

Eligible Project Expenditures

The following project-related costs are eligible grant fund expenditures. These expenditures may also be claimed as match funds. Grantees must maintain adequate supporting documentation for all grant and match expenditures claimed on invoices.

1. **Salaries and Benefits** for project staff (applicant agency only).
2. **Services and Supplies** directly associated with the project.
3. **Travel** necessary for the success of the project (claimed in "Other" category):

Note: Out-of-state travel is restricted and only allowed in exceptional situations. Grantees must obtain prior approval from the Board of State and Community Corrections (BSCC) for any out-of-state travel by submitting an out-of-state travel justification to the Field Representative, detailing travel agenda and scope. The justification must be complete and show the benefits to the project in terms of the relationship to the project's goals, objectives, and activities.

In addition, California prohibits travel, except under specified circumstances, to states that have been found by the California Attorney General to have discriminatory laws. The BSCC will not reimburse for travel to these states unless the travel meets a specific exception under Government Code section 11139.8, subdivision (c). For additional information, please see: <https://oag.ca.gov/ab1887>.

4. **Professional Services/Public Agency Subcontracts**, including services provided by other agencies or professional consultants such as auditing or project management agencies.
5. **Fixed Assets/Equipment** necessary for the project.

Note: The expenditure of grant funds for fixed assets exceeding \$3,500 per item requires prior approval from the BSCC. The project director must submit a written declaration that the equipment to be purchased is: 1. to be used for services directly associated with the project, 2. essential to the success of the project, and 3. less expensive than leasing or renting the equipment for the grant period (based on a thorough investigation of lease and rental options).

6. **Lease payments** for office space and/or equipment needed for the project.
7. **Miscellaneous costs** for program incentives, transportation, books and supplies, special equipment, job related/training materials, and apprenticeship costs for program participants.

Note: Grantees must receive prior approval for program incentives that include monetary stipends or gift cards even if requested in the original application.

8. **Purchase or lease of a vehicle** necessary for the project.

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Note: The expenditure of grant funds to purchase or lease a vehicle requires prior approval from the BSCC, even if requested in the original application.

9. Food and beverages for program participants. Under certain circumstances, the purchase of reasonable food items is allowable to encourage program participation. The purchase of food and beverages requires prior approval from the BSCC, even if requested in the original application.

10. Indirect Costs necessary to the operation of the organization and performance of the project. The cost of operating and maintaining facilities, depreciation and administrative salaries are examples of indirect costs.

Note: Indirect cost may be charged by only one of the following options: 1. Indirect costs will be charged as 10% of total direct salaries and wages or 2. Indirect costs will be charged as 5% of direct total project costs (excluding equipment).

For more information regarding eligible project expenditures, please see the July 2016 Grant Administration Guide, <http://www.bscc.ca.gov/wp-content/uploads/BSCC-Grant-Admin-Guide-July-2016.pdf>.

Ineligible Project Expenditures

Ineligible project expenses include but are not limited to:

- 1.** The acquisition of real property.
- 2.** Programs or services provided in a custodial setting (with the exception of outreach and reentry planning).
- 3.** Fixed assets over \$3,500 per item (unless the Board of State and Community Corrections (BSCC) approves a written declaration from the project director as described under Eligible Project Expenses).
- 4.** Supplanting existing programs, projects, resources, or personnel.
- 5.** Personal injury compensation or damages arising out of or connected with the project, whether determined by adjudication, arbitration, negotiation or otherwise.
- 6.** Fines and penalties due to violation of or failure to comply with federal, state or local laws and ordinances.
- 7.** Interest on bonds or any other form of indebtedness required to finance project costs. All costs incurred in violation of the terms, provisions, conditions or commitments of the grant agreement.
- 8.** All costs arising out of or attributable to grantee's malfeasance, misfeasance, mismanagement or negligence.
- 9.** All costs arising out of or connected with subcontract claims against the grantee, or those persons for whom the grantee may be vicariously liable, including, but not limited to, any and all costs related to defense or settlement of such claims.
- 10.** Guns, ammunition, and body armor.
- 11.** Use of grant funds to "buy-out" unused sick leave, vacation/administrative leave time not accrued during the grant period.
- 12.** Use of grant funds for out-of-state travel (unless approved by BSCC on a case-by-case basis).
- 13.** Bonuses or commissions.
- 14.** Purchase of military-type of equipment.
- 15.** Lobbying activities.
- 16.** Fundraising activities.

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17. Any costs outside the scope of the approved project or activities not directly related to the approved project.

18. Costs incurred outside the grant period.

For more information regarding ineligible project expenses, please see the July 2016 Grant Administration Guide, <http://www.bscc.ca.gov/wp-content/uploads/BSCC-Grant-Admin-Guide-July-2016.pdf>.