



## Cost Principles: Cost Types

Every cost must be a 'Direct Cost' or 'Indirect Cost' **and** an 'Activity Cost', 'ADC' or 'Admin Cost'.



### Types of Costs

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The following are examples of each type of cost:

<u>Direct Cost:</u>	Payroll costs incurred to administer the CDBG-CV award, supported by timesheets and payroll records
<u>Indirect Cost:</u>	Payroll costs for accounting and administrative staff
<u>Activity Cost:</u>	The purchase of food for a Meals on Wheels program
<u>Activity Delivery Cost:</u>	Paper to print applications, and pens for applicants to complete applications
<u>Administration Cost:</u>	Planning related expenses and payroll costs to submit financial and activity reports in Grants Network

### The Three Uns

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The following are examples of costs that cannot be charged to the CDBG-CV award:

<u>Unnecessary:</u>	Full Color Intake Forms
<u>Unreasonable:</u>	New iPads
<u>Unallowable:</u>	Purchase of Alcohol



## CDBG-CV – Financial Management | Cost Principles

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