

## HRSA ARP C8E Allowable - Unallowable Costs

HRSA ARP C8E	ALLOWABLE COST	UNALLOWABLE COST
Line 1 - Administrative and legal expenses	<ul style="list-style-type: none"> <li>• Salary of your staff and consultant fees that are directly related to the administration of the technical aspects of the proposed project. Administrative and legal expenses cannot exceed 10 percent of line 16c (total costs)</li> <li>• Costs associated with the evaluation of the environmental and historic preservation effects of the proposed project, obtaining public input, producing the necessary studies, analysis, and resultant reports, as well as compliance with other environmental and historic preservation laws</li> <li>• Costs of title insurance, physical-destruction insurance, builder's risk insurance and liability insurance</li> <li>• Bid advertising</li> </ul>	<ul style="list-style-type: none"> <li>• Salary of your staff and consultant fees that are not related to the administration of the technical aspects of the proposed project</li> <li>• Bonus payments to construction contractors</li> <li>• Costs of groundbreaking and dedication ceremonies and items such as plaques</li> <li>• Fund-raising expenses</li> <li>• Costs associated with defending or pursuing a legal claim concerning the project or payment of a damages award or settlement in any such claim</li> <li>• Consultant fees not related to actual construction</li> <li>• Costs related to other sources of project financing</li> <li>• General operations and maintenance</li> </ul>
Line 2 - Land, structures, right-of-way, appraisals, etc.	<ul style="list-style-type: none"> <li>• Filing fees for recording the Notice of Federal Interest (NFI)</li> </ul>	<ul style="list-style-type: none"> <li>• Land or the cost of purchasing a building (including title search, closing costs, etc.)</li> </ul>
Line 3 - Relocation expenses and payments	<ul style="list-style-type: none"> <li>• Relocation payments to be made to displaced persons, business concerns and nonprofit organizations for moving expenses and replacement housing</li> <li>• Relocation advisory assistance and the net amounts for replacement (last resort) housing. This line is limited to approved applicants whose project involves the displacement of persons and businesses that must comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ((42 U.S.C. 4601 et seq.) 84 Stat.1894) and 49 CFR Part 24</li> <li>• Costs to lease a temporary space while the main space is being constructed or altered/renovated/repared</li> </ul>	<ul style="list-style-type: none"> <li>• The cost of permanently relocating the health center</li> <li>• The cost of moving existing furniture back into renovated or newly constructed spaces</li> </ul>
Line 4 - Architectural and engineering fees	<ul style="list-style-type: none"> <li>• Fees associated with architectural and engineering professional services including, but not limited to, preparation of bid documents and inspections during the project</li> <li>• Associated expenses for preparation of specifications and reproduction of design documents</li> <li>• Costs incurred for architect's fees and consultant's fees necessary to the planning</li> </ul>	<ul style="list-style-type: none"> <li>• Architectural and engineering fees for work that is not within the scope of the approved project</li> <li>• Elaborate or extravagant designs or projects that are above the known local costs for comparable buildings</li> <li>• Costs of abandoned designs (designs that will not be used for the project)</li> </ul>

	and design of the project, if the project is approved and funded and the costs comply with federal procurement requirements (when applicable)	
Line 5 - Other architectural and engineering fees	<ul style="list-style-type: none"> <li>• Other architectural and engineering services, such as surveys, tests, and borings</li> <li>• Preliminary expenses associated with the approved award</li> <li>• Sustainable design services, such as LEED, including commissioning</li> <li>• Costs associated with the preparation of the Environmental Assessment and State Historic Preservation Officer consultation</li> <li>• Project/Construction management Fees</li> </ul>	<ul style="list-style-type: none"> <li>• Costs of abandoned designs or (costs associated with a design that will not be used in the project)</li> <li>• Costs for work not directly related to the project</li> <li>• Costs for preparing grant applications</li> </ul>
Line 6 - Project inspection fees	<ul style="list-style-type: none"> <li>• Clerk-of-the-works, inspection fees, structural certification, etc., to be provided by architectural engineering firm or your staff</li> </ul>	<ul style="list-style-type: none"> <li>• Fees not directly related with the requested project</li> </ul>
Line 7 - Site work	<ul style="list-style-type: none"> <li>• Site clearance, grading, land improvement costs, including reasonable costs for landscaping to stabilize the site, sidewalks, drives, and parking areas which are located on the site and are essential for the use and operation of the approved project</li> <li>• Sanitary sewer, storm sewer, and portable water connections, providing that existing municipal utilities are located in streets, roads, and alleys contiguous to the site</li> <li>• Sidewalks, drives, and parking areas which are located on the site and are essential for the use and operation of the approved project</li> <li>• Reasonable landscaping costs for seeding and sodding required for soil/slope stabilization and/or landscaping required by the building permit</li> <li>• Alterations at entrances and adjacent sidewalks as required for ADA compliance</li> <li>• Resurfacing of existing parking areas located onsite and deemed essential for the use and operation of an approved project</li> </ul>	<ul style="list-style-type: none"> <li>• Fees not directly related with the requested project</li> <li>• Landscaping outside of vegetation needed for site stabilization and/or building permit requirements</li> <li>• Fees not directly related with the requested project</li> </ul>
Line 8 - Demolition and removal	<ul style="list-style-type: none"> <li>• Costs of demolition or removal of structures or improvements (reduce the costs on this line by the amount of expected proceeds from the sale of salvage)</li> </ul>	<ul style="list-style-type: none"> <li>• Costs not directly related with the requested award</li> <li>• Demolition and removal of debris that will not result in a usable structure</li> <li>• Costs of hazard material abatement and remediation</li> </ul>
Line 9 - Construction	<ul style="list-style-type: none"> <li>• Costs of acquisition and installation of fixed equipment<sup>4</sup> necessary for the</li> </ul>	<ul style="list-style-type: none"> <li>• Abandoned projects</li> </ul>

	<p>functioning of the facility (e.g., HVAC, generators)</p> <ul style="list-style-type: none"> <li>• Costs of constructing new building(s) to be used for the program, including costs of materials and labor within the local range of comparable buildings</li> <li>• Construction costs for expansion, remodeling, and alteration of existing buildings, which will be used for the program</li> <li>• Costs of connecting to existing central utility distribution systems contiguous to the site, such as steam and chilled water that service a campus from centrally located boiler and refrigeration plants. Prorated costs for new boilers and chillers to serve the proposed facility are acceptable.</li> <li>• Special features for seismic code requirements. Use nationally recognized codes adopted by authorities having jurisdiction.</li> <li>• Costs of eliminating architectural barriers to the handicapped</li> <li>• Bid guarantees and performance and payment bonds</li> <li>• Costs of pollution-control equipment for the facility's boilers, incinerators, waste water treatment, etc., which may be required by local, State, or Federal regulations. The facility must meet requirements of both current and future pollution abatement regulations as described in currently approved pollution plans</li> <li>• Costs for remodeling and alteration of existing buildings which will be used for the program</li> <li>• Costs of acquisition and installation of building envelope items (e.g., roofing, doors, ceilings, windows, HVAC, generators)</li> <li>• Installation of equipment items (e.g., mobile generators, wall-mounted items, barriers, sound-proofing panels)</li> </ul>	<ul style="list-style-type: none"> <li>• Relocation of utilities that are off site and off-site improvements</li> <li>• Prorated cost of existing central utility plant and distribution systems, which serve the proposed facility</li> <li>• Interior and exterior decorating fees (e.g. purchase of artwork, sculpture, etc.)</li> <li>• Elaborate or extravagant materials that are above the known local costs for comparable buildings</li> <li>• Fixed equipment if it is not part of the construction contract</li> <li>• Bonus payments to contractors</li> </ul>
Line 10 - Equipment	<ul style="list-style-type: none"> <li>• Equipment that is pertinent to the project and located at the project site.</li> <li>• Tangible personal property (i.e., moveable equipment- a non-expendable item with a useful life of more than 1 year and a unit</li> </ul>	<ul style="list-style-type: none"> <li>• Donated equipment, leased equipment, or equipment purchased through a conditional sales contract (lease purchasing)</li> <li>• Luxury furniture</li> </ul>

	<p>cost of \$5,000 or more, or equal to the applicant's capitalization threshold, that is not permanently affixed and can be easily moved (e.g., medical exam tables, x-ray equipment, computers, modular workstations, autoclaves, freezers, and telehealth equipment)</p> <ul style="list-style-type: none"> <li>• Clinical and administrative equipment (e.g., furniture, computers, servers, telephones, fax machines, copying machines, software) with a useful life of one year or greater and a unit cost of less than \$5,000</li> <li>• The cost to train individuals to operate the equipment, if included in the purchase contract</li> <li>• Sales tax (unless the applicant is otherwise exempt) and shipping costs on equipment</li> <li>• Service contract costs if it is included in the purchase contract</li> <li>• Costs of acquisition and renovation of mobile medical vans</li> <li>• IT equipment, software and site licenses to expand to an existing</li> </ul>	<ul style="list-style-type: none"> <li>• Fixed equipment that is attached to the building (it should be listed under line item 9)</li> <li>• Equipment that does not meet the moveable equipment definition</li> <li>• Vehicles other than mobile medical vans</li> </ul>
Line 11 - Miscellaneous	<ul style="list-style-type: none"> <li>• Itemized list for items that do not easily fit into the cost classifications above. Such costs should generally be no more than 10 percent of line 16c (total cost)</li> <li>• The cost of alternate bid work up to the amount of the original bid submitted</li> </ul>	<ul style="list-style-type: none"> <li>• Additional expense resulting from the rejection of an alternate bid at the start of construction and later reinstating the bid at an increased cost due to escalation</li> <li>• Sales taxes, Federal excise taxes, and other taxes when the applicant is exempt from such taxes or is entitled to a refund by the State or Federal Government after payment</li> <li>• Costs or charges associated with routine maintenance, or operation of the facility</li> <li>• Expendable office, medical, and laboratory supplies</li> </ul>
Line 13 - Contingencies	<ul style="list-style-type: none"> <li>• The contingency of this program is limited to 5 percent of Lines 7c, 8c, and 9c. However, the contingency must be reduced to 2 percent of Lines 7c, 8c, and 9c after the contract is awarded. The contingency does not include moveable equipment costs listed in Line 10</li> </ul>	<ul style="list-style-type: none"> <li>• Contingency costs above the allowable percentage.</li> </ul>