
ALLOWABLE & UNALLOWABLE EXPENSES FOR NSIS GRANTS

Description

This document lists the allowable & unallowable expenses for the NSIS.

The MRC shall review all proposed expenditures and reserves the right to seek clarifications from the applicant or grantee.

Allowable Expenses

Allowable Costs:

The NSIS Steering Committee allows expenses directly incurred by the grantee as outlined in the budget of the approved application Form 5040.

Non-allowable Expenses

Non-allowable Costs: The non-supplanting stipulation requires that all reimbursable expenses be directly attributable to the grant and that MRC funds cannot replace other funding the grantee organization is receiving.

Operational Costs

What is an 'Operating Cost'?

Operating costs are expenses associated with the maintenance and administration of a business on a day-to-day basis. The operating cost is a component of operating income and is usually reflected on a company's income statement.

Allowable Expenses	Non-Allowable Expenses
Accounting and Legal fees, Attorney Fees	Alcoholic Beverages
Sales and marketing costs	Alumni Activities
Consultant Services	Bad Debts
Non-capitalized research and development expenses	Commencement/ Convocation
Office supply costs	Contingency Funds
Utility expenses	Defence, Prosecution, Claims and Appeals

Raw materials	Depreciation
Software Licenses	Donations and Contributions
Rent	Entertainment
	Fines and Penalties
	Goods or Services for Personal Use by Employees
	Insurance
	Investment Management
	Lobbying
	Interest
	Losses on Project Agreements
	Maintenance and Repair
	Payroll Fees
	Pre-Award Costs
	Proposal Costs
	Scholarships
	Books, journals and subscriptions
	Salary of existing employees
	Expenses for goods and services for personal use of employees
	Personal Computers
	VAT payment for VAT registered companies

Because of non-supplanting requirements, the **MRC does not allow indirect costs**, such as overhead or administrative costs. The NSIS requires that grantees have existing infrastructure in place to provide indirect support for the grant agreement. Grantees must indicate their capacity to oversee and manage the project, programmatically and financially. Overhead is not an allowable expense, even if an existing cost allocation model exists. Expenses for existing clerical and administrative staff such as bookkeepers or accountants are considered an indirect cost unless a new position has been created for the sole purpose of managing the NSIS grant.