

**Wisconsin Partnership Program
Policy on Allowable and Non-Allowable Grant Expenses**

The Wisconsin Partnership Program (WPP) has specific policies on allowable and non-allowable expenses for programs and projects it funds. In general, non-allowable expenses are consistent with Federal policies on allowable and non-allowable expenses. These guidelines may be found in the three documents listed below. Each document relates to a specific type of receiving organization. Circular A-21 relates to grants to educational institutions, Circular A-122 relates to other non-profit organizations and Circular A-87 relates to state, local and tribal government units. Examples of non-allowable expenses include alcoholic beverages, fines, and donations. In the listing to follow, these items are labeled as **Not Allowable**.

The WPP also has developed policies on expenses that are not normally allowable, but may qualify as allowable under specific circumstances and with specific permission from the WPP. In general, these expenses would normally be considered indirect costs, costs that are not specifically identifiable to the funded project but are general overhead of the recipient organization. Examples of normally indirect costs include building rental or depreciation, general administrative functions, and basic telephone and internet service. These expenses may be deemed allowable only if they can be directly associated with the specific funded project. In deciding to approve these expenses, the WPP will evaluate the direct applicability of the expenses to the project and the methodology to allocate the expenses. In the listing to follow, these items are labeled as **Allowable with Restrictions**.

- US Office of Management and Budget Circular A-122 Cost Principles for Non Profit Organizations http://www.whitehouse.gov/omb/circulars_a122_2004/
- US Office of Management and Budget Circular A-21 Cost Principles for Educational Institutions <http://www.whitehouse.gov/omb/rewrite/circulars/a021/a021.html>
- Cost Principles for State, Local, and Indian Tribal Governments <http://www.whitehouse.gov/omb/rewrite/circulars/a087/a087-all.html>

Expense Item	Not Allowable	Allowable with Restrictions	Definitions & Notes
Advertising		X	Advertising for personnel recruitment, purchase of goods or sale of surplus materials is allowable if specifically related to the project, such as recruitment of dedicated personnel.
Alcoholic Beverages	X		Alcoholic beverages are not allowable.
Alumni Activities	X		Alumni relations and alumni service costs are not allowable.
Bad Debts	X		Losses from uncollectible accounts, collection costs and related legal costs are not allowable.

Expense Item	Not Allowable	Allowable with Restrictions	Definitions & Notes
Books, Journals and Subscriptions		X	Books, journals and subscriptions to professional and technical publications are allowable if specifically related to the project.
Commencement/ Convocation	X		Costs of ceremonies and receptions are not allowable.
Consultant		X	Consultant services – an individual hired to perform professional, short-term services – are allowable if specifically related to the project.
Contingency Funds	X		Provisions made for events that are uncertain as to actual occurrence, timing or extent are not allowable.
Defense, Prosecution, Claims and Appeals	X		Defense, prosecution, claims and appeals are not allowable.
Depreciation	X		The cost of an asset – building or equipment – spread over the asset’s useful life is considered indirect and not allowable.
Donations and Contributions	X		Donations and contributions at a fundraising event, including gifts, memorials and purchase of tables, are not allowable.
Entertainment	X		Amusement, social activities, and related costs, including tickets, meals, lodging and gratuities, are not allowable.

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Equipment		X	<p>Equipment is tangible personal property with a useful life of more than two years and a unit cost greater than or equal to \$5,000.</p> <p>Special purpose equipment – scientific equipment used only for technical activities –is allowable as a direct cost if specifically related to the project.</p> <p>General purpose equipment – computers, office equipment, and furnishings, which are not limited to research or technical use – is an indirect cost and is not allowable.</p>
Fines and Penalties	X		Costs resulting from violations of laws and regulations are not allowable.
Fund Raising	X		Development activities, including solicitation of gifts and bequests, endowment drives and capital campaigns, are not allowable.
Goods or Services for Personal Use by Employees	X		Items or services providing direct personal benefit to employees are not allowable.
Honoraria		X	Honoraria, such as a speaker’s fee, are allowable if specifically related to the project with approval by the Wisconsin Partnership Program.
Insurance	X		Insurance coverage for normal business purposes, whether provided by an external company or through a self-insurance program, is not allowable.
Interest	X		Interest expense is considered an institutional cost and not directly allocable to a project.
Investment Management	X		Costs of investment counsel are not allowable.

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Lobbying	X		Attempts to influence outcomes of elections or other political actions are not allowable.
Losses on Project Agreements	X		Costs in excess of available funding are not allowable as a direct cost on another project agreement.
Maintenance and Repair	X		Costs to keep property in generally efficient operating condition, not including costs that increase property value, are not allowable.
Meals and Meeting Refreshments		X	Recreational activities, either for entertainment or team-building, are not allowable. Meeting refreshments, site visit meals and guest meals are allowable if specifically related to the project. Meals associated with a staff travel, conference or symposia are allowable.
Memberships		X	Memberships in civic, community or social organizations are allowable if specifically related to the project.
Memberships and Dues		X	Memberships and dues to belong to a professional or technical organization are not allowable. However, memberships and dues specifically related to the project are allowable with approval by the Wisconsin Partnership Program.
Messenger Service		X	Shipping of materials, receiving goods for project use or other delivery of items are allowable if specifically related to the project.

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Office Supplies		X	<p>Office supplies – those items usually maintained in a departmental stock for general use by all staff, including pens, pencils, writing paper, file folders, departmental letterhead, envelopes, staples, staplers and rulers – are allowable if specifically related to the project.</p> <p>A general allocation of office expenses would be considered an indirect cost and not allowable.</p>

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<p>Participant Support Costs</p>		<p>X</p>	<p>Participant support costs are generally small payments to or on behalf of individuals who participate occasionally in a research, education, or community-based program. This may include stipends, subsistence or travel allowances for participation in conferences, meetings, symposia, training or research projects. The payments may be in the form of cash, gift cards or other non-cash items or incentives.</p> <p>The amount of reimbursement should be based on participant involvement and the type and duration of the activity as outlined in the grant. Such allowances must be reasonable and in conformance with the usual policy of the recipient institution or organization.</p> <p>The use of stipends is intended for occasional participants but not employees of the recipient institution or organization. Individuals involved in administering or providing services to the project cannot be compensated with stipends or incentives. Ongoing relationships where the total amount of reimbursement becomes substantial are usually handled through consulting agreements or employment.</p> <p>Providing cash or non-cash incentives to individuals are normally taxable events. The recipient institution or organization should be aware of IRS reporting limits and requirements.</p> <p>The recipient institution or organization must have a monitoring and accounting mechanism in place to track participant support costs. Reimbursement for gift cards must be based on actual cards distributed. Unused cards must be reconciled and cannot be treated as a project expense. Funds must be returned to the WPP at the conclusion of the grant.</p>

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Patient Care		X	Patient care with the sole purpose of providing clinical services related to treatment or follow-up for specific health conditions is not allowable. However, clinical services that involve screening and education, or mobilizing resources to promote healthcare access may be allowable.
Personal Computers		X	The purchase of personal computers is allowable if specifically related to the project.
Postage		X	Postage – routine postage costs –is allowable if directly related to the project.
Pre-Award Costs	X		Pre-award costs – costs incurred prior to the effective date of the project agreement – are not allowable.
Professional Services		X	<p>Individuals or companies hired to perform professional, short-term services, such as accounting or legal services, are allowable if specifically related to the project.</p> <p>General costs such as corporate legal or accounting services are usually indirect costs and not allowable.</p>
Proposal Costs	X		Expenses related to the preparation of the proposal, including typing, copying and mailing costs, prior to the grant award are considered institutional costs and are not allowable.
Public Relations and Marketing		X	Public relations, marketing and related advertising costs intended to promote the organization or improve community relations is not allowable. Public relations and marketing costs are allowable if specifically related to the project.

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Recharge Center Cost		X	The operating costs of a unit (photocopy service, stockroom) that provides routine goods and services within an organization are allowable if specifically related to the project.
Recruiting		X	Recruiting costs to search and select a new employee, such as recruitment of dedicated personnel, are allowable if specifically related to the project.
Rent		X	<p>Rental costs – cost to lease building space or equipment – are allowable if specifically related to the project.</p> <p>General rental costs such as the existing organizational offices are indirect costs and not allowable.</p>
Salaries and Fringe Benefits- Administrative and Clerical Personnel		X	Salaries and fringe benefits of general corporate or organizational support staff – departmental administration, including professional and clerical staff, and central administration staff serving the entire organization – are normally considered an indirect cost and not allowable. Such expenses are allowable if specifically related to the project.
Salaries and Fringe Benefits- Technical and Programmatic Personnel		X	Salaries and fringe benefits for technical and programmatic personnel staff – personnel performing scientific or other technical work related to a project – are allowable if specifically related to the project.
Scholarships	X		Scholarships are not allowable.
Specialized Service Facilities or Service Center		X	Operating units that use specialized equipment or technical expertise to provide goods or services for a fee are allowable if specifically related to the project.

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Student Activity Costs		X	Costs of student publications and activities are allowable if specifically related to the project.
Telephone, Fax Lines and Pagers		X	Equipment and service costs for local telephone, fax service and pagers, are allowable if specifically related to the project.
Termination Costs		X	Costs incurred due to early termination of a project agreement are allowable so long as effort is made to minimize those costs by canceling contracts and reselling surplus goods.
Travel		X	Travel – transportation, lodging, subsistence and related costs for official business, in accordance with organizational policy – is allowable if specifically related to the project.
Tuition	X		Individual employee tuition reimbursement is not allowable. One exception is UW graduate students who are directly working on the project and being funded by the project may incur tuition remission charges, which are allowable.