**Section 655.40 Use of Project Funds**

a)

1) When approved in the plan and budget, funds may be used for the direct costs of operating and maintaining the project.

2) The following direct costs may be incurred:

A) Salaries, including fringe benefits, for full or part-time professional personnel such as physicians, nurses, social workers, counselors, nutritionists, dieticians, physical therapists, technicians, health educators, and nonprofessional personnel such as secretaries, typists, and clerks. The rate for personal services shall not be more than that paid by the grantee to other comparable employees in comparable positions, or if the grantee has no comparable positions, the rate shall not be more than that paid for such services elsewhere in the community. The fringe benefit rate shall not exceed that paid to other employees of the agency.

B) Travel of personnel in carrying out the activities approved in the plan.

3) Transportation of patients. Only payment of the usual rates for the mode of travel that is consistent with the needs of patients shall be included.

4) Supplies, except for oral contraceptives or other birth control devices.

5) Rental of facilities where adequate space cannot be provided by the grantee agency. Rental charges shall not exceed the lowest rate for comparable space in the community.

6) Purchase of care, including hospital in-patient and out-patient, and other services from community facilities such as homemaker and visiting nurses. All other available sources of reimbursement shall be exhausted first.

7) Other expenditures directly related to the operation of the project such as telephone service, mimeographing, postage, advertising, and other like items.

b) Project funds shall not be used to pay the following:

1) Purchase, construction, or renovation of buildings.

2) Depreciation of existing buildings or equipment.

3) Dues to societies, organizations or federations.

4) Entertainment costs.

5) General agency overhead.

6) Purchase of equipment.

7) *Cost of dispensing oral contraceptives or other birth control devices.* (This does not exclude from eligibility agencies which provide family planning services with support from other sources. Project funds may be used for provision of counseling or education services regarding birth control.)

8) Any other costs not approved in the plan and budget.

c) *In no case may a grantee use in excess of 50% of its grant under this act in any year to cover the cost of any single service category.* Categories of service are those listed under II.A. Technical assistance and training each constitute a service category.