

REGION 10 EDUCATION SERVICE CENTER
Texas Support for Homeless Education Program (TEXSHEP), 2009-2012
Year One: 2009-2010

Appendix D

Guidelines Related to Specific Costs

Funds must be expended for *reasonable and necessary costs* in conducting grant activities. *Reasonable* means a cost is consistent with prudent business practice and comparable to current market value. *Necessary* means the cost is essential for the subgrantee to accomplish the objectives of the project. The subgrantee must comply with the applicable Federal cost principles in expending grant funds. See the last section of this appendix for a list of the Federal cost principles.

This appendix addresses certain specific costs only and is not intended to be all-inclusive.

Advertisements

Advertisements are allowed for recruiting grant personnel only as long as the advertisement is *not* in color and not excessively large.

Advertisements are allowed for communication with the public and press when the costs are considered necessary as part of the outreach effort for the grant.

Alcoholic Beverages

Alcoholic beverages are not allowable under any circumstances.

Audit Fees

Audit fees are allowable in accordance with the following:

- Audit fees and expenses are allowable only when the audit is required by and performed in accordance with [OMB Circular A-133, Audits](#).
- Audit fees and expenses may not be charged as a direct cost when such audit-services costs are part of your organization's indirect cost pool.

Awards for Recognition and Incentives for Participation

Minimal-cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom (such as pens and pencils) are acceptable incentives for participation in program activities or awards for recognition.

The following items may be donated by others but may not be purchased with grant funds:

- gifts or items that appear to be gifts
- souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, imprinted pens, and key chains
- "door prizes," movie tickets, gift certificates, passes to amusement parks, and so on
- food of any kind (snacks, beverages, refreshments, meals, and so on)

Calendars and Calendaring Systems

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Calendaring systems to manage personal calendars—whether paper calendars, personal digital assistants (PDAs), or electronic or software calendars—are not allowable costs.

Cellular Telephones for Personal Use

A cellular telephone for personal use is not an allowable cost.

Ceremonies, Banquets, or Celebrations

Costs associated with ceremonies, banquets, or celebrations are not allowable.

Conflict of Interest

Any purchase or expenditure that would pose a conflict of interest, real or perceived, is not allowable.

Consultants

A subgrantee shall not use or pay any consultant in the conduct of this application if the services to be rendered by such consultant could have been rendered by the subgrantee's employees. A subgrantee must select consultants based on demonstrated competence, qualifications, and experience and on the reasonableness of the proposed fee.

Employee Service Awards

Employee service awards cannot be paid from grant funds.

Employer Contributions to Voluntary Retirement Plan

Employer contributions to an employee's voluntary retirement plan, such as a 401k or 403b, are not allowable.

Entertainment, Recreation, Social Events

Costs associated with any type of entertainment, recreation, or social event are not allowable.

Field Trips

Educational field trips are allowable under certain circumstances. Educational field trips are approved, planned instructional activities that involve students in learning experiences that are difficult to duplicate in a classroom situation. These field trips should provide hands-on activities that encourage students to experiment and ask questions. The field trip must support Texas Essential Knowledge and Skills (TEKS), must be reasonable in cost, and must be necessary to accomplish the objectives of the grant program.

The field trip must also appear as a part of the teacher's lesson plans, which should include activities that prepare students for the trip and follow-up activities that allow students to summarize, apply, and evaluate what they learned from the trip.

Costs for the field trip must be reasonable. Any entrance fees and transportation costs must be reasonable in comparison to the intended objectives of the trip.

For audit purposes, the subgrantee must maintain documentation of the field trip and must provide clear evidence of how the expense ties back to an instructional objective. Documentation should include the following:

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- destination of each field trip
- costs associated with each field trip

- objectives to be accomplished from conducting the field trip
- teacher's lesson plan and follow-up activities

The supplement-not-supplant requirement applies to field trips, thus documentation must demonstrate the supplementary nature of the field trip as well.

Examples of Appropriate Educational Field Trips

Examples of appropriate educational field trips include the following:

- curricular academic activities focused on math, science, and technology, such as service learning, internships, UIL competitions (robotics, math), or science and technology fairs
- laboratory and field investigation instruction, used to improve students' understanding of science TEKS objectives
- trips to a river, archaeological site, or nature preserve that might include contracting with local science centers, museums, zoos, and horticultural centers for visits and programs
- trips to the local library to increase access to high-interest reading materials
- visits to colleges and universities to encourage interest in the pursuit of higher education

Unallowable Costs Related to Field Trips

The following costs are not allowable:

- field trips for social, entertainment, or recreational purposes
- field trips that supplant and do not supplement local or state expenditures or activities
- field trips that are not part of a teacher's lesson plan or that do not meet the instructional objectives of the grant program
- field trips that are not reasonable in cost or are not necessary to accomplish the objectives of the grant program
- field trips that are not properly documented (as described above)

Food and Beverage Costs

Expenditures on food must be *reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program*. If Region 10 determines that a subgrantee expended grant funds on food costs that are not reasonable or necessary to meet the intent and objectives of the grant, Region 10 reserves the right to restrict the subgrantee from expending any funds on food costs or to disallow expenditures on food costs.

Allowable Food Costs for Parents and/or Students

- nutritional snacks for students in extended day (after-school) programs

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- nutritional snacks for children in child care while parents are participating in grant activities
- food necessary to conduct *nutrition education* programs for parents

- parent involvement activities in which refreshments are necessary to encourage participation or attendance by parents, such as in low-income areas, and thus meet program objectives.

Full meals for parents or students are not allowable for these purposes under any circumstances. Expenditures must be reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program.

Unallowable Food Costs

The following costs are not allowable:

- refreshments of any kind, including beverages, breaks, and snack foods except as necessary for parent involvement activities to encourage attendance
- refreshments or meals at an awards banquet or functions
- any food costs that is not necessary to accomplish the objectives of the grant program
- any food cost associated with an event in which a guest speaker or other individual conducts a presentation

Fund-Raising Activities

Costs of organized fund raising, including solicitation of gifts and bequests, endowment drives, financial campaigns, and similar expenses incurred to raise capital or obtain contributions are not allowable. Costs associated with training on fund-raising are not allowable.

Gifts

Gifts or items that appear to be gifts are not allowable.

Membership in Civic and Social Organizations or Lobbying Organizations

Memberships in civic and social organizations and in organizations that are substantially engaged in lobbying are not allowable costs.

Personal Calendaring Systems

Calendaring systems to manage personal calendars—whether paper calendars, personal digital assistants (PDAs), or electronic or software calendars—are not allowable costs.

Printing Costs

Printing costs are allowable when documentation demonstrates that they are reasonable and necessary. Any multi-color printing must be reasonable in cost and must be necessary to carry out the objectives of the grant program. Documentation must be maintained demonstrating that any such costs are reasonable and necessary.

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Professional Development

Professional development fees, either paid directly to an institution or on a reimbursement basis to an employee, are allowable only for training *directly related to the grant program*.

Professional or Individual Liability Insurance

Professional liability insurance for individual employees is not an allowable cost.

Promotional Items, Memorabilia, or Souvenirs

Promotional items, memorabilia, or souvenirs are not allowable costs.

Social Events

The costs associated with social events of any kind are not allowable.

Training or Technical Assistance on Grant Writing

Funds may not be used for training or technical assistance on grant writing or for costs associated with obtaining funds from another grant.

Transportation Costs

The cost of transporting students to or from extracurricular activities is an allowable expenditure. A subgrantee may not charge the subgrant for costs incurred in transporting students to and from the *regular* school day, except in situations where funds are being used to pay for excess costs of transportation to and from the school of origin.

Travel Costs

Amounts authorized for maximum recovery for *travel and per diem* costs against the grant are restricted to those that are approved in the State of Texas Appropriation Bill in effect for the particular funding period. Any amount over this limit must come from local funds. If local policy restricts travel, per diem, and other travel expenses to a rate less than State law, the applicant must budget and request reimbursement *at the lesser rate*. *Travel allowances* are not allowable expenditures in Texas.

Travel generally means a destination outside the city or town in which the individual works (i.e., duty point). Travel can also mean transportation from one duty point to another within the same city or town, such as with an itinerant teacher or counselor who visits multiple campuses in the same work day.

Travel allowances, in which the per diem is paid to the employee regardless of the amount actually expended, are not allowable.

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Travel Costs for Executive Director, Superintendent, or Board Members

Travel costs for executive directors, superintendents, or board members or directors are allowed only when they are specifically related to carrying out the objectives of the subgrant project and only with specific Region 10 approval.

Allowable Travel Expenses

The following travel expenses are allowable:

- *Mileage reimbursement* is allowable for travel necessary to carry out the objectives of the subgrant project. When an employee is on travel for the purposes of the subgrant, mileage reimbursement cannot exceed the rate established by the Texas Comptroller. (Effective July 1, 2008, reimbursement for mileage is not to exceed 58.5 cents per mile.) If local organization policy reimburses at a lower rate, the traveler must claim that lower rate.
- *Airfare* is allowable at the lowest fare available and must be documented with a *receipt*. First-class airfare is not allowable.
- *Car rental fee* (at destination) is not allowable unless other transportation such as taxi or shuttle is not available for performing official business or unless documented that car rental is more cost effective than alternate modes of travel. (The car rental must be documented with a *receipt*.)
- *Airport parking* is allowable.
- **In-State Per Diem (meals and lodging)** for *overnight travel* is reimbursed at **actual cost** not to exceed the maximum amount allowed by State law, or *local policy*, whichever is *less*. *Beginning September 1, 2005*, the maximum allowable lodging is *\$85.00 per night, not including taxes*. Meals are allowable at *actual cost not to exceed \$36.00 per day*. If local school policy requires reimbursement at a *lower* rate, the lower must be used. (Lodging must be documented with a *receipt*.) *Any amount over the allowable amount must be paid from local funds. Tips for meals cannot be reimbursed.*

Out-Of-State Per diem (meals and lodging) is reimbursed at *actual cost* not to exceed the maximum amount allowed by the Federal government, or *local policy*, whichever is *less*. All other guidelines apply. Out-of-state meal and lodging rates are available on the comptroller's website at: <https://fm.xcpa.state.tx.us/fm/index.php>. Select **State of Texas Travel Information** under the **Travel** heading. Select **Out-of-State Meal and Lodging Rates** under the **Resources** heading. Select the **Domestic Maximum Per Diem Rates** link, then select the state to which the traveler is going.

- Taxi fares for official business are allowable. Tips cannot be reimbursed.
- Itemized miscellaneous business expenses (such as business phone calls, printing, or materials) for carrying out official business of the meeting, conference, or workshop are allowable.
- Registration fees to attend workshops or conferences are allowable. Social events or recreational events available at a cost above the basic registration fee may not be paid from grant funds.

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Unallowable Travel Expenses

The following travel expenses are not allowable:

- first-class air fare
 - per diem (meals and lodging) for meeting, conference, or workshop participants who live in the same city where the event is held. (Automobile mileage is allowable.)
 - tips or gratuities (including service charges) of any kind
 - alcoholic beverages
 - entertainment, recreation, or social events
 - *any* expense for other persons
 - automobile mileage or taxi fares for other than official business
 - personal accident insurance or personal effects coverage for rental cars
 - rental car for personal use or for purposes not associated with the official business of the meeting, conference, or workshop
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- travel allowances (i.e., per diem paid regardless of participant's actual expenses)
 - noninstructional field trips (see guidance under "Field Trips")

Travel Documentation

Travel costs must be properly documented to be reimbursable. The employee must document travel costs with a travel voucher or other comparable documentation. Documentation must include the following at a minimum:

- name of the individual claiming travel reimbursement
- destination and purpose of the trip, including how it was necessary to accomplish the objectives of the grant project
- dates of travel
- actual mileage (not to exceed reimbursement at the maximum allowable rate)
- actual amount expended on lodging per day, with a receipt attached (may not exceed the maximum allowable)
- actual amount expended on meals per day (may not exceed the maximum allowable; tips; gratuities are not reimbursable)
- actual amount expended on public transportation, such as taxis and shuttles
- actual amount expended on a rental car, with receipt attached and justification for why a rental car was necessary and how it was more cost effective than alternate transportation
- actual amount expended on incidentals, such as hotel taxes, copying of materials, and other costs associated with the travel
- total amount reimbursed to the employee

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Federal Cost Principles

The applicable cost principles as established by the Federal Office of Management and Budget (OMB) are as follows:

Type of Entity	Applicable Cost Principles
Public school districts Regional education service centers (ESCs) Open enrollment charter schools operated by a governmental entity Local governments (e.g., cities, counties)	OMB Circular A-87, Cost Principles for State and Local, and Indian Tribal Governments http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
Open enrollment charter schools operated by a nonprofit organization Nonprofit organizations, including community-based organizations and faith-based organizations	OMB Circular A-122, Cost Principles for Nonprofit Organizations http://www.whitehouse.gov/omb/circulars/a122/a122_2004.html
Open enrollment charter schools operated by an institution of higher education (i.e., college or university) Institutions of higher education (IHEs)	OMB Circular A-21, Cost Principles for Educational Institutions http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html

To see the cost principles in side-by-side view, click the following link:

http://maverick.tea.state.tx.us:8080/guidelines/Reference%20Materials/CostPrinciples_sidebyside.pdf