**Section 875.206 Determination of Allowable Costs**

a) The grantee will be paid, upon request, in accordance with Section 875.209, for the state share of all necessary costs within the scope of the approved project not to exceed the total grant offer and determined to be allowable in accordance with the following criteria.

b) Allocable project costs of the grantee which are reasonable and necessary are allowable. Necessary costs may include, but are not limited to:

1) Purchase and/or lease costs of collection and processing equipment;

2) Costs of salaries and benefits of operating and management personnel;

3) White good component treatment or disposal at Agency preapproved disposal or recycling facilities;

4) Material transportation expenses; and

5) Materials acquired, consumed, or expended specifically for the project.

c) Costs associated with the purchase or lease of property or building(s) for the project are unallowable costs.

d) Costs which exceed the total amount of the grant offer or which are not necessary for completion of the work required by the grant agreement are unallowable costs. Such costs include, but are not limited to:

1) Inspection or enforcement activities related to the project;

2) Personal injury compensation or damages arising out of the project, whether determined by adjudication, arbitration, negotiation, or otherwise;

3) Fines and penalties resulting from violations of, or failure to comply with, federal, state, or local laws;

4) Costs outside the scope of the approved collection project;

5) Ordinary operating expenses of local government, such as salaries and expenses of a mayor, city council members, or city attorney; and

6) Costs of equipment or material procured in violation of any provisions of this Part.

e) The grantee shall seek to resolve any questions relating to cost allowability or allocation at its earliest opportunity (if possible, prior to execution of the grant agreement). Final determinations by the Agency concerning the allowability of costs shall be conclusive unless appealed in accordance with Section 875.305 of this Part.

f) Payment will not be authorized for costs incurred prior to the date of the grant award.