

Budget Costs?

You are the new Program Director at the Training Academy, a non-profit organization that provides after school tutoring for high school students. During the budget preparation for their CNCS-funded grant the budget director (who has no experience with CNCS or other Federal awards) performed an analysis of expenses for the upcoming program year and had some questions regarding the following costs and requested your input on whether they should be included in the budget as: Direct Costs, Indirect Costs or not included because they appear Questionable or Unallowable. Please indicate your choice for the following types of costs and be prepared to explain your rationale:

Types of Costs	Direct	Indirect	Questionable or Unallowable
1. Advertising for the Project Director for the program - \$500	\$500		
2. Travel expenses relating to the Project Director meetings with a charitable foundation to discuss fundraising strategies - \$1,000			Fundraising not allowed
3. Annual financial statement audit - \$7,000		Can be recovered as part of administrative expenses	
4. Cost of consultant @ \$750 per day for 5 days to develop a fundraising strategy for the program - \$3,085			Fundraising not allowed
5. Cost of membership in The United Healthcare Lobbying Group - \$600			Lobbying not allowed
6. Licenses and permits for construction of new headquarters that is scheduled to break ground next year - \$1,000			License and permits are not allowed per Cost Principles
7. Purchase of computers to be used for all personnel employed by the organization - \$10,000	Can be direct if in the approved budget, but only for those employees being funded by the grant	Can be recovered as part of administrative expenses – 5% maximum of CNCS share, if not part of the budget	
8. Alcoholic beverages during a recognition event - \$300			Costs of alcoholic beverage are unallowable – see Cost Principles