**Section 886.240 Cost Criteria**

a) The Agency shall approve for payment to the loan recipient, under the terms set forth in Section 886.245 of this Part, only costs that have been incurred by the loan recipient and that meet the following criteria:

1) Costs within the scope of the project for which the loan was awarded;

2) Costs that are reasonable and necessary include, but are not limited to, costs associated with:

A) Agency oversight that result from the loan recipient's participation in the Site Remediation Program of Title XVII of the Act;

B) Environmental consultant oversight services;

C) Remedial investigation and design;

D) The development and implementation of activities necessary to establish remediation objectives;

E) Laboratory services necessary to determine site characterization and to establish cleanup objectives;

F) The installation and operation of groundwater investigation and groundwater monitoring wells;

G) The development and implementation of a soil sampling plan;

H) The development of a groundwater corrective action system;

I) The development of a soil corrective action plan;

J) Seeking payment from the Brownfields Redevelopment Loan Program in accordance with Section 886.200(f) of this Part;

K) The purchase of non-expendable materials, supplies, equipment or tools used for the brownfields project;

L) Removing, mitigating or preventing the release, threatened release or suspected release of hazardous substances, pesticides or petroleum;

M) The demolition and removal of buildings and other structures located upon the site if such activity is necessary to the performance of the remediation; and

N) Monitoring activities, including sampling and analysis, that are reasonable and necessary during the site remediation process;

3) Costs equal to, but not exceeding, the total amount of the loan award;

4) Costs incurred on or after the date the loan agreement is executed;

5) Costs incurred without a knowing violation of any State or federal law; and

6) Costs incurred pursuant to a contract or subcontract in conformance with Section 886.255 (Requirements Applicable to Contracting and Subcontracting) of this Part.

b) Costs the Agency shall not approve for payment because they are not necessary for the completion of the work required pursuant to the Agency-approved application and loan agreement include, but are not limited to:

1) Costs or losses resulting from business interruption in connection with the project;

2) Costs associated with improperly collected, transported or analyzed laboratory samples;

3) Costs associated with improperly installed sampling or monitoring wells;

4) Interest or finance costs charged as direct costs;

5) Insurance costs charged as direct costs;

6) Costs associated with land acquisition;

7) Cost of fines and penalties for violations of local, State and federal law;

8) Costs outside the scope of the Agency-approved project;

9) Costs associated with the ordinary operating expenses of local government;

10) Costs associated with ordinary site maintenance;

11) Costs associated with personal injury compensation or damages arising out of the project;

12) Costs incurred prior to the execution of the loan agreement; and

13) Costs associated with the replacement of buildings and other structures located upon the site.