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

The following are examples of each type of cost:

Direct Cost: Payroll costs incurred to administer the CDBG-CV award, supported by timesheets and payroll records

Indirect Cost: Payroll costs for accounting and administrative staff

Activity Cost: The purchase of food for a Meals on Wheels program

Activity Delivery Cost: Paper to print applications, and pens for applicants to complete applications

Administration Cost: Planning related expenses and payroll costs to submit financial and activity reports in Grants Network

The Three Uns

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

Unnecessary: Full Color Intake Forms

Unreasonable: New iPads

Unallowable: Purchase of Alcohol