**Implementation of Grant Costs**

The portions of reasonable, necessary and allowable costs associated with implementation of the project initiatives.

**Direct Costs**
Costs directly charged (allocated) to the grant/contract funds, whose function is implementation of purposes and goals of the initiative.

Examples of direct cost for a training grant might be salaries, benefits, and other expenses for staff that perform the following functions: Student Instruction, Direct Student Services, such as Guidance or Assessments, etc., including rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space; travel costs incurred for official business in carrying out program implementation.

(Note: each grant may have special provisions for allowed or disallowed activities based on eligibility, scope of work or other general restrictions. i.e. Adult Education does not allow LEA’s to pay for GED testing vouchers. Perkins won’t pay for remedial classes as they are not a part of a Careertech Course of Study, etc.)

**Match**
Simply put “match” is the non-federal share of costs that the grantee or their partners are required to contribute to accomplish the purposes of the initiative.

**Cash**
Actual Expenditures of non-federal funds tracked by awardee or subawardees.

**In-kind**
Value of Donated goods or services (usually from a third party.) Method of Valuation must be strictly documented.

Must meet the same guidelines for allowability, allocability as the federal funds.

**Administrative Costs**

The portions of reasonable, necessary and allowable costs associated with overall project management and administration. These costs can be both personnel and non-personnel, and both direct and indirect. Some awards have regulatory limitations (or administrative caps.) Therefore, the cap applies to the combined claims for indirect and direct administration costs.

**Direct Costs**
Costs directly allocated to an initiative, whose function is managing the implementation of an initiative. Examples of direct administration: salaries, benefits, and other expenses for staff that perform the following functions: overall program management, coordination and office management functions including salaries and related costs of the executive director, project director and/or project evaluator; preparing program plans and budget schedules; monitoring programs, projects and related systems and processes; developing systems, and procedures for assuring compliance with program requirements; preparing reports (LACES) and documents related to program requirements; evaluating results against stated objectives; divisional level administrative services such as program specific accounting; costs of goods and services required for administration, including rental or purchase of equipment, utilities, office supplies, postage, and rental and maintenance of office space; travel costs incurred for official business in carrying out program management.

(Note: if any of these items is included as indirect in the IDC proposal, they may not also be charged as direct)

**Indirect Costs (IDC)**

An amount that may be charged to an initiative by applying an approved IDC rate to the actual initiative expenditures. IDC is a way to recover expenses associated with “doing business” that are not directly identifiable with a particular initiative. (i.e. organization-wide functions like general administration, personnel, procurement, facilities and utilities, etc…)

If a grant has a restricted IDC rate or an administrative cap, it is understood not all costs are recoverable and must be borne by the sub-grantee.

Generally, direct administration costs differ from indirect charges in that the latter are considered organization-wide costs.

**Disallowed Costs**
Prohibited function or costs—items that may not be charged to the grant or included as a part of matching funds.

Examples are: bad debts; contingencies; entertainment; Food Purchases; alcoholic beverages; fines/penalties; Fund Raising; Lobbying; Promotional Items; Bad Debts; Unused Leave Payouts; Tuition & Fees; Construction; Acquisition of Property, etc.