



Allowable vs Unallowable Expenditures

National Title VI Training Conference

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Fundamental Cost Principles

- Grantees are responsible for:
 - efficient and effective administration of federal awards.
 - administering federal funds consistent with agreement, program objectives, and the terms and conditions of the federal awards.
- Costs should be:
 - Allowable
 - Reasonable
 - Allocable (or able to be connected to Title VI Activities)



Allowability Of Costs

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- a) Be necessary and reasonable for the performance of the Federal award.
- b) Conform to any limitations or exclusions in the grant award.
- c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.
- d) Be accorded consistent treatment.
- e) Be determined in accordance with generally accepted accounting principles (GAAP).
- f) 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.
- g) Be adequately documented.

In English...

- Funds cannot be used as match for another federal grant
- Funds must be used for activities the grant is funded for
- Funds cannot be used to influence political activities
- Funds cannot be used for the personal gain of an individual through gifts or cash payments
- Funds cannot be used for illegal activities or to purchase illegal products
- Documented properly



Reasonable Costs

In determining reasonableness of a given cost, consideration must be given to:

- a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- b) The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Federal award.
- c) Market prices for comparable goods or services for the geographic area.
- d) Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

In English...

- You can't pay more for things than anyone else would in the same circumstances just because it is grant funds
- Use the funds the same way you would with your own money
 - Shop around
 - Buy the best quality you can afford
 - Seek help if you don't know much about the product (like foodservice equipment)

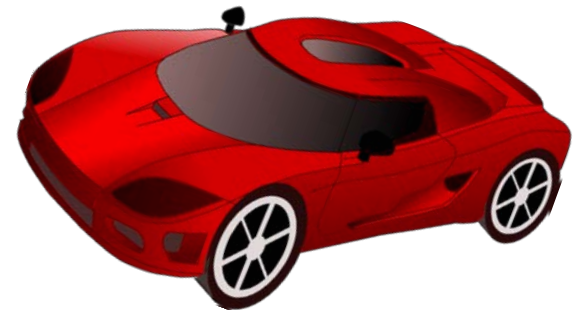


Allocable Costs

- a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
 - 1) Is incurred specifically for the Federal award;
 - 2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
 - 3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award.
- b) All activities which benefit from the non-Federal entity's indirect cost will receive an appropriate allocation of indirect costs.
- c) Any cost allocable to a particular Federal award under the principles may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons.
- d) Direct cost allocation principles. 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.
- e) If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards.

In English...

- When you spend Title VI grant funds, they need to have a direct connection to the Title VI activities. You cannot buy a vehicle if you don't provide transportation services.
- If an item or an activity benefits multiple programs, you have to split the costs using a method other than, "Well, we have some money left over in Title VI..."



Direct and Indirect Costs

- Direct costs are those costs that can be identified specifically with a particular award, or that can be directly assigned to funding activities relatively easily with a high degree of accuracy [45 CFR Part 75 (§75.413)].
- Indirect costs are those costs that cannot be identified specifically with a particular award [45 CFR Part 75 (§75.414)].
 - ACL will honor Cost Allocation Plan approved by Department of the Interior for tribal grantees.

Allowable Costs

- Advertising
- Accounting services
- Audit services
- Budgeting
- Building lease
- Communication
- Compensation for personnel services
- Conferences
- Employee fringe benefits
- Insurance costs
- Maintenance and repair
- Material and supplies
- Printing and reproduction
- Procurement and recruiting services
- Rental for real property and equipment
- Taxes
- Training and education
- Transportation
- Travel

Unallowable Costs

- Bad debts
- Construction
- Donation to charity organizations
- Entertainment
- Fines and penalties
- Fund raising and investment management costs
- Goods or services for personal use
- Indirect cost for NSIP grant
- Interest and other financial cost
- Lobbying expenses and financial cost
- Public relations
- Under-recovery of costs under grant agreements

Warning: Payments made for costs determined to be unallowable, either as direct or indirect costs, must be refunded.

Parts A and B Services

Parts A and B

Congregate Meal: A meal provided to an eligible person at a nutrition site, senior center, or other congregate/group setting for the grant year April 1 to March 31. The meal meets all the requirements of OAA.

Home-Delivered Meal: A meal provided to an eligible person in their place of residence for the grant year April 1 to March 31. The meal meets all the requirements of OAA.

Nutrition Education: A program to promote better health by providing accurate and culturally sensitive nutrition, physical fitness, or nutrition-related health information and instruction to participants, caregivers, or both participants and caregivers in a group or individual setting overseen by a dietician or individual of comparable expertise.

Nutrition Counseling: Provides individualized advice and guidance to individuals who are at nutritional risk. Counseling is performed by a registered dietitian or other health professional to address options and methods for improving nutrition status.

Parts A and B Services (Continued)

Part A & Part B

Information/Referral: A service that:

- ✓ provides individuals with information on services available within the communities;
- ✓ links individuals to the services and opportunities that are available within the communities;
- ✓ to the maximum extent practicable, establishes adequate follow-up procedures.

Outreach: Conduct public outreach activities and provide information directed at individuals and groups to encourage potential elders or their caregivers to use existing services and benefits, i.e. booth at health fair, public announcements, public presentations, newsletter, etc.

Case Management: Activities include such practices as assessing needs, developing care plans, authorizing and coordinating services among providers, and providing follow-up and reassessment, as required.

Transportation: Transportation from one location to another. Does not include any other activity.

Parts A and B Services (Continued)

Part A & Part B

Legal Services: Legal advice, counseling and representation by an attorney or other person acting under the supervision of an attorney.

Homemaker Services: Assistance such as preparing meals, shopping for personal items, managing money, using the telephone or doing light housework.

Personal Care/Home Health Aid Service: Providing assistance with

- eating, dressing, and bathing, toileting, transferring in and out of bed/chair or walking.
- health related tasks such as checking blood pressure and blood glucose and assistance with personal care.
- cleaning and maintaining the house, managing money, preparing meals.

Chore Service: Performance of heavy household tasks provided in a person's home. Tasks may include yard work or sidewalk maintenance in addition to heavy housework; such as heavy cleaning, yard work, snow shoveling, minor home repair, wood chopping, hauling water, and other heavy-duty activities which the Elder is unable to handle on their own and which do not require the services of a trained homemaker or other specialist.

Parts A and B Services (Continued)

Part A & Part B

Visiting: Includes going to see an Elder to reduce social isolation, wellness check (a visual check of an Elder to see if they need anything), to comfort or help in reading or writing a letter, etc. This may include visiting in a personal home or a facility such as nursing homes or assisted living facilities.

Telephoning: Includes phoning in order to provide comfort or check on the Elder.

Family Support: Providing services to family members who care for an elder such as counseling or discussing the elder's situation.

Ombudsman: Investigating and resolving complaints made by or for older Indians residing in long-term care facilities; provide information about problems of resident older Indians. The service is to be provided by state-certified Long Term Care Ombudsman.

Health Promotion and Wellness: Activities conducted to improve the mental and physical health of elders, including walking groups, exercise classes, other types of recreation, and health education classes on health care.

Parts A and B Services (Continued)

Part A & Part B

Others:

- Assessment: Collecting necessary information about a client to determine need and/or eligibility for a service. Information collected may include demographics, health status, financial status, etc. and may also include routine tests such as blood pressure, hearing, vision, etc.
- Escort Service: Accompanying and personally assisting a client to obtain a service.
- Public Information: Writing, reproducing and mailing a program newsletter; writing a newspaper column; or providing a radio/television interview.

Part C Services

Part C

Information: A public and media activity that conveys information to caregivers about available services, which can include an in-person interactive presentation to the public, i.e. a booth/exhibit at a fair, conference, or other public event; and a radio, TV, or Web site event.

Access Assistance: A service that

- ✓ provides the individual with current information on opportunities and services available within their communities, including information relating to assistive technology;
- ✓ assesses the problems and capacities of the individual;
- ✓ links the individual to the opportunities and services that are available;
- ✓ ensures that the individual receives the services needed and are aware of the opportunities available to them, by establishing adequate follow-up procedures; and
- ✓ serves the entire community of older individuals.

Part C Services (Continued)

Part C

Counseling: Support caregivers to assist them in making decisions and solving problems relating to their caregiver roles. Counselors are degreed service providers, trained to work with older adults and families to address complex problems related to caregiver roles. This includes counseling to individuals, support groups, and caregiver training (of individual caregivers and families).

Support Group: A service that is led by an individual, moderator, or professional to facilitate caregivers to discuss their common experiences and concerns and develop a mutual support system.

- ✓ Support groups are typically held on a regularly scheduled basis and may be conducted in person, over the telephone, or online.
- ✓ Caregiver support groups would not include caregiver education/training group, or other groups primarily aimed at teaching skills or meeting on an informal basis without a facilitator.

Caregiving Training: A service that provides family caregivers with instruction to improve knowledge and performance of specific skills relating to their caregiving roles and responsibilities. Skills may include activities related to health, nutrition, and financial management; providing personal care; and communicating with health care providers and other family members. Training may include use of evidence-based programs; be conducted in-person or on-line; and be provided in individual or group settings.

Part C Services (Continued)

Part C

Supplemental Service: A service provided on a limited basis, to caregivers, such as Elders, children, adults with disabilities, Alzheimer's, to complement the care provided by caregivers. Examples of supplemental services include but are not limited to a lending closet, chair lifts, emergency response systems, incontinence supplies, home modifications (such as putting in hand rails or ramps), school supplies, etc.

Respite: Services which offer temporary, substitute supports or living arrangements for care recipients in order to provide a brief period of relief or rest for caregivers.

Respite Care includes:

- ✓ In-home respite (personal care, homemaker, and other in-home respite);
- ✓ Respite provided by attendance of the care recipient at a senior center or other nonresidential program;
- ✓ Institutional respite provided by placing the care recipient in an institutional setting such as a nursing home for a short period of time as a respite service to the caregiver; and (for grandparents caring for children) summer camps.

NSIP (Nutrition Services Incentive Program)

- Older Americans Act (OAA) Section 311(d)(4): *“Each State agency and title VI grantee shall promptly and equitably disburse amounts received under this subsection to recipients of grants and contracts. Such disbursements **shall only be used** by such recipients of grants or contracts **to purchase domestically produced foods** for their nutrition projects.”*
- 2018 NSIP Notice of Award, Terms and Condition, Item #7: *“NSIP provides additional funding to States, Territories and eligible Tribal organizations that **is used exclusively to purchase food**, not meal preparation and may not be used to pay for other nutrition-related services such as nutrition education or for state or local administrative costs.”*

Procurements



- Follow your tribal organization's procurement policies.
- Prior written approval from ACL is required for a unit cost of \$5,000 or more:
 - Submit following documents to ACL regional office for consideration:
 - 3 written bids
 - Justification of purchase
 - Follow Executive Order on “Buy American Laws”
 - Don't place purchase order until you receive written approval from ACL



Executive Order on “Buy American Laws”

- Executive Order was issued on April 18, 2017 (<https://www.whitehouse.gov>).
- Sec. 2. Policy.
 - a) Buy American Laws. In order to promote economic and national security and to help stimulate economic growth, create good jobs at decent wages, strengthen our middle class, and support the American manufacturing and defense industrial bases, it shall be the policy of the executive branch to maximize, consistent with law, through terms and conditions of Federal financial assistance awards and Federal procurements, the use of goods, products, and materials produced in the United States.

Medicare Improvements for Patients and Providers Act (MIPPA)

- Funds must support at least one community announcement and at least one community outreach event to inform and assist eligible American Indian, Alaskan Native or Native Hawaiian elders about the benefits available to them through Medicare Part D, the Low Income Subsidy, the Medicare Savings Program or Medicare prevention benefits and screenings and counsel those who are eligible.
- Funds may also be used for the salary of the person who is planning and responsible for that event.

MIPPA Expenditures

- Staff for planning/staffing for the outreach event (health fair, enrollment event, etc.), making handouts (flyers, brochures, etc.)
- Rental of facilities
- Speakers' fee
- Local transportation
- Other items incidental to such event unless restricted by the terms and conditions of the federal award

When in doubt...



...check it out!

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