

# Allowable and Unallowable Expenditure Guide

## MN SCHOOL-BASED HEALTH CENTER GRANT

This guide is for assisting grantees on understanding allowable and unallowable expenditures under this grant. This is not an exhausted list; grantees should consult with their grant manager if they are uncertain if an expense is allowable or unallowable.

### Allowable Expenses

Category	Allowable Expenses
Personnel/Salary	Salary of staff(s) directly involved in grant activities.
Fringe Benefits	All other costs, except for compensation, for full- or part-time employees. These may, but are not required to, include employer portion of FICA and Medicare, medical and dental insurance, long-term disability insurance, life and accidental.
Travel	<p>Staff travel cost for grant required or related activities. For example: mileage, parking, hotel accommodation, and meals.</p> <p>Grantees will be reimbursed according to the current IRS rate and the <a href="#">Commissioner's Plan</a> at the time of travel.</p> <p>Funds cannot be used for out-of-state travel without prior written approval. Minnesota will be considered the home state for determining whether travel is out-of-state.</p>
Equipment	<p>All tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$10,000. Prior approval is required before the equipment can be purchased.</p> <p>Grantee will need to follow the Contracting and Bidding Requirements outlined in their grant agreement.</p>
Supplies	<p>All tangible personal property other than those described in the equipment definition. A computing device is a supply if the acquisition cost is below the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$10,000, regardless of the length of its useful life.</p> <p>The supplies costs are for items and services that will be purchased to run the grant program. These might include telephone devices, postage, printing, photocopying, office supplies, technology software, and training materials.</p>
Contractual	<p>Any subcontractor(s) doing work for the grantee and getting compensated for that work. The use of contractual services is subject to State review.</p> <p>Grantee will need to follow the Contracting and Bidding Requirements outlined in their grant agreement.</p>

	Grantee is responsible for monitoring any subcontractors to ensure they are following all State, Federal, and programmatic regulations including proper accounting methods.
Other	Any expenses that do not fit in any other category. For example: staff training, ads, incentives, and gift cards.
Indirect Costs	<p>Indirect costs are expenses of doing business that cannot be directly attributed to a specific grant program or budget line item. These costs are often allocated across an entire agency and may include administrative, executive and/or supervisory salaries and fringe, rent, facilities maintenance, insurance premiums, etc.</p> <p>Grantee may use a federally approved negotiated indirect rate agreement (NICRA). If a NICRA has not been established then grantee can charge up to the maximum of 10%, of the Sub Total amount</p>

## Unallowable Expenses

1. Bad debts.
2. Capital purchases, construction improvements, or alterations.
3. Cash assistance paid directly to individuals to meet their personal or family need.
4. Contingency funds.
5. Corporate formation (startup costs).
6. Costs incurred prior to the grant award.
7. Expenses not directly related to the approved work plan and not in the approved budget.
8. Finance charges.
9. Fines and penalties.
10. Land acquisition.
11. Late payment fees.
12. Lobbying, lobbyists, political contributions.
13. Purchase of vehicle(s) for program use.
14. Solicitating donations or fundraising.
15. Taxes, except sales tax on goods and services.

## Food and Beverage Costs

Generally, the cost of food is not an allowable item. However, if there will be a grant activity where there is justification to provide food, then those cost should go in the “Other” line of the budget and follow the guidelines below:

- Food can only be provided if the majority of the attendees are non-grantee staff.
- Grant funds may not be used to provide food for award dinners, grant project celebrations or parties, etc.
- Grant funds may be used to provide food for grant activities listed in the work plan and is approved in grant agreement under “Other”.
- Alcoholic beverages are never allowed.

Documentation and justification for the expenses should also be maintained to demonstrate compliance with grant requirements and ensure transparency in the use of funds.

Minnesota Department of Health  
MN School-Based Health Center Grant  
[www.health.state.mn.us](http://www.health.state.mn.us)

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*To obtain this information in a different format, send your request to [Jennifer.Marshall@state.mn.us](mailto:Jennifer.Marshall@state.mn.us).*