# Eligible & Ineligible Expenses

### Eligible Expenses

Only eligible expenses will be reimbursed. Eligible expenses are costs directly incurred through work activities that are (a) solely related to and necessary for producing the work products and deliverables as described in the proposal and subsequent Workplan and (b) occur during the contract period. Expenses are eligible only if incurred on and after the effective date of the contract, or the date the contract was executed, whichever is later. Eligible expenses include, but are not limited to:

### Personnel

Applicant must include hourly rates for those staff that will be providing assistance and management of the contract. Include in hourly rate all costs, including:

* Actual wages of grantee employees if specified and documented;
* Fringe benefit costs, including employee taxes and insurance costs
* Indirect:
Indirect costs are incurred for a common or joint purpose benefiting more than one cost center or program area in the grantee organization, and are also referred to as shared or central services costs.  Indirect costs may be reflected in the budget as a percentage of compensation costs only if the basis of that allocation is demonstrated through submission of an approved federal indirect rate or through demonstration of the basis for that allocation rate and method used. Regardless of method, the applicant must indicate what items are included in the indirect cost amount.

Indirect costs based upon a usage allocation rate are acceptable. Administrative and program support costs that are not covered by an allocation rate are direct program support costs.  Direct charges and items covered by the indirect allocation may not be the same items or services.  Indirect costs may include:
* Office supplies (office materials and supplies, maintenance, office utility costs and other related expenses, reasonable office rental fees)
* A portion or percentage of personnel costs for employees providing support services to the organization such as general administrative support services.
* Administrative expenses that are either reimbursable, chargeable to the project or included as part of the workplan must not exceed 10% of overall grant amount.

### Subcontractors

Subcontractor costs are actual costs for subcontractors, such as laboratories, as specifically approved by MPCA. Hourly rates and number of hours must be provided on the budget. Any subcontracts to environmental consultants should not include any hourly rates in excess of the MPCA Master Contractor rates (available upon request).

### Equipment

Equipment must be specific to accomplish Workplan duties and approved by the MPCA, including:

* Field materials and supplies
* Rental of audio visual equipment, as related to the project and approved in the Workplan;
* [Rental of boats/canoes, if applicable.]

### Other

Other eligible expenses that must be itemized in the budget include:

* Shipping, postage, and related expenses
* Production and distribution of publications and periodicals relating to accomplishing Workplan activities, with an emphasis upon using electronic methods to accomplish tasks
* In-state transportation and travel expenses (such as lodging, meals and mileage) of personnel approved in the Workplan in the same manner and in no greater amount than provided for in the current “Commissioner’s Plan” in force at the time of the expenditure and promulgated by the Commissioner of Minnesota Management & Budget (<http://www.mmd.admin.state.mn.us/commissionersplan.htm>).
* Training and materials (requires MPCA approval)
* Advertising costs related to the project and approved in the Workplan

### Ineligible expenses

Expenses which are ineligible for reimbursement include, but are not limited to:

* Any expenses incurred before the contract is fully executed [unless specifically allowed] (including applicant’s expense for preparing the Workplan/budget)
* Bad debts, late payment fees, finance charges or contingency funds, interest, and investment management fees
* Attorney fees
* Expenses for preparing proposals in response to this or other RFPs
* Employee worksite parking
* Excessive administrative expenses
* Lobbying, lobbyists and political contributions
* Mark-up on purchases and/or subcontracts
* Taxes, except sales tax on eligible goods and services
* Activities addressing permit fees
* Activities addressing enforcement actions that involve a financial penalty
* Memberships (including subscriptions and dues)
* Reimbursement to non-staff stakeholders for their attendance at stakeholder participation meetings
* Food (other than staff per diem)
* Entertainment, gifts, prizes and decorations
* Merit awards and bonuses
* Donations and fundraising
* Computer(s) and software, unless unique to the project and specifically approved by the MPCA
* Purchase or rental of mobile communication devices such as pagers, cell phones, and personal data assistants (PDAs)