

# Program Line-Item Cost Category Definitions

Updated 4/12

The following definitions should be used as a guide to determine the proper line-item cost categories for expenditures:

- A. PERSONNEL COSTS:** Costs related to paying staff for salaries and related fringe benefits should be included in one of the following categories:
  - 1.1 Salaries & Wages:** Includes all payments made to staff, whether permanent or temporary. Excludes payments for various payroll insurance, pension costs, and other benefits.
  - 1.2 Fringe Benefits:** Includes all payments made in accordance with approved payroll benefit programs. This includes retirement/pension plans, various insurance, such as disability, life, health, and unemployment. Includes workers compensation, disability insurance, sick leave, and accrued vacation. Excludes the cost of salaries and wages and overtime.
  
- B. NONPERSONNEL COSTS:** Those costs incurred that are not related to personnel and are directly related to the operation of the organization or its delegate agencies.
  - 2.1 Travel:** Includes costs incurred in connections with business-related, employee and board member, local and out-of-area travel. Costs included are air and/or alternative transportation fare, per diem, mileage, parking fees and auto rental.
  - 2.2 Space Cost (Rent/Lease):** Includes those costs incurred in connection with leasing or renting facilities and/or buildings. Includes the cost of repairs and office relocations. Excludes the cost of permanent improvements and utilities.
  - 2.3 Consumable Supplies:** Includes those costs incurred in connection with the purchase of supplies necessary for office operations: such as, pencils, rulers, staplers, calendars, non-printed paper, nameplates, business cards, rubber stamps, news/magazine subscriptions, books, film and film development, office copier supplies, etc. Excludes the cost of office furniture and equipment repair and maintenance.
  - 2.4 Equipment Lease/Purchase:** Includes those costs incurred in connection with the purchase, lease, and/or rental of equipment: such as, office copiers, computers, telephone equipment, and miscellaneous repairs and maintenance. Excludes the cost of consumable supplies.
  - 2.5 Consultant Services:** Includes those costs incurred in connection with professional or technical services provided: such as, legal and financial counseling, auditing fees, and the cost of continuing consultant services.

# Program Line-Item Cost Category Definitions

Updated 4/12

- 2.6 Contract Services:** Includes those costs incurred in connection with maintenance or processing activities: such as, the cost of bookkeeping and data processing services, janitorial services, payroll services, and printing and processing fees for program-related activities. Excludes the cost of program service delivery.
- 2.7 Subcontractors:** Includes those costs incurred by contractual agreement with other agencies to provide program service delivery. Excludes the cost of consultant and contract services.
- 2.8 Other Costs:** Includes those costs detailed in the following categories:
- a. Insurance and Bonding:** Includes the cost of insurance premiums and bonding coverage.
  - b. Communications:** Includes the cost of telephoned service, toll and message units, and communication equipment installation. Telegram and other electronic communication.
  - c. Freight and Postage:** Includes the costs of stamps, postage meter refills, and parcel post services.
  - d. Employee Development and Recruitment:** Includes the cost of seminar fees, tuition reimbursement and advertisement.
  - e. Dues and Membership:** Includes the cost of dues and memberships in approved professional organizations.
  - f. Utilities:** Includes the cost of electricity, water and gas.
  - g. Indirect Costs:** When agency has a negotiated Indirect Cost Rate – attach copy of agreement.
  - h. Direct Client Services Costs:** Includes cost of direct client services – i.e., food vouchers, rent payments, energy payment assistance and other direct payments to a vendor for a client.