this grant award process.
- Other Items not allowable either as direct or indirect costs
 - Food or drink.
 - Audit services.
 - Bad debts, fines, and penalties.
 - Bonding costs.
 - Fundraising and investment management costs.
 - Gift cards or cash withdrawals.
 - Excessive costs of advertising and public relations materials, or costs for advertising or public relations materials that do not solely promote the ECI-funded program.
 - Other personnel attending ECI activities.
 - Entertainment or costs of agency-sponsored conventions, meetings, or other events.
 - Memberships, subscriptions, and professional activities (i.e. memberships in business, technical, and professional organizations; civic, and community, social organizations; or lobbying organizations).
 - College classes and state licenses unless prior authorization from the Early Childhood Board has been given.
 - Clothing.
 - Cell phones for personnel or anyone receiving services.
 - Costs of promotional items and memorabilia, including models, gifts, and souvenirs.

Allowable Expenses by the IRVECA Board

SALARIES + BENEFITS: Staff salary, benefits associated with the salary such as Social Security, workers' compensation, unemployment insurance, health insurance, paid leave, and other benefits.

CONTRACT SERVICES: These are services that are outsourced by the applicant in which a fee may be contracted.

The Board strongly supports services centered around mental health consultation for staff and families served by the program, if no other payee sources are available. To be eligible for reimbursement by the IRVECA Board, the program must provide a copy of an inter-agency contract that clearly communicates the purpose, scope of work, and conditions for payment. A copy of the subcontractor's liability insurance certificate must also be current, and on file with the IRVECA Board.

PROFESSIONAL DEVELOPMENT: To be used for training, workshops, and conferences that are relevant to the scope of service and/or early childhood development. Training information including dates, times, and locations shall be provided with the voucher. The participant must be in a funded position by ECI Funds. Expenses are only reimbursed after the event has taken place.

TRAVEL: Hotel and mileage are reimbursed at the State of Iowa DAS current rate. Food is a non-allowable expense. <https://das.iowa.gov/state-accounting/travel-relocation/state-travel>

Certification of lodging provider's Human Trafficking Prevention Training is required if using public funds. Procedure 210.205. Beginning January 1, 2022, prior to expending or committing public funds for a purpose described below, a public employer or a public employee shall confirm a lodging provider's current certification status on the internet site found at www.stopthiowa.org. Public employers and employees are prohibited from committing or spending public funds at non-certified facilities.

Out-of-state travel must be approved by the Fiscal Oversight Committee before the cost is incurred. The program must complete a [Request for Out Of State Travel Form](#), Reference: Policy 5.9

SUPPLIES & OPERATING COSTS: All program-related supplies and other expenses. Program materials such as curriculum, printing, brochures, or other program material costs are also included. This can also include rent, phone service, utilities, office supplies, assessments, cell phone plans, and data plans.

ADMINISTRATIVE OR INDIRECT COSTS: Indirect costs shall be **no more than 5%** of the total project budget and/or grant award unless the agency has a federally negotiated rate in which case indirect costs shall be no more than 10%. Agencies must present documentation of the federally negotiated rate. Agencies requesting Administrative/Indirect Costs must specify what expenses will be included.

TRANSPORTATION CONTRACTS ONLY: School districts with a preschool transportation contract will seek reimbursement by calculating a district per diem rate; it shall be based on the previous year's reimbursement from the Iowa Department of Education. Equal to the average cost per pupil divided by the number of school days (180) days.

Effective: July 1, 2022