**Exhibit A – Allowable Costs**

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

1. Provide further guidance on the allowable and unallowable costs for this grant.
2. Define the budget and expenditure categories available for reporting allowable direct costs in the Grants 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, which are contained in EDGAR 34 CFR 76.560-76.580. Subrecipients choosing to charge indirect costs to this grant shall follow Section 1.5 of the Agreement.

Indirect Costs. 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) x (Base)

Base: Total direct costs excluding capital expenditures (including equipment as defined in this Section), alterations and renovations, food purchases, personal service contracts and subawards in excess of $25,000 per subcontract/subaward, previously charged indirect costs and flow through funds.

Subrecipients with USDOE as their cognizant agency shall use the Restricted Indirect Cost Rate (RICR) approved by the Ohio Department of Education (ODE) to charge indirect costs to the grant. Subrecipients are required to upload their most recently approved provisional or final restricted indirect cost rate letter from ODE when creating budgets in GMS. Subrecipients must submit final rate approval letters from ODE no later than June 1, 2022 for FY22 and June 1, 2023 for FY23. All indirect costs charged to the grant using a provisional rate shall be reconciled with the final rate no later than June 24 of each grant year. 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 ODE.

For Subrecipients that do not have USDOE as their cognizant agency, the RICR is 8%. Subrecipients charging indirect costs are required to submit documentation in GMS in accordance with Section 3.2 of the Agreement.

# **Direct Costs**

Grant funds shall be used in accordance with Section 1.1 of this Agreement. 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.

ARPA funds cannot be utilized for the following (unallowable costs):

* Out-of-state travel, purchase of vehicles.
* ARPA funds cannot be used to cover costs already paid for by other funding sources (supplanting). Examples include using ARPA funds to pay for service coordination. Service Coordination costs are covered by the Early Intervention Service Coordination grant. Therefore, ARPA funds cannot be used to cover Service Coordination costs.
* ARPA funds cannot be used to fund any project that is not sustainable long-term. Currently, ARPA funds are available for FY 22 & 23. ARPA funds should be used to enhance your county’s EI program or create a feature that can be sustained after the ARPA funds end.
* Costs related to Help me Grow Home Visiting such as Parents as Teachers, Triple P, Conscious Discipline, etc.
* All other costs that are identified as unallowable per the OMB Uniform Guidance or are not in accordance with Section 1.1 of this Agreement.

**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.

**Allowable Direct Cost Examples for the EI ARPA Grant**

|  |  |  |  |
| --- | --- | --- | --- |
| **Uniform** **Guidance** **Section**  | **Uniform Guidance Section Title** | **Applicable GMS** **Expense Category** | **Examples** |
| 200.421 | Advertising | Other | Running a radio ad to promote EI to the homeless population as a local oversight improvement activity  |
| 200.430 | Compensation -Personal Services | Personnel | Salary |
| 200.431 | Compensation ‐Fringe Benefits | Personnel | Health Insurance |
| 200.432 | Conferences | Other  | Conference fees for attending a conference related to one of the three EI ARPA priority areas |
| 200.439 | Equipment | Equipment | Surface Pro with unit cost >$1000 |
| 200.452 | Maintenance and repair costs | Other | Repairs to an ARPA 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 |
| 200.454 | Memberships, subscriptions and professional activity costs | Other | Professional certifications such as Division of Early Childhood, Infant & Child Journals, Battelle and Bayley subscriptions |
| 200.459 | Professional Service Costs | Contracts |  Contracting with a consultant to help strategize ways to engage the homeless population |
| 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 | Examples: Hanen Spark Training, The FIPP Fidelity Training, PLAY Project Certification Training |
| 200.474 | Transportation costs | Supplies | Stamps, FedEx, USPS services |
| 200.475 | Travel costs | Travel | Mileage, transportation, lodging, meal per diem for employees |