

## Unallowable Costs by Class/Object Code

### Payroll Costs (6100)

The following employee payroll costs are not allowed:

- Personal liability insurance
- Employer contributions to voluntary retirement plans such as 403(b) or 401(k)
- Substitute pay for private nonprofit school teachers
- Payroll costs that exceed local policy

### Professional and Contracted Services (6200)

A consultant shall not be used in the conduct of this application if the services to be rendered by such consultant could have been rendered by the grantee's employees.

Grant funds may not be used for the following:

- Training or technical assistance on grant writing or obtaining grant funds
- Fundraising activities or training on fundraising
- Multicolor printing costs that are not reasonable and necessary to accomplish the objectives of the grant program (applies to printing costs incurred under 6200 and 6400)
- Legal retainer fees
- Tuition and fees for courses not directly related to the grant program
- New building construction or renovating or remodeling of buildings
- Conducting required annual audit and report of financial activities
- Audit fees and expenses for state-funded grants
- Audit fees and expenses when such costs are part of the organization's indirect cost pool

### Supplies and Materials (6300)

Grant funds may not be used for the following:

- Supplies and materials, including electronic devices, for personal use. Must be used only for grant-related activities.
- Costs associated with awards banquets, ceremonies, celebrations, and social events
- Cell phones for personal use
- Gifts or items that could be construed as a gift
- Souvenirs, memorabilia, or promotional items (such as T-shirts, caps, tote bags, key chains, or imprinted pens)

NOTE: Refer to the [TEA Guidelines Related to Specific Costs](#) for information on incentives to participate and awards for recognition.

### Other Operating Costs (6400)

Grant funds may not be used for the following:

- Out-of-state training when the same type and quality of training is available in state
- Gifts or items that can be construed as a gift
- Souvenirs, memorabilia, or promotional items (such as T-shirts, caps, tote bags, key chains, or imprinted pens)

- Door prizes (movie tickets, gift certificates, amusement park passes, and other similar items may be donated by others, but not purchased with grant funds)

NOTE: Refer to the [TEA Guidelines Related to Specific Costs](#) for information on incentives to participate and awards for recognition.

- Food, meals, snacks, beverages, and refreshments as awards
- Multicolor printing costs that are not reasonable and necessary to accomplish the objectives of the grant program
- Membership dues in organizations substantially engaged in lobbying or in social organizations
- Memberships in social organizations
- Memberships in civic or community organizations (for colleges and universities)
- Professional or personal liability insurance for individual employees
- Tuition and fees for courses not directly related to the grant program

Travel costs that are not allowed are the following:

- Alcoholic beverages
- Tips or gratuities
- Entertainment, recreation, or social events
- Travel allowances, where per diem is paid to the employee regardless of the amount actually expended
- First-class airfare
- Any expense for other persons
- Meals and lodging for persons who live in the same city or town where the meeting, conference, or workshop is held
- Costs that are not reasonable and necessary to meet the objectives of the grant
- Costs related to training or technical assistance on grant writing or obtaining funds
- Field trips that do not meet the guidelines established by TEA (see the [TEA Guidelines Related to Specific Costs](#) for guidance related to field trips)

## **Capital Outlay (6600)**

Unless specifically permitted in the authorizing statute and approved by TEA in the grant application, the following costs are unallowable:

- Land purchase and improvements to land
- Construction, renovation, or remodeling

Ground leveling, site preparation, foundation, plumbing, wiring, and sidewalk for a portable building are considered construction costs. Therefore, these costs are not allowable to be charged to the grant.