**Section 1220.350 Budget**

a) Personnel

1) Written personnel policies are required and will include work hours to be maintained by employees, vacation and sick leave allowances, payment of accrued vacation at the end of employment, and overtime. The policies should also set forth employee benefits and information related to pay increases, promotions, and all other pertinent personnel policies and regulations.

2) Amounts charged for personnel services must be based on payrolls documented and approved in accordance with the generally accepted practice of the local agency. Payrolls must be supported by time and attendance records for individual employees. These records must demonstrate the days and hours worked on the MEG Unit.

3) Dual compensation is prohibited (i.e., the individual may not receive increased compensation from a second source for the same unit of work done at the same time).

4) The salaries and job titles of individuals must be outlined in an approved budget.

5) Appropriated State money cannot be used to pay the salaries of local and county sworn agents, with the exception of the Unit Director, unless prior approval from the Department is obtained. Determination will be made in accordance with existing resources or other relevant data.

b) Equipment

Equipment must be outlined in the approved budget and be necessary.

c) Consultants (Professional Services)

The requirement of professional services with respect to arrangements with individuals, other government units and non-government organizations or consultants needs prior approval by the Department.

d) Other Contractual

Other contractual costs may include the costs of utilities, equipment, rentals, evaluation and facilities. These are considered as "other contractual" in that they generally are incurred as a result of an agreement, letter of intent, contract or lease.

e) Travel

1) Travel costs are allowable for expenses for transportation, lodging, subsistence and related items incurred by employees who are on official business incident to a MEG program. These costs may be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-State sponsored activities. The difference in cost between first-class air accommodations and less-than-first-class air accommodations is not allowable except when less-than-first-class air accommodations are not reasonably available. Meals may not be claimed if travel is within the city of the employee's assigned MEG headquarters.

2) Foreign Travel. Foreign travel is defined as any travel outside of Canada and the United States and its territories and possessions. Foreign travel costs are allowed only when the travel has received specific prior approval from the Department or MEG Policy Board.

A) Foreign travel costs for Department employees are allowed only when each specific foreign trip has received specific prior approval by the Department.

B) Foreign travel costs for non-Department MEG employees are allowed only when each separate foreign trip has received specific prior approval by the relevant MEG Policy Board.

3) Expenses between the employee's residence and headquarters are not allowable charges.

4) Travel costs must be supported by travel vouchers that contain dates, places, and purposes of travel. Motel or hotel bills and train or airplane ticket receipts must support these charges. State and Department travel regulations must be complied with.

f) Commodities

Commodities include supplies and materials. The cost of materials and supplies necessary to carry out MEG operations is allowable. Purchases made specifically for the MEG program should be charged to that program at their actual prices after deducting all cash discounts, trade discounts, rebates, and allowances received by the MEG Unit. Withdrawals from general stores or stockrooms should be charged at cost under any recognized method of pricing consistently applied. Incoming transportation charges are a proper part of material costs. All purchases of commodities must be supported by purchase orders, invoices or cancelled checks with vouchers supporting the amounts.

g) Other Allowable Costs

1) Conferences, lunches or dinners, reimbursement for which are limited by the Department of Central Management Services' Travel Regulations, to the extent that the funds are State appropriated.

2) Confidential expenditures. Confidential expenditures are payments to informants, purchases of materials as evidence (narcotics), or other uses as may be required by law enforcement personnel working in an undercover capacity as provided in Section 1220.390.

h) Unallowable Costs

1) Bad Debts. Any losses arising from uncollectible accounts and other claims and related costs.

2) Contingencies. Contributions to a contingency reserve or any similar provision for unforeseen events.

3) Contributions and Donations.

4) Entertainment. Costs of amusements, social activities, and incidental costs relating to those activities, such as meals, beverages, lodging, rentals, transportation, and gratuities.

5) Fines and Penalties. Costs resulting from violations of, or failure to comply with, federal, State, and local laws and regulations.

6) Interest and Other Financial Costs. Interest on borrowings (however represented), bond discounts, cost of financing and refinancing operations, and related legal and professional fees.

7) Inappropriate Expenditures. Expenditures not related to the program purpose or unreasonable as to cost benefits derived.

8) Purchase of Unit Owned Equipment. Program funds may not be used to provide reimbursement for the purchase price of equipment already owned by the Unit unless specifically approved by the Department based upon economic need of the Unit and availability of resources of the Unit.

9) Pre-Award Costs. Award costs incurred after the funding period termination or prior to award.

10) Indirect Costs. The Department shall not allow reimbursement of Department funds for the indirect costs of preparing an application in the awarding of any funding. The intent of this policy is to concentrate the use of State funds on crime control activities.

i) Costs Requiring Prior Department Approval, When Department Funds Will Be Expended. If the MEG Unit has a Fiduciary Agreement, those rules will be followed for procurement. Otherwise, subsection (i) shall be followed. In the event of conflict between a MEG Unit's Fiduciary Agreement and subsection (i), subsection (i) shall control.

1) Office space or other space rental when rent is in excess of $7.00 per square foot.

2) Remodeling or alterations to real property in excess of $1,500.

3) Purchases with a cost greater than the small purchase threshold as determined by the Chief Procurement Officer for General Services (CPO-GS).

4) Management studies to improve Unit effectiveness and efficiency.

5) Pre-agreement costs or costs incurred prior to the beginning of a new fiscal period.

6) Indirect Cost Plans.

7) Foreign Travel. Defined as travel outside of the United States or its possessions and Canada.

8) Sole Source Purchases greater than the small purchase threshold as determined by the CPO-GS.

9) Fixed fee contracts in excess of $1,500.

10) Consultant fees.

11) Salaries paid by State appropriated money for sworn agents, with the exception of the Unit Director.

(Source: Amended at 42 Ill. Reg. 19207, effective October 10, 2018)