



General Allowable Cost Questions

Are architectural fees an allowable use of grant funds?

Yes, the portions of the architectural fees that are related to allowable YouthBuild activities funded through this grant are an allowable use of funds.

Are brokerage fees an allowable use of grant funds?

No, brokerage fees and other fees associated with the acquisition of property are not directly related to participant training and are not an allowable use of grant funds.

Are subcontractor costs and supplies, i.e. roofing, landscaping, etc., allowable uses of grant funds?

Non-training services and deliverables that are not directly related to participant training are not an allowable use of grant funds unless they are used in the provision of training. Such property enhancements such as landscaping would also not fall into the category of an allowable grant cost. If the cost is not allowable to be paid with grant funds, it would also not be acceptable in fulfilling the 25 percent match requirement.

Which job functions would be allowed as a salary cost?

Whatever job functions were described in the grant application would be allowable.

Are case managers and counselors supportive services?

No, the salaries and wages of those individuals are listed on the salary/wages/fringe benefits line.

Is it allowable to provide rehabilitation training on buildings belonging to individuals at risk of losing their own to severe disrepair?

If the buildings are to be used for homeless or low income individuals, which is the requirement of the program, then rehabilitation is permitted.

Our agency is buying a building in part to be used for our new DOL program. Can we pay rent to our own agency?

No, grantees can only charge depreciation or operating and maintenance costs for the portion of the building being used for program purposes.

Could we hire a GED teacher if that position was not in the budget?

If the budget narrative provided for teachers and didn't specify what kind of teacher, there's no issue. If the budget just provides an amount of money for salaries and wages and you can fit that individual within that scope, you would not need a budget modification. However, you should advise your Federal Project Officer (FPO) that you have a change in the types of positions working on the project so a decision can be made whether or not this change impacts the scope of work that was already approved.





If there is a cost included in our budget and you are now saying it is not allowable, how do we address that?

Grantees may use the amount specified on each budget line to pay for costs that are allowable. However, you might want to talk to your Federal Project Officer to explain where you have a budget narrative issue or have included unallowable costs, and he or she can consult with the grant officer about whether or not there needs to be a budget modification.

What is the 10 percent limitation?

No more than 10 percent of grant funds may be used for the supervision and training of participants engaged in the rehabilitation or construction of community and other public facilities. However, it is not required that grantees include rehabilitation/construction of community and other public facilities in their programs.

Would construction of a kitchen or shower facility be an allowable cost to a public facility?

If it is a public facility that needs to have a kitchen or shower facility installed and it is done under the 10 percent limitation, then it is allowable.

Does a federally-qualified health care facility qualify as an allowable construction site?

The rehabilitation of a community health facility is permissible. The 10 percent limitation would apply to such costs.

Can grant funds be used to pay for college fees, books, GED tests and costs?

These are allowable types of training costs. You should have included them in your proposal and described them in the budget narrative.

Can grant funds be used on medical care, such as doctor's visits and prescriptions, on a needs basis?

Yes, this is an allowable cost.

Does the purchase of equipment require grant officer approval?

Approval is required only for equipment purchases with a per-unit cost of \$5,000 or greater. This approval must be obtained prior to actual purchase.

Are costs associated with workforce training programs allowable?

To the extent that those training programs are necessary for the program that the grantee is providing, then they are allowable. Grantees should attempt to leverage these funds where appropriate in coordination with the local One-Stop.

Is the occupancy expense for construction trainers and supervisors a direct or indirect cost – for instance, the construction trainers' and supervisors' offices?





It may be that a proportionate share of that expense is allocable to the grant – it depends on whether the office is treated as a direct or indirect cost by the organization currently as to whether it gets treated as direct or indirect. If this is a concern, grantees should contact their Federal Project Officers to discuss their situation.

If we hire subcontractors that assist in the training of our participants, do we need to provide documentation – like a signed certificate from the subcontractor – in order to consider this an allowable cost?

Grantees need to have documentation that shows that the subcontractor provided training services in order to count that cost as an allowable cost. In addition, all subcontractors should have an agreement that specifies the types of work to be performed and the pricing structure. We are not going to specify the nature of that documentation.

If we purchase a fairly large quantity of building materials to get a good discount, can reasonable storage costs be charged?

If the storage costs are less than the amount of the discount that you received, then those storage costs would be allowable. Otherwise, there's no sense in getting the discounted price and making the purchase.

Do we direct our questions on allowable costs to our Federal Project Officer?

Yes, grantees should direct questions on allowable cost to their Federal Project Officer. If the FPO is unable to answer the question or not available, then you may email Edward Donahue at donahue.edward@dol.gov. If you email a question to Mr. Donahue, always copy your FPO.

I thought I was going to have to spend my grant dollars on one expense but now I'm not going to have to, so can I use these grant dollars for something else?

If a grantee has an intention to use the grant funds for some other allowable activity that is already described in your statement of work, it would be an allowable use of the grant funds. If, however, you want to add another activity, then that would be a change in the scope of work and you will need to have an approved grant modification from the Grant Officer. You should work with your Federal Project Officer to submit the request and obtain approval for the modification.

Can grant funds be used for drug testing?

Yes, this is an allowable cost.

Incentive payments

Can grantees provide an incentive payment to grantees upon enrollment?

No, a payment cannot be given to participants simply for enrolling in the program.





A grantee proposes to pay a \$25 incentive bonus without defining earning requirements. Is this permissible?

No, incentive bonuses need to be for some specific achievement and they are treated in the compensation for personnel services provisions of the OMB circulars. Additionally, an organization would have to have the same policy for all employees of the organization, not just the people who are working on this particular project. If the incentive payments are for participants, grantees must ensure that again, incentives are paid for some specific achievement and that their process for payment is contained in their participant handbook or other standard operating procedures.

General Grant Questions

Can you give us a Web site for looking up the regulations?

Grantees can review regulations at the following website: http://www.doleta.gov/reports/dpld_regulatory.cfm. However, the regulations for YouthBuild are still being created and will not be available for public comment until April 2008. Grantees can track when the comment period opens and also view the current regulations on the Workforce Investment Act which provide general program guidance to which YouthBuild will be adhering at the website listed above.

What is the role of the Federal Project Officer (FPO)?

FPOs are responsible for the overall management and oversight of the grants and should be the first person contacted by grantees on any question.

Has low income been defined?

The definition of “low-income family” is taken directly from the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) which states: “The term ‘low-income families’ means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.”

The median for the area can be found at HUD’s Web site:

<http://www.huduser.org/datasets/il.html>

In the context of this grant, there are two areas where the definition of low-income applies: (1) as one of the participant eligibility factors and (2) referring to prospective tenants or homeowners for whom property is being built or renovated.

How do we find out who our Federal Project Officer is?

This information will be listed in the Special Clauses and Conditions to your grant award document. If you can't locate that information, call your regional office and they will provide it.





Since the DOL regulations are not yet completed, how do we operate in the interim?

Grantees should follow the terms and conditions of the grant and the Information that was provided in your initial grantee webinars and the allowable costs webinar, as well as the requirements in the legislation. Grantees are also required to adhere to OMB cost principles which can be found at:

<http://www.whitehouse.gov/omb/circulars/index.html>.

Will expenses have to be tracked or reported by functional expense and, if so, how will the functional categories be determined?

There are only two cost categories – programmatic and administrative costs – under which grantees need to be able to track and report costs. Grantees also need to be able to track their costs by the budget line items. This is necessary to identify the need for budget realignments as well as the close-out process when they will be asked to document expenditures against each of the budget line items. If there isn't a reporting category for an item on our reporting form, we do not require grantees to track information on that item although they may choose to do so.

Funds Management

When will DOL give instructions on accessing our funds?

The instructions on how to access funds were included in the cover of the grant document that was sent to all grantees. If you have additional questions, please contact your FPO.

If we haven't drawn down our grant funds do we still need to submit the ETA-9130?

Yes, regardless of whether a grantee incurs costs or draws down funds, they must submit a report for each and every quarter that they have the grant.

Do we need approval to shift dollars in the budget?

Grantees need a budget modification to move dollars from one line item to the other if the total reallocated exceeds the 20 percent budget line item flexibility that is listed in the grant agreement for all of the line items, except salaries/wages/fringe benefits and indirect costs. If grantees are moving funds into or out of these latter items, they will need a budget modification, regardless of the amount.

Transportation

Our grant included a line item to purchase a van for transport of trainees from the training facility to the construction site. Is this an allowable cost and what do I need to do?

It is an allowable cost. It is one that requires prior grant officer approval so grantees should submit a request to buy the van to their Federal Project Officer.





Is a van used for transportation of students allowable as an equipment cost?

Assuming that the grantee is buying the van, it is an equipment cost and it requires prior approval. If they are renting the van, it is another cost in terms of budget line items and doesn't require prior approval.

Is leasing a vehicle for transportation of students allowable?

Yes, this is an allowable cost. You are cautioned that capital leases are no longer allowable under the OMB cost circulars.

Is a car lease an allowable cost?

If the car is needed for the program, then leasing of a car would be allowable.

Matching Funds

Can architectural fees be used to meet the 25 percent match requirement?

Architectural services that are furnished without grant funds and are used for houses as part of the training for YouthBuild participants may be used in fulfilling the 25 percent match requirement.

Can brokerage fees be used to meet the 25 percent match requirement?

Since brokerage fees are not directly related to participant training and are not an allowable use of grant funds, they are not acceptable in fulfilling the 25 percent match requirement.

Can subcontractor costs and supplies be used to meet the 25 percent match requirement?

Since non-training services and deliverables are not directly related to participant training, they are not an allowable use of grant funds, nor acceptable in fulfilling the 25 percent match requirement.

Can funds that do not come directly from a federal source but originate from federal funding be used as match funds?

If funds can be traced back to the federal government, they are not allowed as a match.

If we secure funding for building materials through our state housing agency from a grant that is structured as a loan, can we use it as match?

Construction materials that are acquired without grant funds and are used for houses as part of the training for YouthBuild participants may be used in fulfilling the 25 percent match requirement. The match may be cash or in-kind resources and must meet all the requirements in accordance with the applicable Federal cost principles.

Can the value of land be used as a match?

The purchase of land is not an allowable use of grant funds; therefore, this is unacceptable as a match.





Can the value of buildings be used as a match?

The purchase of a structure, at the current fair market value prior to rehabilitation, for the sole purpose of training YouthBuild participants, is an allowable use of grant funds; therefore, building purchases may be used in fulfilling the 25 percent match requirement. The share of the purchase price that represents the portion related to direct training activities should determine the amount of the match.

Can the value of materials be used as a match?

Construction materials that are acquired without grant funds and are used for houses as part of the training for YouthBuild participants may be used in fulfilling the 25 percent match requirement. The match may be cash or in-kind resources and must meet all the requirements in accordance with the applicable Federal cost principles.

Can contributions received or used before the grant's start date be counted for match or leveraged resources?

No, these contributions do not count.

Is the value of unclaimed indirect costs over and above the administrative cost threshold considered an allowable match?

Yes, unclaimed or unreimbursed indirect costs are allowable as match.

Can AmeriCorps' services be counted towards the match?

DOL's policy is to allow the Youthbuild funds to be used to meet the matching requirements under the AmeriCorps program as long as the funds are used for activities that are also allowable under the Youthbuild program. Americorps funds cannot be a match for the YouthBuild grant; however they are considered leveraged funds.

Is the value of a donated building the value before or after restoration?

It is the value prior to restoration, at the time it is donated.

Is the provision of tools used by, but not kept by, participants an allowable match?

Yes, the provision of tools is an allowable match.

How do we count grantee staff time that is provided to support the program but is not paid for from federal funds under this grant or under funds for another program?

The cost of staff that you do not charge to the grant is an allowable cash match because you incur the cost of paying them their salary, and therefore their salary – the amount that you pay them for the time they work on our program – is allowable as a cash match.





We're planning on purchasing a building in which we'll house the program. It will need substantial rehab. Can this be included under the match rule?

No, since the building that you are purchasing for use by your organization is not being rehabbed for low income or homeless individuals, this cannot be counted under the match rule. Moreover, DOL funds cannot be used to purchase the building.

Can tribal self-governance funds be used as match funds as some federal grants do allow federal tribal self-governance funds to be used as match?

If these are federal dollars, the DOL position for DOL grants is that they can count as leveraged resources, but not towards the match.

Can we modify our match dedications if after the initial proposal we submitted, we discover funds that could count as match?

The grants office does not intend on modifying the match amount that has been promised through the solicitation process for any grantee because it is that amount that was promised and that is the amount that we plan to hold you to as a requirement. Any additional match funds, above the requirement, should be considered leveraged funds and reported as such.

Will a budget modification be considered to separate match from leveraged funds if they were combined in the grant and on the 424A?

The amount that you specified on the SF-424A is what will be considered your match requirement. There will not be an opportunity to change that amount.

If we discover that some of the match we stated that we would have is federally funded, can we use another kind of match that would be acceptable?

Yes, that would be expected in this case.

Food Expenses

Is food for meetings allowable?

No, food is not an allowable cost under this program. We are looking at the possibility of permitting participant meals on a job site.

Is the purchase of food an allowable use of funds?

DOL considers food as an allowable cost when used as a supportive service. This provision would be needs based, necessary to enable individuals to participate in the program. As stipulated in the SGA, *"If the applicant plans to use grant funds for paid work experiences, needs based stipends, wages, and other supportive services for the participants, sufficient information must be provided in the budget narrative to clearly justify the proposed amounts to be provided."* The purchase of food would be considered an unallowable cost for grant funds if expended for any reason other than needs based supportive services.





Can we count donated food items as leveraged resources?

If you have donated food items, then those can count as leveraged resources that are not match because they're not allowable under the cost principles.

What if we are paying a minimal service fee for these donated food items?

Since the food items are not an allowable grant cost, then the service fee can't be either. However, just like the food cost, it would be an allowable leveraged resource.

Are refreshments for meetings allowed?

No, food is not an allowable cost.

Can we buy food for a graduation ceremony?

No, food is not an allowable cost.