

# ELIGIBLE & NON-ELIGIBLE COSTS

## ELIGIBLE EXPENSES

Eligible expenses are those expenses directly incurred through project activities that are solely related to and necessary for producing the project outcomes described in the approved Work Plan during the appropriation period. **All proposed expenses must be specified in the proposal submitted.** All dollars are awarded on a reimbursement basis, unless specifically authorized. Eligible expenses must be documented as specified in the Reimbursement Manual available from the authorized contract person for the State.

Eligible expenses may include the following and are eligible only if specified in an approved Work Plan:

- a. Eligible expenditures incurred only after the effective date in the approved Work Plan.
- b. Wages and expenses of salaried Recipient employees if specified and documented in the Work Plan. 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;
- c. Fringe benefit expenses limited to salary, FICA/Medicare, retirement, and health insurance of Recipient's employees if specified in the Work Plan;
- d. Professional services specified in the approved Work Plan that are rendered by individuals or organizations not a part of the Recipient;
- e. Materials and supplies specific to the project and incoming freight charges for them;
- f. Capital expenditures for facilities, equipment, and other capital assets as expressly approved in the Work Plan. For expenditures greater than \$3,500, the Recipient must include in the Work Plan 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;
- g. Publication & printing expenses (including the process of composition, plate-making, press work, binding and the end products produced) necessary for contract administration, work products production, and semi-annual reports relating to Work Plan accomplishments;
- h. In-state transportation and travel expenses such as lodging, meals, and 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://policy.umn.edu/Policies/Finance/Travel/TRAVEL.html>. Allowable meal & lodging expenses are for employees only. Purchasing meals for others is not an allowable expense.

## **NON-ELIGIBLE EXPENSES**

Ineligible expenses for reimbursement mean all expenses not defined as eligible expenses, **including but not limited to the following:**

- a. Any expenses incurred before the project is authorized, before July 1, 2011, or before Work Plan approval—whichever is latest.
- 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. Lobbyists, political contributions;
- g. Advertising and marketing expenses;
- h. Loans, grants, or subsidies to persons or entities for development;
- i. Bad debts, late payment fees, finance charges or contingency funds;
- j. Interest, investment management fees;
- k. Directors or officers salary, including executive director;
- l. Merit awards and bonuses;
- m. Office rental fees (including storage space rental);
- n. Overhead and indirect expenses, including office maintenance, office utility expenses, refreshments for staff, decorations, office materials and supplies;
- o. Communication expenses incurred for telephone calls, web access, postage, and similar services.
- p. Purchase of communication devices such as pagers, cell phones, personal data assistants (PDAs);
- q. Purchase of computers;
- r. Purchase of audiovisual equipment;
- s. Memberships (including subscriptions and dues);
- t. Publications, periodicals, and subscription fees;
- u. Employee worksite parking;
- v. Entertainment, gifts and prizes, food and refreshments;
- w. Conference attendance and associated costs and fees;
- x. Out of state transportation and travel expenses.