

Cost Documentation and Financial Reporting Reference Guide



Technical assistance resource for subrecipients of U.S. Department of Justice grants administered by the Kentucky Justice and Public Safety Cabinet, Grants Management Division.

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Version 1.0

COST DOCUMENTATION AND FINANCIAL REPORTING REFERENCE GUIDE

This reference guide has been prepared by the Kentucky Justice and Public Safety Cabinet (JPSC), Grants Management Division (GMD), to provide grant subrecipients with a general understanding of cost documentation requirements and expectations to ensure compliance with Federal and State regulations, policies, procedures, and subaward terms and conditions related to adequately supporting grant costs.

This reference guide:

- Details the process for requesting grant reimbursements;
- Specifies cost documentation (supporting) documentation, requirements related to the use of grant funds by budget category;
- Identifies allowable and unallowable costs to grant awards; and
- Includes examples and helpful tips to assist subrecipients with demonstrating charges to grants are accurate, allowable, and properly allocated.

This resource is not exhaustive or all inclusive. It is intended to be a tool to improve financial grants management and cost documentation practices within a subrecipient's overall financial management system. Subrecipients must always consult the specific requirements communicated in the notice of funding opportunity and subaward terms and conditions.

References

- [Code of Federal Regulations \(CFR\) - 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [U.S. Department of Justice \(DOJ\) Grants Financial Guide](#)
- [Kentucky Revised Statutes \(KRS\)](#)
- [Kentucky Administrative Regulations \(KAR\)](#)
- [Kentucky Finance and Administration Cabinet Policies and Procedures \(FAP\)](#)
- [JPSC Grants Management Division \(GMD\) Policy and Procedure Manual](#)

Technical Assistance Available

Subrecipients are encouraged to contact the assigned GMD Financial Administrator with any questions regarding [Intelligrants 10.0 \(IGX\)](#) navigation, financial reporting, or supporting documentation.

GENERAL INFORMATION

Maintaining proper cost documentation to support all grant expenditures is a critical element of grants management. Subrecipients must be able to track source documentation to substantiate all grant expenditures. Subrecipients must have financial management systems in place that maintain such documentation and identify funds and expenditures for each grant-funded program separately. **Failure to properly support the use of grant funds may result in denial of reimbursement requests or administrative recovery of grant funds.**

GMD actively reviews supporting documentation to verify subrecipient expenditures prior to processing grant expense reimbursements. In addition, having adequate cost documentation is essential to support charges to grants during compliance monitoring and audit engagements. GMD may request supporting documentation at any time. Therefore, subrecipients must maintain a bookkeeping or financial management system that is “audit ready” at all times.

TIPS TO BE “AUDIT READY”

1. Keep receipts of all transactions, organizing them so that they are easily accessible.
2. Ensure all accounts payable documents are reviewed and approved by two separate individuals with explicit authority to approve invoices.
3. Stay updated on transactions by posting financial activities on a regular basis.
4. Make sure income and expenses are properly recorded to the appropriate accounts.

All grant disbursements are subject to post reimbursement reviews by JPSC, state auditors, federal grantors, or others, and may be subject to further requirements such as, but not limited to, additional documentation or refunds by the subrecipient of grant funds if costs are deemed unallowable and/or not properly supported by documentation. All supporting documentation should be uploaded to IGX for each payment request.

Allowable Costs

Subrecipients may only request reimbursement for costs that are both allowable under the grant program and included in the approved grant budget as reflected in IGX. Costs that are unallowable under the grant program or prohibited within the notice of funding opportunity or subaward terms and conditions are not eligible for reimbursement.

Allocable Costs

Allocable costs are costs that can be assigned to an award based on the benefits they provide. To be considered allocable, a cost must meet at least one of the following criteria:

- The cost is incurred specifically for the award;
- The cost benefits both the award and other work of the recipient, and can be distributed in reasonable proportions; or
- The cost is necessary for the overall operation of the recipient and can be assigned in part to the award.

Unallowable Costs

In addition to the unallowable costs identified in the [DOJ Grants Financial Guide, 2 CFR 200](#), and the [GMD Management Policies and Procedures Manual](#), the following costs are ineligible for reimbursement under grant programs administered by GMD:

- Prizes, rewards, entertainment, trinkets, or any type of monetary incentive;
- Gift cards or comparable cards whose usage or expenditures cannot be tracked;
- Subrecipient late fees of any kind (e.g. penalties or reactivation fees due to nonpayment);
- Sales tax;
- Food and beverage (unless expressly allowed by the grant);
- Lobbying or advocacy activities with respect to legislation or to administrative changes to regulations or administrative policy, whether conducted directly or indirectly;
- Activities related to fundraising (the subrecipient may engage in fundraising, as long as such activities are not financed by Federal grant funds);
- Capital improvements, property losses and expenses, real estate purchases, mortgage payments, or construction (unless specifically allowable under the grant program and authorized within the notice of funding opportunity and subaward terms and conditions); or
- Bonuses, gifts, or employee recognition awards.

Supplanting

Subrecipients that receive awards under programs that prohibit supplanting must ensure Federal funds do not supplant non-Federal funds that have been budgeted for the same purpose. Subrecipients may be asked to provide documentation showing reductions in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds. See DOJ Grants Financial Guide (Section 2.3) for guidance on maintaining documentation to sufficiently demonstrate non-supplanting.

FINANCIAL REPORTING

Grants administered by GMD operate on a reimbursement basis. Subrecipients request reimbursement for grant expenditures through submission of a Financial Report (FR) in Intelligrants 10.0 (IGX), the JPSC's electronic grants management system. The general financial reporting guidelines are as follows:

1. Reporting Schedule

FRs will be filed on a quarterly basis unless a specific exemption has been given. FRs are due within fifteen (15) days of the close of each reporting period. The reporting schedule cannot be changed during an active award period once the initial reporting schedule has been established.

FR Reporting Period	Due Date
January 1 – March 31	April 15
April 1 – June 30	July 15
July 1 – September 30	October 15
October 1 – December 31	January 15

2. Itemization of Costs

Each cost claimed for reimbursement must be specified by line item on the Detailed Financial Report page of the FR in IGX. Line-item entries should clearly correspond with line-item titles within the approved budget.

3. Supporting Documentation

Subrecipients may only request reimbursement for costs which are adequately supported by source documentation. Source documentation must be provided and loaded in IGX for each payment request. Further, documents must be accessible during monitoring visits.

4. Grant Ledger or Financial Management System Reports

Subrecipients must maintain an accounting or financial management system able to produce a grant ledger or report reflecting all income and expenditures separately for the grant award during the reporting period. The ledger or report should reflect requested reimbursements and should be attached to the Detailed Financial Report page for the FR submitted in IGX. Reimbursement claims may only be made on the FR for grant activities that appear on the grant ledger for that same reporting period. All correcting entries must be shown on the FR as identified and through consultation with the GMD Financial Administrator.

5. Cost Sharing (Matching) Funds

Cash or in-kind matching funds are subject to the same documentation and reporting requirements as reimbursement claims.

6. Period of Performance

The period of performance, also known as project period or award period, is the specified period of time during which subrecipients are permitted to obligate grant funds. Financial obligations must be incurred during the period of performance specified within the Memorandum of Agreement (MOA) terms and conditions to be eligible for reimbursement. This requirement applies to all contracts and subcontracts issued by the subrecipient and any services rendered.

- 7. Liquidation Period** – GMD recognizes some costs may be properly incurred during the project period but not yet liquidated before the final financial report is due. Disbursements for such costs are eligible for reimbursement during the liquidation period but GMD should be notified in advance to properly account for expenditures.
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COST DOCUMENTATION EXPECTATIONS

The following cost documentation principles apply to all grant expenditures:

1. Source Documentation Required for All Grant Expenditures

Every grant expenditure must be adequately supported by documentation sufficient to demonstrate grant funds were used for allowable, allocable, and authorized purposes and in accordance with the regulations, statutes, policies, and terms and conditions of the grant. Accounting records must trace back to source documentation.

2. Complete, Clear, and Legible Documentation

Documentation should be complete, legible, and understandable to an independent third party without additional information or explanation. If supporting documentation does not clearly identify the purpose or description of the item or service being purchased, then clarification should be provided with the invoice or other documents. Incomplete or illegible documentation will be rejected and returned. Notes, inputs, explanations, or information written on a document copy should be signed by or have full initials of the individual making the entry to certify authenticity.

Altered documents will not be accepted to support reimbursement claims. Altering includes changing, removing, or adding an amount, date, vendor, service, or product description, etc., or redacting (blacking out, whitening out or removing) something on the original document. Writing on a document to provide clarification is not considered altering if all the original information remains legible and unchanged, and if signed (or full initials) and dated by person performing the edits. Redaction of personally identifying information is the only exception to this requirement.

3. Confidentiality

All personally identifiable information (PII), such as social security numbers, home mailing addresses, and dates of birth, must be omitted or redacted from all supporting documentation before being submitted to JPSC.

4. Itemization of Costs

Invoices and receipts must be itemized. Credit card statements alone are not itemized and therefore do not qualify as standalone support for grant costs.

5. Proof of Payment

Documentation such as a general ledger, or a copy of a cancelled check, must be provided to verify reimbursement and must demonstrate that payments were remitted by the subrecipient within the period of performance or liquidation period. Quotes, purchase orders, or invoices alone are not sufficient to substantiate the actual expenditure of grant funds.

6. Proper Authorization

Invoices must be approved by the person(s) within the subrecipient organization with the authority to approve transactions. Documentation must include required signatures to demonstrate purchases were properly authorized in accordance with the subrecipient's internal policies and procedures.

Example

Approval is usually noted either by a direct notation or signature of an individual with the authority to approve purchases on an invoice, or through use of a signature cover sheet where the appropriate general ledger accounting code can be noted.

7. Procurement Documentation

Procurements may be necessary in multiple IGX budget categories, including but not limited to Contractual Services, Operating Expenses, or Equipment. Subrecipients must maintain and follow their written organizational procurement policies, which may be no less restrictive than State or Federal requirements. A procurement audit trail must be maintained to support all procurement transactions charged to the grant and may be requested prior to issuance of reimbursement payments or during monitoring engagements.

Prior Approval Required for Procurement Actions

GMD prior approval is required for all procurement actions above \$5,000. All sole source (noncompetitive) procurements above the subrecipient's micro-purchase threshold if lower than \$5,000 are also subject to GMD prior approval. GMD approval must be documented through a **Procurement Request Form** prior to the obligation of grant funds. A copy of the Procurement Request Form containing GMD signature should be attached to the Detailed Financial Report page of the FR when filing the reimbursement request. Failure to obtain written approval for procurement actions prior to obligating or expending funds is a subrecipient risk. If the procurement action is not approved, the cost may be disallowed on a reimbursement request or subject to repayment.

8. Inventory Management

All subrecipients using grant funds to purchase equipment or supplies (items costing \$500 or more or those with a useful life of more than one year) shall establish and maintain an inventory system for the effective management of such equipment which meets the following minimum requirements:

- Inventory records must be maintained which include a description of the property, a serial number or other identification number, source of property, name of the titleholder/custodian, the acquisition date, cost of the purchase, percentage of federal or state participation in the cost, and disposition data including date of disposal and sale price.
- All equipment purchased with grant funds must be tagged.
- A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two (2) years.

- A control system must exist to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.
- A similar inventory must be kept for pilferable items costing less than \$500.00. Those items typically include, but are not limited to cell phones, tablets, laptops, tools, etc. If there are questions about a particular item consult your assigned GMD Financial Administrator.

9. Cost Calculation

Any calculations such as proration, percentages, cost allocations, etc. should be clearly identified and understandable without additional information or explanation. All calculations must be identified on the appropriate supporting documentation. Calculations must be legible and demonstrate the calculation used.

- Subrecipients must show all calculations for any budget category if the requested reimbursement differs from the backup documentation.
- Proration is required when a reoccurring expense (or otherwise allowable grant activity) has an invoice for services or activities occurring both inside and outside the grant award period of performance. Only expenses incurred within the period of performance are allowable and subrecipient must show prorated calculations.
- Percentages and cost allocations must be listed within the appropriate documentation (i.e., approved cost allocation plan for lease or utilities or overhead).

10. Record Retention and Access

All records shall be subject to review by GMD staff, including but not limited to redacted client files to substantiate project activities. All financial records, supporting documents, statistical records, performance information, and other records pertinent to the grant, subgrants, or contracts under the grant shall be retained for a minimum of six and a half years after award closeout, at which time the records may be destroyed. In the event of an active or ongoing investigation, claim, or litigation action, records shall be maintained until the final disposition of the investigation, at which time the records may be disposed.

DOCUMENTATION REQUIREMENTS FOR PURCHASE ORDERS, INVOICES, AND RECEIPTS

The following guidelines identify required elements of purchase orders, invoices, and receipts, which may be used to support reimbursement claims for costs appearing in various grant budget categories.

All disbursement transactions must be accompanied by an invoice, purchase order, or receipt that is legible and complete. A receipt, invoice and purchase order must include the following information to be complete and considered for reimbursement:

	Required Elements
Receipts	<ul style="list-style-type: none"> • Name and address for the vendor or establishment providing the product or service • Date the product or service was provided • Itemized description of all products or services • Unit price of products or services (if applicable) • Total amount charged <p>Note: Sales tax and late fees are not reimbursable</p>
Invoices	<ul style="list-style-type: none"> • Vendor/payee invoice number, account number, and any other unique meaningful identifying number • Vendor name, address, telephone number • Invoices must be a legible copy of the original • Invoices must be complete when received from the provider of the service • Invoices must document the item purchased with additional notations to identify, with specificity, the intended use and how it supports the purpose of the project. <p>Note: Quotes, bids, proposals, or prepaid invoices are not acceptable for reimbursement</p>
Purchase Orders	<ul style="list-style-type: none"> • Subrecipient organization name • Date of the order • Purchase order number/tracking number • Product name, description of item, model number, or SKU • Item price • Billing and shipping address • Subtotal including taxes, shipping costs, discounts, and other adjustments • Payment terms (such as due upon delivery or within 30 days)

COST DOCUMENTATION BY BUDGET CATEGORY

PERSONNEL

Personnel documentation should have at least the following three (3) components: timesheets, paystubs, and a payroll distribution report/payroll register. Documentation must include enough detail to provide reasonable assurance that the charges are accurate, allowable, and properly allocated. See [2 CFR § 200.430](#) and [2 CFR § 200.431](#).

Which costs are subject to this guidance?

Supporting documentation and time and effort tracking requirements outlined in this section apply to:

1. Employees whose personnel expenses are charged (in whole or part) to the grant;
2. Contractors who perform jobs that are a regular or routine part of the subrecipient's business and whose services are funded (in whole or part) by the grant;
3. Employees whose compensation is committed (in whole or part) to meeting the cost matching requirement of a grant; and
4. Volunteers whose activity hours are committed to meeting the cost matching requirement of a grant.

When employees work on multiple grant programs or cost activities, documentation must support a reasonable allocation or distribution of costs among specific activities or cost objectives. The basis for that allocation or distribution must be documented in writing ([2 CFR § 200.430](#)) and easily understood by an independent third party. **Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards.**

Note: For pay periods that do not align exactly with award period start and end ranges, only compensation for activities performed **during the period of performance** may be claimed for reimbursement under the grant.

Example

If compensation for a two-week pay period covers activities performed from September 20 through October 4, and the award period ended September 30, the subrecipient would only be eligible to request reimbursement for personnel activities occurring from September 20 through September 30 on the FR.

Timesheets	<p>Timesheets must:</p> <ul style="list-style-type: none"> • Include employee name, pay period dates, employee signature, and supervisor signature; • Reflect an after-the-fact distribution of actual activities and account for the total activity for which the employee is compensated; • Account for the total hours worked to total 100% of employee compensation (including non-grant activities); and • Distinguish how long employees spent on different projects, tasks, or grant-funded projects to demonstrate proper allocation of personnel costs across funding sources (as applicable). <p>Timesheets must be supplemented with detailed time and activity reports if the subrecipient electronic timekeeping system does not permit adequate documentation of activities or allocation of time across funding sources.</p>
Paystubs	<p>Paystubs must include employee name, subrecipient organization name, pay period dates, gross and net wages for current pay period, federal and state current and year-to-date tax withholdings, current and year-to-date hours and earnings, and employer paid benefits. Before and after-tax deduction values must be displayed for each component. Paystubs must reflect total compensation for all activities paid to the individual by the subrecipient.</p>
Payroll Distribution Report/ Payroll Register	<p>Payroll register must:</p> <ul style="list-style-type: none"> • Include gross wages and salaries, payroll deductions, and records of fringe benefits for each employee listed by name; and • Demonstrate employee time and pay are allocated to appropriate cost centers. <p>Timesheets should be used in preparation of payroll registers to ensure the final amount charged to the grant is accurate, allowable, and properly allocated.</p>
Allocation Documentation	<p>If an employee(s) salary/fringe is not 100% funded by the grant award, then subrecipient must show the calculations for how they arrive at the total salary/fringe requested for reimbursement. It must be easy for an independent third party to review without additional information or explanation.</p> <p>A worksheet or other record should be prepared to document the allocation of the gross payroll expenses to the proper accounts/funds/cost centers in the general ledger.</p>

CONTRACTUAL SERVICES

Contractors, subcontractors, and vendors should submit invoices (see p. 10 for **Documentation Guidelines for Purchase Orders, Invoices, and Receipts**) that contain the following pieces of information that tie the expense directly to the funded program:

Purchase Orders or Invoices

Purchase orders or invoices submitted to support reimbursement claims must include:

- Name of vendor and invoice date;
- Dates of actual services performed (must be within the period of performance);
- Purchase order number and an invoice number, as assigned by the vendor;
- Description, price, and quantity of the item and/or services actually delivered or rendered; and
- Shipping and payment terms.

Individual Contractors

Support for payments to individual contractors must include:

- Compensation for individual consultants may not exceed \$81.25 per hour or \$650 per day;
- Documentation to verify contractual services were procured and terms of the contract;
- Dates of service performance; and
- Description, price, and quantity of services actually delivered or rendered.

Prior to payment, invoices must be approved by persons within the subrecipient organization with the authority to do so. Approval is usually noted either by a direct notation/signature on the invoice, or through the use of a signature cover sheet where the appropriate general ledger accounting code can be noted.

Agencies must ensure that all contracts adhere to agency internal policies and comply to state procurement policies, whichever is the most restrictive. It is imperative that contractual services avoid the appearance of impropriety and measures should be taken to avoid all conflicts of interest.

Reminder: GMD prior approval is required for all procurements above \$5,000 and any sole source (noncompetitive) procurement above the subrecipient's micro-purchase threshold. Submit **Procurement Request Form** to the assigned GMD Financial Administrator prior to obligating grant funds.

TRAVEL AND TRAINING

Travel expenses may be allowable costs for employees who are in travel status on official business necessary to the grant-funded project. Travel expenses shall not exceed the mileage, lodging, or subsistence rates set forth by the Commonwealth of Kentucky ([200 KAR 2:006](#)). Note: If the written travel and reimbursement policies of the subrecipient are more restrictive than those of the Commonwealth, the most restrictive policy must be followed.

Reimbursement Rates



Current state travel rates and regulations are available on the [State Employee Travel](#) webpage maintained by the Finance and Administration Cabinet. Mileage rates are updated quarterly.

To be eligible for reimbursement, travel and training costs must be included in the approved grant budget as reflected in IGX. Prior written approval from GMD is required for any training or conference cost not specified in the award budget.

Documentation to support allowable travel and training activities must include:

- Name of grant-funded employee(s);
- Name of subrecipient;
- Written travel approval signed by individual with authority to approve employee travel;
- Reason for travel, travel dates, and travel locations;
- Proof of attendance for conferences or trainings (agenda, registration form, certificate, or sign-in sheet);
- Signatures of employee and supervisor; and
- Proof of payment for all expenses claimed for reimbursement.

When travel involves multiple personnel, separate reimbursement documentation must be organized and maintained for individual expenditures. If combining personal travel with business travel, a statement must be provided attesting no personal expenses were included in the reimbursement request and travel time only reflects what was required for the program purpose.

Airfare	Supporting Documentation
 Allowable: Tickets for direct route travel, at the most reasonable economy rate, that does not require travel at unreasonable hours	Airfare receipt including the ticket price, flight itinerary (dates/times), and traveler name
 Unallowable: Ticket upgrades, flight extras, or change fees.	

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Airport Parking	Supporting Documentation
<p>✓ Allowable: Cost of airport parking for the most reasonable parking option</p>	Itemized receipt showing number of days and daily rate or substantiation from a website or other source of information showing daily rate.

Baggage Fee	Supporting Documentation
<p>✓ Allowable: Baggage fee for up to one (1) bag each way. Prior GMD approval required for additional baggage.</p>	Receipt for each way indicating cost is for baggage on dates of travel
<p>✗ Unallowable: Overweight baggage fees</p>	

Lodging	Supporting Documentation
<p>✓ Allowable: Overnight lodging necessary for work-related travel or training activities in accordance with 200 KAR 2:006</p>	Itemized receipt showing cost for each night of the hotel stay. Hotel folio must reflect zero balance due, dates of stay, name, address, and phone number of establishment, and name of traveler.
<p>✗ Unallowable: Additional charges to the room beyond standard room nightly rate, taxes, and fees (i.e. room service, laundry, etc.)</p>	

Mileage	Supporting Documentation
<p>✓ Allowable: Mileage reimbursement for travel expenses related to the operation of the project or for training activities.</p>	Mileage reimbursement log, including time and date of travel, total mileage traveled, reimbursement rate, and signatures of traveler and individual authorized to approve travel. Internet map that shows the starting and ending location with the total mileage for each segment of the trip must be provided.
<p>✗ Unallowable: Mileage reimbursement in excess of the reimbursement rate in effect for the travel dates published on the State Employee Travel website maintained by the Kentucky Finance and Administrative Cabinet</p>	

Meals (Per Diem)	Supporting Documentation
<p>✓ Allowable: Meal reimbursement limited to rates and travel time specifications set forth in 200 KAR 2:006, unless subrecipient has more restrictive policy.</p>	No supporting documentation required for state per diem reimbursement.
<p>✗ Unallowable: Meal reimbursement for meals included in registration fees or travel that does not include overnight stay; alcoholic beverages.</p>	

Ground Transportation		Supporting Documentation
✓	Allowable: Costs could include taxi, rideshare (including Lyft or Uber), subway or other transportation services for transportation to/from traveler residence or workstation and airport, to/from destination airport and hotel, or to/from meeting location.	Itemized receipt showing breakdown of costs to include reasonable tip and start/end location. For expenses that itemized receipts are not available (e.g. subway travel), a fare map from the Internet will be accepted.
✗	Unallowable: Ground transportation for meals unless there are no subsistence options available within walking distance and without prior GMD approval; rental cars without adequate justification and prior GMD approval.	
Training/Conference Registration		Supporting Documentation
✓	Allowable: Use of training registration fees for skills and professional development directly related to grant-funded project goals and objectives	Agenda, registration receipt, purpose of training/conference
✗	Unallowable: Registration for training activities not included in the approved grant budget	
Miscellaneous/Other Costs		Supporting Documentation
✓	Allowable: Other costs approved in advance by GMD that do not fall into another travel cost category (e.g. road tolls)	Description of budget item, invoice or receipt, proof of purchase, and documentation of prior approval.

OPERATING EXPENSES

Documentation for operating expenses should include purchase orders, invoices, and receipts or other proof of payment (see below for **Documentation Guidelines for Purchase Orders, Invoices, and Receipts**) that tie operating expenses directly to the funded program. Any Operating Expenditures that are not fully charged to the grant award but rather allocated (ex. rent or utilities), need to include a brief explanation showing how the amount allocated was calculated.

- **Small Electronics** (i.e. laptops/computers, tablets, printers, monitors, etc.)
 - Original invoice from provider/vendor, (must include address for service provider, name of subrecipient, address where service is located, invoice number, date of invoice, invoice amount, equipment location, contract coverage dates)
 - Proof of payment

- **Service/Rental Agreements for Copiers and Other Devices**

- Original invoice from provider/vendor, (must include address for service provider, name of subrecipient, address where service is located, invoice number, date of invoice, invoice amount, equipment location, contract coverage dates)
- Proof of payment
- If this is cost-allocated, the subrecipient is responsible for providing a breakdown of charges being requested and indicate the supported program
- Note: If copier invoices do not reflect a per copy rate, a copy of the lease agreement must be provided

- **Office Phone, Cell Phone, Fax, Internet/Data**

- Original invoice from provider/vendor (must include address for service provider, name of subrecipient, address where service is located, invoice number, invoice amount, date of invoice, service dates)
 - Submit only the pages of the invoice that are applicable to grant related activity (total amount invoiced, vendor information, pages showing the actual amounts claimed for reimbursement), unless additional pages are necessary for clarification
- Proof of payment
- If this is cost-allocated, the subrecipient is responsible for providing a breakdown of charges being requested and indicate the supported program

- **General Utilities**

- Original invoice from utility company (must include address for service provider, name of subrecipient, address where service is located, invoice number, invoice amount, date of invoice, service dates)
- Proof of payment
- If this is cost-allocated, the subrecipient is responsible for providing a breakdown of charges being requested and indicate the supported program

- **Lease/Rental Agreement**

Copy of lease/rental agreement must contain:

- Names of lessor and lessee
- Dated signatures of both parties
- Length of lease
- When rent/lease payments are due

- Lease amount
- Agreement regarding utilities and maintenance responsibilities
- Address of leased/rented property
- Proof of payment
- Indicate the supported program
- If this is cost-allocated, the subrecipient is responsible for providing a breakdown of charges being requested and indicate the supported program. Common allocation methods include percentage of FTE assigned to a project or square footage. Note: Subrecipients must document in their cost allocation narrative methodology and use it consistently.

Example (Allocated Rent Expenditure Calculation):

On the October Financial Report, the subrecipient includes **\$800** reimbursement request for rent.

Cost Calculation:

\$1,000 October rent x 0.80 FTE assigned to grant project = **\$800** claimed for grant reimbursement.

- **Office Supplies or Program Supplies**
 - Original invoice or receipt with the vendor name, date of purchase, description of items purchased, and amount paid.
- **Indirect Costs (IDC)**
 - Total amount of Indirect Costs (IDC) to be charged to the grant award during the period of performance will be reflected in the original budget request and calculated using either the de minimis rate or a federally approved indirect cost rate agreement.
 - Only subrecipients without Federally approved IDC agreements are eligible to use the de minimis IDC rate ([2 CFR 200.414\(f\)](#)).
 - The amount of IDC that an agency requests for reimbursement during a specific reporting period cannot exceed the allowable amount based on the previous approved method of calculation.
 - Agency must then provide the calculation for the amount of IDC included on each Financial Report as part of their supporting documentation.

- Additional written supporting documentation does not need to be provided.
- **Note:** IDC should be reported based on expenditures as they are incurred throughout the Period of Performance and should not be accrued and then reported all at once on the final Financial Report.

Example (Indirect Cost Calculation):

On the February Financial Report, the subrecipient includes **\$643.78** in de minimis based on the following calculation:

\$4,292.52 in Modified Total Direct Costs (MTDC) for the period of February 1 through February 28 x 15% de minimis rate = **\$643.78**.

EQUIPMENT

Subrecipients must have prior written approval from GMD in advance of purchasing equipment. Equipment purchases, unless waived in the grant terms and conditions, are costs where prior approval is required and subject to [2 CFR 200.313](#).

Reimbursement claims for equipment purchases must be supported by:

- A copy of the completed Procurement Request Form (approved by GMD)
- Original invoice from provider/vendor, (must include address for service provider, name of subrecipient, address where service is located, invoice number, date of invoice, invoice amount, equipment location, contract coverage dates)
- Proof of payment

Reminder: GMD prior approval is required for all procurements above \$5,000 and any sole source (noncompetitive) procurement above the subrecipient's micro-purchase threshold. Submit **Procurement Request Form** to the assigned GMD Financial Administrator prior to obligating grant funds.