

ELIGIBLE COSTS

Eligible costs are those costs directly incurred through Project activities that are solely related to and necessary for producing the work products described in the approved Work Program during the appropriation period. All dollars are available for only the deliverables specified in the work program.

Eligible costs may include the following and are eligible only if specified in the approved Attachment A of the Work Program. For nonstate agency appropriations, the dollars are provided on a reimbursement basis for the deliverables in the approved work program:

- A. Expenditures incurred only after the effective date in the approved Work Program. No expenditures will be allowed after June 30, 2009 unless approved by specific law;
- B. Capital expenditures for facilities, equipment & other capital assets as expressly approved in the Work Program. For expenditures greater than \$3,500, the Recipient must include in the Work Program an explanation as to how all the equipment purchased with the appropriation will continue to be used for the same program through its useful life, or, if the use changes, a commitment to pay back to the Environment & Natural Resources Trust Fund an amount equal to either the cash value received or a residual value approved by the director of the LCCMR if it is not sold;
- C. Computers, if unique to the project and specifically approved in the work program;
- D. Materials and supplies specific to the project and incoming freight charges for them;
- E. Publication & printing costs (including the process of composition, plate-making, press work, & binding & the end products produced) necessary for contract administration; work products production; & biennial reports relating to work program accomplishments;
- F. Transportation & travel expenses such as lodging, meals, & mileage of personnel involved in the Project in the same manner and in no greater amount than provided for in the current "Commissioner's Plan" promulgated by the Commissioner of Employee Relations and as provided by LCCMR or, for University of Minnesota (U of M) projects, the University of Minnesota plan found at <http://www.fpd.finop.umn.edu/groups/ppd/documents/policy/travel.cfm>. Allowable meal & lodging expenses are for employees only. Purchasing meals for others is not an allowable expense. All out of state travel must be explicitly approved in the Work Program;
- G. Wages & expenses of salaried Recipient employees if specified and documented in the Work Program. For State Agencies: use of unclassified staff only OR request approval for the use of classified staff accompanied by an explanation of how the agency will backfill that part of the classified staff salary proposed to be paid for with this appropriation. This is subject to specific discussion and approval by LCCMR;
- H. Fringe benefit costs limited to salary, FICA/Medicare, retirement, and health insurance of Recipient's employees if specified in the Work Program;
- I. Professional services specified in the approved Work Program that are rendered by individuals or organizations not a part of the Recipient;
- J. Eligible expenditures incurred after the effective date of the approved Work Program.

NON-ELIGIBLE COSTS

Non-eligible costs for reimbursement mean all costs not defined as eligible costs, including but not limited to the following:

- A. Any costs incurred before the project is authorized, July 1, 2007 or Work Program approval; whichever is later;
- B. Fund raising;
- C. Taxes, except sales tax on goods and services;
- D. Insurance, except title insurance;
- E. Attorney fees, except for acquisition and clearing title to land;
- F. Loans, grants, or subsidies to persons or entities for development;
- G. Bad debts, late payment fees, finance charges or contingency funds; Interest, Investment management fees;
- H. Lobbyists, Political contributions;
- I. Memberships (including subscriptions and dues);

- J. Indirect costs, such as office maintenance, office utility costs, refreshments for staff, decorations, office material & supplies;
- K. Directors or officers salary;
- L. Office rental fees (including storage space rental);
- M. Publications & periodicals;
- N. Merit awards and bonuses;
- O. Employee worksite parking;
- P. Entertainment; Gifts and prizes; Food and refreshments;
- Q. Audio visual equipment;
- R. Advertising costs;
- S. Communication costs incurred for telephone calls, postage, and similar services. Purchase of communication devices such as pagers, cell phones, personal data assistants (PDAs);
- T. Computers (unless unique to the project & specifically approved in the work program).