

OFFICE OF ADULT CAREER PATHWAYS
Cost Category Guidance

Table of Contents

Payment Request.....	5
Types of Payment Requests.....	5
Submitting Payment Requests.....	5
General Rules	7
Incentive and Stipends Policy	9
Definitions.....	9
Guidance	9
Participant Tracking and Fiscal	9
Administrative Costs (833).....	11
Policies	11
Allowable Items Billed to Administrative Costs	11
Direct Services (885)	13
Policies	13
Allowable Items Billed to Direct Services	13
Direct Services that are NOT Allowable	14
Direct Services – WR-GED-ABE (886).....	15
Policies	15
Items Billed to Direct Services -WR-GED-ABE.....	15
Direct Customer Training (838).....	16
Policies	16
Items Billed to Direct Customer Training.....	16
Support Services (828)	17
Policies	17
Supporting Documentation	17
Items Billed to Support Services	18
Support Services that are NOT Allowable.....	19
Outreach (830).....	21
Policies	21
Items Billed to Outreach	21
Outreach Costs that are NOT Allowable	22
Documentation Needed to Support Outreach Costs.....	22
Capacity Building (884)	24

Placement/Retention (884)	25
Policies	25
Appendix 1: Common Questions	26
Travel Expense Guidance	27
Updates to the Cost Category Guidance.....	29

Introduction

The Department of Employment and Economic Development (DEED) is responsible for the oversight of the operations of all DEED funded state and Federal award supported activities. DEED monitors grants regularly to assure compliance with applicable state and Federal law and policies, and to ensure that performance expectations are being met.

All services provided by the Grantee under the grant contract agreement must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

Applicable requirements may include Federal Regulations, DEED policies, and State Statutes. ACP programs are monitored annually to ensure work plan and program expenditures are in compliance with the Minnesota Office of Grants Management (OGM) policies.

Grantees must retain sufficient source documentation to verify expenses billed to DEED. Source documentation includes new or amended contracts, agreements, or memorandums of understanding; detailed receipts or invoices; payroll records; and documentation, such as quotes or bids and purchase requests, demonstrating the Grantee, Sub-grantee, or sub-recipient incurred eligible expenses under the terms of the grant.

This guide is for the intended use of the following Office of Adult Career Pathways grant programs:

- Adult Direct Appropriations,
- Adult Support Service Competitive Grant Program,
- African Immigrant Community (AIC),
- Getting to Work (GTW),
- Internationally Trained Professionals,
- Minnesota Family Resiliency Partnership (MFRP),
- Minnesota Forward Tech Training Program,
- Minnesota Tech Training Pilot Program (MTTP),
- Pathways to Prosperity (P2P),
 - On-Ramp to Career Pathways
 - Bridge to Career Pathways
 - Individual Training Pathways
- Southeast Asian Economic Disparities Relief (SEA), and
- Women's Economic Security Act (WESA)
- All other programs administered by the Office of Adult Career Pathways unless specifically stated otherwise.

General Information

Payment Request

Grant specific payment request forms will be provided to Grantees by the Department of Employment and Economic Development (DEED).

Types of Payment Requests

- **Reimbursement Payment Request (RPR).** Unless otherwise agreed upon, grant payments are made on a reimbursement basis, using a Reimbursement Payment Request (RPR) form. RPRs report actual grant spending AND request grant monies from DEED.
- **Financial Status Report (FSR)/Cash Advance Payment Request (CAPR).** FSRs are submitted by organizations that have been pre-approved by DEED to receive a cash advance of their grant award. Currently only approved, Grantees may submit Financial Status Report (FSR) / Cash Advance Payment Request (CAPR) forms. CAPRs request cash advances from DEED. FSRs report actual grant spending.

Submitting Payment Requests

- **Requests for payment need to align with several items** including grant legislation, DEED's Request for Proposal (Competitive Grants, only), your organization's approved and executed contract, work plan, and budget, and [Office of Grants Management](#) policies, [DEED](#) policies, [Office of Adult Career Pathways Guidance](#), and the granted organization's policies and procedures.
- **Reimbursements are made based on actual expenses incurred.** All costs billed to DEED must be consistent with the Grantee's approved contract with DEED and must be supported by the Grantee's General Ledger. Submitting expenses that occur before the start of or extend past the term of the grant is not allowed. All costs must be substantiated by documentation of actual costs incurred during reporting period, not budget divided by the number of months in the grant.
- **Costs must be necessary, reasonable, appropriately allocated, and consistently applied.** See also: [Adult Career Pathways Program Operation Guide](#).
 - **Necessary:** How does the purchase align with the objectives/goals of the program?
 - **Reasonable:** Costs do not exceed what would be incurred by a prudent person under prevailing circumstances when decisions were made to incur the cost.
 - **Allocable:** A cost is allocable to a particular program if the goods or services involved are chargeable or assignable to that program with relative benefits received.
- **RPRs and FSRs must be submitted monthly** by the Grantee to DEED.FSR@state.mn.us, on or before the 20th of the following month. Expenses incurred March 1st -31st, for example, are reimbursed on the RPR submitted by April 20th.
- **When no expenditures have been incurred in a month**, Grantees must submit the RPR/FSR with \$0.00 listed in all rows of Section 3, Column C, carrying numbers forward to the Columns D, and E, as appropriate.
- **When adjustments are made to the current or previous RPRs/FSRs** the adjustment must be clearly noted and explained why the adjustment has been made within "Section 4: Comments."

See [Grantee Financial Training PowerPoint](#) for more guidance on payment requests.

Cost Categories

General Rules

1. All costs must be **appropriately allocated** and **consistently applied**.
2. Costs billed to DEED must be consistent with your organization's approved contract with DEED and must be aligned with allowable costs.
3. All costs, including Administrative, must be substantiated by documentation of actual costs incurred.
4. Expenses cannot be obligated or incurred prior to the participant's Workforce One (WF1) date of enrollment and/or the date the participant and the Case Manager/Counselor/Navigator have signed and dated the Individual Employment Plan (IEP), which ever date is later.
5. Any training/classes/support services must be part of the participant's IEP and must be pre-approved by the Case Manager/Counselor/ Navigator. All expenditures must be consistent with the Grantee's approved contract/work plan with DEED.
6. Purchases made by the Grantee in bulk, such as GED vouchers, bus/gas cards, uniforms, required training supplies/equipment like tools or books, are billed to DEED when they are **distributed** to the participant. Participant needs to sign and date a document to attest to the receipt of all tangible goods and the amount received. See [Supporting Documentation](#).
7. Travel, and Per Diem – In-state travel and per diem costs of the administrative staff, including allowed mileage, parking, etc. (Does not include seminar or meeting registration fees).
 - Reimbursement of "travel" costs associated with staff expenses incurred (mileage, parking, etc..) while the staff is traveling to/from home to their assigned office location (the staff's primary office location) are not allowed.
 - Per diem rates are provided for in the current Minnesota Management and Budget "[Commissioner's Plan](#)." *Reimbursements are made based on actual expenses incurred and cannot exceed reimbursement rates allowed for in the Commissioner's plan.*
 - Travel expenses incurred will not exceed the amount designated in the grant budget.
 - DEED will not reimburse for travel and subsistence expenses incurred outside Minnesota unless Grantee has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.
8. Purchases charged to a specific grant must be directly related to that grant. If a purchase is made that benefits all programs conducted by the grantee, then those costs must be prorated across all programs.
9. Nonprofit organizations may purchase some items exempt from sales tax if they apply and are approved for Nonprofit Exempt Status – Sales Tax. To be exempted from sales tax, Nonprofit organizations must give their vendors a completed Form ST3, Certificate of Exemption. DEED does not reimburse nonprofit organizations for sales taxes, which would otherwise be exempt, that are billed to DEED grants. For more information: <https://www.revenue.state.mn.us/guide/qualifying->

[nonprofit-exempt-status#:~:text=Minnesota%20law%20exempts%20certain%20nonprofit,known%20as%20Nonprofit%20Exempt%20Status](#)

10. If there is something not addressed in this guide, please reach out to your DEED Program Coordinator for clarification.

Incentive and Stipends Policy

Definitions

- **Stipend:** Fixed, regular monetary payment to the participant for ongoing, successful participation in the program. Not defined with milestones, but by active participation in the program. A stipend is a payment made to a trainee or learner for living expenses, unlike a salary or wages which are paid to an employee. Though the terms "stipend" and "salary" are often used interchangeably, the U.S. Department of Labor has specific criteria that must be met to pay a stipend. **For most ACP programs, stipends are not allowed unless stated in legislation or within a Request for Proposal (RFP) program outline.**
- **Incentive:** Non-cash vendor (gift) card (i.e., retail, bus, or gas-only cards), Visa/Mastercard gift cards, pre-paid debit cards and/or checks to a participant for successful participation and achievement of expected outcomes as defined in the approved workplan and/or the approved support service policy and the Individual Employment Plan (IEP). Incentive funds and timelines are defined by pre-set milestones. **Incentives per participant exceeding \$500.00 will be carefully reviewed by DEED.**

Guidance

- All incentives must be:
 - outlined as part of the DEED approved work plan, and/or work plan modification, and
 - specifically outlined in the DEED approved Grantee Support Services/Incentive Policy on file (see example below)
 - listed on the Participant's Individual Employment Plan, and
 - justifiable and earned by the participant for achieving set milestones.
- Grantees utilizing incentives are required to have an organizational:
 - policy regarding incentives that defines:
 - when incentives will be provided,
 - to whom they will be provided and
 - the maximum amount that will be provided.
 - Support Services policy to accompany the use of incentives. This needs to cover what vendor cards may and may not be used for.
- Grantees should carefully review the definitions of "Incentive," "On-the-Job Training," and "Work Experience" when creating their work plan proposal to ensure that their program activities are aligned to the correct activities and being billed to the correct cost categories.

Participant Tracking and Fiscal

Clients must sign for the receipt of vendor cards (i.e., retail, bus, or gas-only cards) and that they understand the appropriate use of vendor cards (i.e., no alcohol, no tobacco, no firearms, etc.).

Incentives must be:

- tracked in Workforce One Case Notes and in the Support Service tab.
- align with the Participant's Individual Employment Plan.
- billed to the [Support Services cost category](#) on the Reimbursement Payment Request (RPR).
- traceable to source.

- necessary, reasonable, appropriately allocated, and consistently applied.

Incentive Policy Example

ABC Organization Incentive Plan:

Grantee will provide ABC Gas Station (or a similar vendor) card to participants for successful participation and achievement related to their individual educational achievements. Upon receiving a vendor card, participants will sign a form indicating they received a card and for what purpose.

EXAMPLE - Incentive Policy

Description of Incentive	How it is Earned	Cost Per Participant	Estimated Number of Participants	Total Cost
ABC Gas Station /similar vendor Cards	Completion of the five required modules for the NorthStar Digital Literacy On-Ramp Certification	\$50.00 max	40	\$2,000
ABC Gas Station /similar vendor	Perfect Attendance in class each week and successfully passing each test	\$200.00 max	20	\$4,000

Maximum Total Incentive costs from Support Services Budget

\$6,000.00

Administrative Costs (833)

Adult Career Pathways defines administrative costs in accordance with the WIOA (Workforce Innovation and Opportunity Act) Final Rules and Regulations (20 CFR, Section §667.220). Administrative Costs cannot exceed 10% of total funds spent by the end of the grant period.

Policies

- Read [General Rules](#).
- Unless otherwise stated in legislation/grant paperwork, Administrative Costs cannot exceed 10% of the grant award or 10% of the expended award, whichever is less.
 - Regardless of having a valid federally Negotiated Indirect Cost Rate Agreement (NICRA) administrative costs to state grants cannot exceed 10% of total funds spent unless specifically stated otherwise within legislation or grant contract. A copy of the approved NICRA must be submitted to DEED upon request. If a copy of the valid NICRA rate agreement is received and is valid for the duration of the grant, no additional documentation to substantiate administrative costs will be required.
- All Administrative costs must be substantiated by documentation of actual costs incurred (i.e., organizations cannot bill a flat 10% or averaged costs each month).

Allowable Items Billed to Administrative Costs

Administrative Costs encompass grant expenses associated with administering the grant. These costs can be both personnel and non-personnel and both direct and indirect, for example:

- Financial Management: Accounting, Budgeting, Payroll, Procurement, Cash Management.
- Program direction, coordination, management, and reporting.
- Facilities, Property Management, Insurance, Personnel.
- Monitoring, Audit, Investigations, Incident Reports, Resolution activities.
- Automated systems, maintenance, equipment including website allocation.
- Any contract or sub-award that is “administrative” in function (outsourcing Human Resources, for example.)
- Management (fiscal, programmatic, monitoring) of contracts or sub-awards, and
- General legal, Human Resources, and Information Technology (IT), Organization Development.

Expenses for administrative staff may include:

- **Administrative staff salaries**, whether full-time or part-time, sick pay, holiday pay, vacation pay, jury duty, differential pay, etc.
- **Fringe Benefits**. FICA, pension, hospitalization insurance, life insurance, workers' compensation, reemployment insurance, and related costs. Personal Time Off (PTO): Sick pay, holiday pay, vacation pay, etc. taken (not earned or accrued.)
- **Administrative Operating Costs**. Administrative office supplies postage, telephone, printing, and other costs generally associated with administrative communication and supplies.
- **Insurance and Bonding**. Employee bonding, building insurance, public liability insurance, fire, and theft insurance.
- **Other Administrative Costs** such as Audits, Consultants.

- **Rent, Utilities, Custodial.** Chargeable space costs necessary for administration of the program, such as: rent, electricity, water, custodial, waste removal.
- **Travel and Per Diem.** In-state travel and per diem costs of the administrative staff, including allowed mileage, parking, etc. (Does not include seminar or meeting registration fees). See [General Rules](#) for more details.

Direct Services (885)

Direct Services are costs associated with providing direct services to participants. Salaries and fringe benefits for staff who provide direct services to participants and costs related to participants: direction, supervision, and management and tracking of the grant are included in this cost category.

All staff, office supplies and other costs necessary to service participants in some type of grant related and approved intensive, vocational counseling and/or training services should be included in this category.

Policies

- Read [General Rules](#).

Allowable Items Billed to Direct Services

Direct Services may include:

- **Case management/navigation** for participants.
- **Creating accessible documents.** DEED provides accessible required forms upon request.
- **Specialized assessments** of the skill levels and service needs of adults, which may include:
 - Diagnostic testing and use of other assessment tools.
 - In-depth interviewing and evaluation to identify employment goals and barriers.
- **Counseling** (employment related) and career planning.
- **Course development/redevelopment** and instructional design.
- **Development of an [Individual Employment Plan](#)** to identify appropriate employment goals, achievement objectives, and combination of services for the participant to achieve the employment goals.
- **Equipment purchases**
 - Equipment purchases that are not direct participant support services/direct training must be discussed and approved by your Coordinator prior to making the purchase to determine if the purchase requires it to be outlined within your contract and/or an amendment/modification must be completed to your contract.
 - Purchases charged to a specific grant must be directly related to that grant. If a purchase is made that benefits all programs conducted by the grantee, then those costs must be prorated across all programs.
 - Please note that any purchases of equipment over \$5,000 must be pre-approved by DEED, outlined within the agreed upon contract, and follow the bidding process outlined within the [ACP Operations Guide](#).
- **Interpretation Services.** When an interpreter is needed for a participant who is attending group or individual Grantee provided sessions. When an interpreter is needed for participant/staff who attend outside meetings/trainings, the training provider provides the interpreter.
- **Mentoring.** Funds paid to Mentors for services. Allowable ONLY if stated in RFP.
- **Mileage.** For vehicles or staff transporting participants to training locations, job sites, etc.
- **Other Participant Costs.** Other DEED pre-approved and allowable costs.
- **Outreach, community engagement, and promotion of grant specific services** (not the general promotion of the organization).

- If there is a specific [Outreach](#) category on the Reimbursement Payment Request (RPR)/Financial Status Report (FSR), Outreach would be captured in that category.
- **Rent, Utilities, Custodial.** Chargeable space costs necessary to serve grant participants, such as: rent, electricity, water, custodial, waste removal.
- **Staff Salaries.** Salaries for staff involved in providing grant specific services to participants including assessment, counseling, job development, job placement, orientation, time involved in providing support services, Workforce One data entry, report analysis, worksite development, and outreach. Staff salaries must be appropriately allocated across programs they work in if not 100% of staff time dedicated to grant.
 - Fringe Benefits - for staff involved in providing grant specific services to participants - FICA, pension, health insurance, life insurance, workers' compensation, and related costs.
 - Personal Time Off (PTO): Sick pay, holiday pay, vacation pay, etc. taken (not earned or accrued.)
- **Staff Travel.** In-state travel and per diem costs for staff providing grant-related services. See [General Rules](#) for more details.
- **Staff Tuition and Fees (Staff/Professional Development).** Staff tuition and fees (including professional membership fees) related to individual staff or group development up to \$300.00 per staff may be charged appropriately and allocated according to staff time to the Direct Services cost category. Individual tuition costs or group training where the cost per student exceeds \$300.01 must be in the contract/workplan between DEED and the Grantee.
- **Translation Services.** When materials need to be translated for participants who are attending group or individual case management/navigation, enrollment sessions, and/or Grantee provided training sessions.

Direct Services that are [NOT](#) Allowable

Examples of Direct Service expenses that are not allowed include (this list is not exclusive):

- **A cost included in indirect rate(s) that is not otherwise allowable as outlined above.**
- Monthly subscriptions not required to serve participants.
- Food/Beverages not pre-approved by DEED.
- Donations/pledges.
- Out of state travel without prior written approval by DEED.
- Events not pre-approved by DEED.

Organizations can **NOT** be reimbursed for funds spent on:

- Bonuses/incentives/gifts paid to or presented to staff/participants, unless pre-approved in your contract with DEED.
- Bonuses/incentives/gifts paid to or presented to current/new staff for referral or retention of new hires.
- Relocation fees incurred by or for a current/new staff.

Direct Services – WR-GED-ABE (886)

Direct Services – WR-GED-ABE are costs associated with providing training services to participants for Work Readiness (WR), General Educational Development (GED), Adult Basic Education (ABE), Standard Adult Diploma, also referred to as Minnesota Standard Adult High School Diploma, and K-12 Credit Diploma Completion. Salaries and fringe benefits for staff who provide this training to participants and costs related to equipment and supplies that support Work Readiness, GED, ABE, contextualized Standard Adult Diploma and K-12 Credit Diploma Completion training are billed to this category.

Policies

- Read [General Rules](#).
- If this cost category is not available, bill items that fall into this category to Direct Services.

Items Billed to Direct Services -WR-GED-ABE

Direct Services-WR-GED-ABE may include the following costs:

- **Staff Salaries** for staff involved in providing:
 - Work Readiness Training, also called short-term pre-vocational services, including development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills, and professional conduct services to prepare individuals for unsubsidized employment or training and any ***required*** books and materials such as instructional and classroom books and materials related training.
 - GED/ABE/Standard Adult Diploma/K-12 Credit Diploma Completion related assessments and contextualized training and any ***required*** books and materials such as instructional and classroom books and materials related training.
 - Staff hours spent in the classroom and reasonable classroom preparation.
 - Fringe benefits for staff involved in providing training to participants - FICA, pension, health insurance, life insurance, workers' compensation, and related costs.
 - Personal Time Off (PTO): Sick pay, holiday pay, vacation pay, etc. taken (not earned or accrued.)
 - Staff salaries must be appropriately allocated across programs they work in if not 100% of staff time dedicated to grant.
- **Staff Travel.** In-state travel and per diem costs for staff providing grant-related services. See [General Rules](#) for more details.
- **Staff Tuition and Fees (Staff Development).** Costs of approved classes, workshops, and seminars for staff - must be in the contract/workplan between DEED and the Grantee.

Direct Customer Training (838)

Direct Customer Training is for participant tuition, required books and fees, and staff who are providing direct non-credentialed or credentialed training to participants.

Policies

- Read [General Rules](#).
- If staff are teaching work readiness skills (prevocational training), contextualized GED, ABE, Standard Adult Diploma and K-12 Credit Diploma Completion staff hours are billed to [Direct Services - WR - GED - ABE](#) or [Direct Services](#).

Items Billed to Direct Customer Training

Direct Training may include the following:

- **Credentialed and Non-credentialed training.**
 - Salaries for staff who are providing direct non-credentialed or credentialed training to participants. Staff time spent in the classroom and for reasonable preparation.
 - Technology required for non-credentialed or credentialed training as outlined in [Common Questions](#).
 - Required testing and/or licensing test fees associated with participants' non-credentialed or credentialed training. Re-testing fees associated with participants' non-credentialed or credentialed training is allowable with case note justification.
- **Fees associated with determining eligibility for certain trainings** such as background checks (CDL, Construction, CNA) or physical exams (CNA, LPN, CDL).
- **Required books and tools** (must be listed as requirements on syllabus or on the school website).
- **Required school fees**, including registration or application fees.
- **Uniforms/boots/personal protective (safety) equipment (PPE)** required for training (must be listed as requirements on syllabus or on the school website).
- **Participant wages and fringe benefits** related to Work Experiences, Paid Internships, and On-the-Job Training. If there is a separate *Participant Wage and Fringe* category on the RPR/FSR, *Participant Wage and Fringe* must be captured in that category.

Support Services (828)

Support Services are payments made to or on behalf of **enrolled participants** for **one-time or temporary assistance** *considered necessary for the participant to reach program goal(s)*. Funds may be available to assist participants in emergency situations or to better enable participants to obtain employment and/or meet program goal(s). Support Services provided cannot be available or readily accessible through other local agencies or organizations. Support Services are provided to Adult Career Pathways (ACP) program participants on a case-by-case basis and are based on individual need.

Policies

- Read [General Rules](#).
- Support Services must be allowable in accordance with the appropriate rules and regulations of the legislation/award. Grantees must refer to their Work Plans/Support Service Policies to determine *specifically* which Support Services are allowed. Adult Career Pathways will only pay for expenses incurred or obligated while a participant is enrolled in the program and actively participating in approved activities. Support Services must be **necessary** and **reasonable**.
- Purchases made by the Grantee in bulk, such as GED vouchers, bus/gas cards, uniforms, required training supplies/equipment like tools or books, are billed to DEED when they are **distributed** to the participant.
- All Grantees providing Support Services to participants must have a Support Service policy in place. The Grantee's Support Service policy may be more restrictive but not less restrictive than DEED's Support Service policy/guidance. Policies must have the Grantee's name on it and must be dated. Grantees will be responsible for adhering to their internal Support Service policies. See [ACP Operations Guide](#).
- Support Service expenditures are billed to DEED after the service has been rendered/distributed to the participant. DEED does not pre-pay for Support Services.
- Ongoing Support Services to participants are prohibited. DEED does allow the following regular support/payments, when a participant is actively engaged in a program activity and if *considered necessary for the participant to reach their program goal*: bus or gas-only cards, child/dependent care, incentives, internet, and mileage.
- Grantee must take reasonable steps to ensure that Support Service dollars are used as intended. Support Service expenditures must be traceable to source. **Participants must sign and date a document to attest to the receipt of all tangible goods provided by the Grantee, including books, computers, scrubs, tools, uniforms/clothing, vendor cards, (including bus and gas-only cards, for example.)** This document may be kept in the case file, on an agency support service log, or with fiscal documentation.
- Receipt of tangible goods document must include participant's name, specifically what participant is receiving, (Chromebook laptop, mouse, and case, for example), cost of good(s), participant's signature attesting for receipt of goods, and date goods were received.
- Also see [Common Questions](#) for additional information.

Supporting Documentation

Support Services must be *considered necessary for the participant to reach program goal(s)*. Supporting documentation (bills/invoices) must be in the participant's name. Invoices must include dates of services.

Past due bills must be acquired, if needed, to determine the actual dates the services were incurred. Payments made on behalf of participants should be issued directly to the vendor.

Items Billed to Support Services

For ALL ACP GRANTS except for Getting to Work, Support Services may include the following **participant** expenses (this list is not exclusive):

- **Books, fees, clothing, tools, supplies, testing/assessments** for participants that are needed but not required for training, such as additional study materials, scrubs, supplemental learning materials, books, fees, clothing, and supplies *required* for a participant's training may be paid for using [Direct Customer Training](#).
- **Child and dependent care.**
- **Clothing** for interview, work experience, employment.
- **Driver's License fee.** Initial and/or renewal cost of automobile driver's license.
- **Educational testing** (for example, test prep courses and materials, practice exams, etc.)
- **Emergency financial assistance.**
- **Emergency health insurance.**
- **Employment and training-related fees.** For example, membership dues - professional association memberships, parking to attend in-state training, in-state conference/meeting fees, fees associated with conditions for training such as background checks or physical exams, application fees, etc.
- **Health and medical assistance.**
- **Housing or rental assistance** [see appendix](#).
- **Internet bill** for participant for the time the participant is taking an on-line class.
- **Interpretation Services.** When interpreter is needed for a participation for something other than a grant related service. For example, participant needs an interpreter to interview with an employer or to see a doctor.
- **Linkages/Referrals to community services.**
- **Membership dues** such as professional association memberships.
- **Mileage** to and from training location, work experience/internship sites, interview locations, job fair locations, and the Grantee's location.
 - Reimbursed mileage cannot exceed the federally approved mileage rate.
 - Approved mileage logs, including starting and ending addresses must be retained in participant files to support mileage expenditures.
- **Personal, drug, financial, and legal counseling.**
- **Phone/Cell bill** for participant [see appendix](#).
- **Professional memberships.**
- **Reasonable accommodations** for individuals with disabilities.
- **Relocation assistance.**
- **State Issued Minnesota Identification card.**
- **Test or assessment** that is not *required* for training.
- **Tools required for work.** Tools *required* for a participant's training may be paid for using [Direct Customer Training](#) funds.
- **Translation Services.** When documents need to be translated specifically for a participant, for example, participant needs to have transcripts or a degree that was issued to the participant in another language, translated into English.

- **Transportation assistance.** Bus or gas-only cards, mileage, ridesharing/taxi services including reasonable gratuity not to exceed 20% of total ride cost, reasonable and necessary car repair – if a car is necessary for work/school. Vendor cards (including bus cards) are purchased at a discounted price, bill DEED the purchase price of the card, not the face value of the card.
- **Vendor cards.** Grocery/Retail store gift cards to alleviate financial barriers.
- **Union Dues.**
- **Utilities** such as electric, gas, water bills.

For **Getting to Work only Support Services** may include the following **participant** expenses:

- New or used motor vehicles by gift, sale, or lease.
- Motor vehicle repair and maintenance services, or
- Motor vehicle loans.
- Transportation assistance (gas-only card when a participant is actively engaged in an educational program activity.)

Support Services that are NOT Allowable

Examples of Support Service expenses that are not allowed include (this list is not exclusive):

- **Any expense/service incurred, obligated, or distributed before -**
 - the participant is enrolled, and
 - the participant and Career Navigator have both signed and dated the IEP, and
 - the need for Support Services has been documented.
- **Any expense/service incurred, obligated, or distributed after the participant has been exited in Workforce One.**
- **Bad debt/collections.**
- **Cash distributions.**
- **Contributions/Donations.**
- **Refundable deposits.** This includes childcare deposits that pay for the last 2-4 weeks of childcare.
- **Driver's License reinstatement fees,** including fees associated with DUIs.
- **Entertainment.** Which includes participant celebrations unless pre-authorized in the contract/workplan between DEED and the Grantee, if in the contract then would bill to Support Services.
- **Incentives NOT part of the Grantee's approved work plan/support service policy.** See [Incentives](#) policy for more information.
- **Expenses incurred on behalf of other family or household members** (except for childcare or dependent care), for example: medication for a child, car insurance for a spouse, family cell-phone plan, etc. See also: [Supporting Documentation](#).
- **Fees/Late fees/Interest** including fees associated with DUIs and traffic/parking/other violations.
- **Fees associated with conditions for employment** such as background checks or physical exams. These fees are paid by the employer.
- **Fines/Penalties/Settlements** including traffic and parking related fines/fees.
- **Religious/Sectarian Activities.**
- **Requests made after the participant has exited the program.**
- **Student salaries** such as paying participants to be in the classroom.

- **Student activity costs.**
- **Traffic tickets/violations** including parking violations, violation-related towing charges, and impound lot fees.
- **Travel - out of state** including lodging.

See also:

- [Adult Career Pathways Program Operation Guide](#) the Support Services section
- [Incentives and Stipends Policy](#)

Outreach (830)

Adult Career Pathways defines outreach costs according to the WIOA (Workforce Innovation and Opportunity Act) Final Rules. Outreach includes community engagement and the promotion of **grant specific services** per Federal Office of Management and Budget (OMB) Uniform Guidance Code of Federal Regulations (CFR) §200.

Policies

- Read [General Rules](#).
- **Outreach promotes approved grant specific services only.** Outreach billed to DEED cannot promote the Grantee's organization.
- **Allowable advertising costs are those which are solely for:**
 - The recruitment of personnel required by the Grantee for performance of the award. (See also: §[200.463](#) Recruiting costs.)
 - Program outreach and other specific purposes necessary to meet award requirements.
- **If there is no Outreach category on the RPR/FSR, capture approved outreach activities as follows:**
 - Administrative outreach activities such as the recruitment of personnel required for the performance of the award are captured as Administrative Costs.
 - Activities related to participant outreach, program costs, job development, (advertising grant approved services in a local paper, for example) are captured as Direct Services.
 - Staff time dedicated to recruiting participants (personnel staffing a table at a community event, for example) and third-party marketing company is billed to Direct Services.
- **The following statement, or a QR code that links to this statement, must be on all outreach materials (displays, flyers, media, etc.):**
 - "The State of Minnesota Department of Employment and Economic Development (DEED) funded (or funded in part) this training through a grant. The grant recipient created this training. DEED does not endorse this publicity or training or make guarantees, warranties, or assurances of any kind, express or implied, regarding the accuracy, completeness, timeliness, usefulness, adequacy, continued availability or ownership of the information herein or elsewhere."

Items Billed to Outreach

- Table/ space rental to promote grant services at Career Fairs/Hiring Events/Community Events.
- Costs of displays, demonstrations, and exhibits.
- Costs of meeting rooms and other special facilities used in conjunction with shows and other special events.
- Costs of advertising media and related administrative costs. Advertising media includes magazines, newspapers, radio and television, direct mail, electronic or computer transmittals, etc.
- Third Party/Contracted marketing company expenses to be paid from Outreach category.

Outreach Costs that are NOT Allowable

Advertising and public relations costs include the following, expenses:

- Costs of meeting, conventions, convocations, or other events related to other activities (non-grant-specific activities) of the entity.
- Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, and providing briefings. *Employee Salaries are billed to Direct Services.*
- Costs of promotional items and memorabilia, including models, gifts, and souvenirs (pens, sports bottles, t-shirts, snacks, totes, and other promotional goods or items, etc.).
- Purchase of tents and tables. *These expenses, if part of the approved work plan, are billed to Direct Services.*
- Costs of advertising and public relations designed solely to promote the Grantee.

Documentation Needed to Support Outreach Costs

Outreach Activity	Documentation	Details
Career Fairs / Hiring Events	<ul style="list-style-type: none"> • Attendance log (if possible – if not, an estimated head count) and • a flyer announcing the event • Contract/Invoice for space/table rental 	Attendance log may include: <ul style="list-style-type: none"> • Date and time of event • Attendee name (include email, phone number, address as appropriate) • Outcome of event
Community Events	<ul style="list-style-type: none"> • Attendance log (if possible – if not, an estimated head count) and • A flyer announcing the event • Contract/Invoice for space/table rental 	Attendance log may include: <ul style="list-style-type: none"> • Date and time of event • Attendee name (include email, phone number, address as appropriate) • Event outcomes
Cross Referral Materials	Provide a sample	<ul style="list-style-type: none"> • Brochure/flyer/poster
Displays/Exhibits	<ul style="list-style-type: none"> • Provide a sample of what was created, if appropriate • Contract/Invoice 	Capture, as appropriate: <ul style="list-style-type: none"> • Content/purpose of display/exhibit • What event the display/exhibit was used or will be used for
Individual Contact with non-enrolled participant	Outreach Log	Capture, as appropriate to activity: <ul style="list-style-type: none"> • The name of the person <u>making</u> the contact • Date and time of contact • How the contact was made (include email, phone number, address as appropriate) • Purpose of outreach / content if email/letter • Name of whom the contact was made to

		<ul style="list-style-type: none"> • Outcome of contact
Group Events	<ul style="list-style-type: none"> • Attendance log (if possible – if not, an estimated head count) and • A flyer announcing the event • Contract/Invoice for space/table rental 	Attendance log may include: <ul style="list-style-type: none"> • Date and time of event • Attendee names (include email, phone number, address as appropriate) • Outcome of event
Marketing Tools	<ul style="list-style-type: none"> • Provide a sample of what was created • Related contracts and invoices 	<ul style="list-style-type: none"> • Brochure/flyer/poster • Print ad content and where and when the ad was placed • Radio ad script and where and when the ad was broadcasted
Neighborhood Canvassing	<ul style="list-style-type: none"> • Provide a sample of what was distributed • Related contracts and invoices, if outsourced 	Capture, as appropriate to activity: <ul style="list-style-type: none"> • The name of the person(s) canvassing • Date and time of event • How the contact was made (include address as appropriate) • Purpose of outreach • Name of whom the contact was made to • Outcome of contact
Outreach at Churches/Community Centers	<ul style="list-style-type: none"> • The name and address of the Church/Community Center • Outreach Log • Script (if announcement) • PowerPoint (if presentation) • Provide a sample of what was distributed • Related contracts and invoices 	Capture, as appropriate to activity: <ul style="list-style-type: none"> • The name of the person(s) conducting the outreach activity • Date and time of contact/announcement • Purpose of outreach • Name of whom the contact was made to/or approximate head count • Outcome of contact • List of people with whom you will be following up

Capacity Building (884)

Capacity Building is a legislatively allowed activity in the following grants: African Immigrant Community Competitive Grant, Southeast Asian Economic Disparities Relief Competitive Grant, and some Adult Direct Appropriations Grants.

Unless specifically stated otherwise within the enacting legislation for the appropriation, **Capacity Building** is providing financial and technical assistance to *sub*-grantees. This cost category is typically *not* intended for internal capacity building by the grantee. Capacity Building must be part of your approved workplan with DEED. Eligible activities include programmatic cost such as the following:

- board governance
- staff development/training
- outreach development
- strategic planning
- strategic alliances for equity and inclusion of communities of color and other groups facing equity barriers
- professional and/or technical services or staffing costs to improve gaps and/or shortcomings, and develop policies and procedures in the areas identified below:
 - Accounting.
 - Audit/audit resolution.
 - Case management.
 - Data management/governance/privacy.
 - Financial and cash management.
 - General legal services and legal advice.
 - Grant writing.
 - Information technology.
 - Internal control(s) and compliance and risk assessment of key processes.
 - Payroll.
 - Personnel management.
 - Property (asset) management.
 - Purchasing and contract management.
 - Quantifiable and qualitative performance outcome measurements for accountability.
 - Staffing costs to procure approved upgrades, enhancements, capacity-building improvements, or technology upgrades only. (All other activities within this function are considered Administrative.)
 - Other operational areas as approved by DEED.

Placement/Retention (884)

Placement/retention cost category is for the use with Pay for Performance Direct Appropriations and Drive for Five Job Quality Incentives.

Policies

- A [RPR Placement/Retention Reporting template](#) must be submitted with the RPR each month if claiming a placement or retention pay for performance.
- A [Reporting template](#) must be submitted with the RPR each month if claiming a placement or retention job quality incentives.
- All pay for performance Placement/Retentions must be eligible for payment as outlined in [Minnesota Statute 116J.8747](#) and [ACP Operations Guide](#).
- All Drive for Five job quality incentives must be eligible as outlined within the Request for Proposal:
 - **Part 1:**
 - Programs will be able to request job quality incentive payments for placing participants in permanent, full-time (averaging 32 hours or more per week) employment in the industry respective to their training and at or above \$25.00 per hour for a placement payment of \$2,500 per participant.
 - Programs will be able to request additional job quality incentive payments for participants retaining the initial job at or above \$25 per hour for 90 days or more. Retention payments will be requested at a rate of \$2,500 per participant.
 - Job quality incentive placements are limited to participants who have successfully completed the training program supported by the Drive for Five. Previous program participants are not eligible.
 - Job quality incentive payments are contingent upon verifiable documentation uploaded to the participant record in Workforce One (i.e., Paystubs) in accordance with the Adult Career Pathways Operations Guide.
 - **Part 2:**
 - Programs will be able to request job quality incentive payments in the amount of \$1,000 for facilitating new relationships between awarded Drive for Five Industry Sector Training programs and employers with relevant positions that meet eligibility for the incentive payments listed below. These relationships must result in direct individual placement of program graduates.
 - Programs will be able to request job quality incentive payments for placing participants in permanent, full-time (averaging 32 hours or more per week) employment in the industry respective to their training and at or above \$25.00 per hour for a placement payment of \$2,500 per participant.
 - Job quality incentive placements are limited to participants who have successfully completed the training program supported by the Drive for Five or workforce training program graduates (within last 12 months) in Drive for Five industry sectors.
 - Job quality incentive payments are contingent upon verifiable documentation uploaded to the participant record in Workforce One (i.e., Paystubs) in accordance with the Adult Career Pathways Operations Guide.

Appendix 1: Common Questions

1. Guidance on purchasing technology/assistive technology such as computers, Chromebooks, etc.
 - Charge to **Direct Services** if technology is used for training, but grantee intends to keep in their possession after training is over.
 - Charge to **Direct Customer Training** if technology is used for or needed to support training. After successful completion of the training, technology should remain the property of the participant.
 - Charge to **Support Services** if technology is primarily used for purposes other than training such as job search and will be retained by the participant after exit from the program.
2. Reasonable portions of a bill may be paid, and these are examples of how to pay the bill:
 - Support Service cost examples:
 - If the participant is enrolled July 15 and the bill covers a service period from July 1 to August 1, you may prorate the expense to cover the period from July 15 to August 1.
 - If a participant's rent is \$1200.00 a month, the participant is listed on the lease, and the participant has two roommates, Support Services can assist with 1/3 of the rent.
 - If the participant uses a cell phone "family plan," only the participant's portion of the plan may be supported.
 - If internet and cable are combined on the same bill, only the participant's internet portion of the bill may be supported.
 - Administrative or Direct Service cost examples:
 - Grantee receives an invoice from a vendor requesting payment for an annual subscriptions/salary/membership fee etc. To request reimbursement from DEED, the Grantee must distribute the amount over the time it represents, requesting monthly reimbursements until satisfied. If a portion lies outside of the grant range, that portion will not be reimbursed out of that grant's funding stream.

Travel Expense Guidance

DEED may authorize payment of travel and other related expenses and reimbursement of special expenses for Grantees in accordance with the [Commissioner's Plan Chapter 15](#). Such authorization must be granted prior to incurring the actual expenses.

Privately-Owned Vehicles:

Reimbursement for the use of privately-owned vehicles at the rates specified below. In all cases, mileage must be on the most direct route according to Dept of Transportation records:

- Mileage at the current [Federal IRS mileage reimbursement rate](#) (2023 at 65.5 cents/mile and 2024 at 67 cents/mile)

In addition to mileage, actual parking fees and toll charges shall be reimbursed. Mileage shall not be reimbursed for commuting between a permanent work location and their home.

Other Travel Expense:

Upon pre-approval by DEED, employees in travel status may be reimbursed for expenses described below in the amounts incurred not to exceed any maximum amounts specified below.

Reimbursable expenses may include, but are not limited to, the following:

- Commercial or ride-share transportation (air, taxi, rental car, etc.) provided that no air transportation shall be by first class.
- Meals including tax and a reasonable gratuity.
 - Breakfast reimbursements may be claimed if the employee leaves their temporary or permanent work location before 6:00 a.m. or is away from home overnight.
 - Lunch. Eligibility for lunch meal reimbursement shall be based upon the employee being on assignment, over thirty-five (35) miles from their temporary or permanent workstation, with the work assignment extending over the normal lunch period.
 - Dinner reimbursements may be claimed only if the employee is away from their temporary or permanent work location until after 7:00 p.m. or is away from home overnight.
 - Reimbursement Amount. Except for [high-cost localities](#) as identified by the Internal Revenue Service (IRS), the maximum reimbursement for meals including tax and gratuity shall be:
 - Breakfast: \$11.00
 - Lunch: \$13.00
 - Dinner: \$19.00
 - For [high-cost localities](#) as identified by the IRS (specifically excluding any cities within Minnesota), the maximum reimbursement shall be:
 - Breakfast: \$12.00
 - Lunch: \$15.00
 - Dinner: \$23.00
- Hotel and motel accommodations provided that employees exercise good judgment in incurring lodging costs and that charges are reasonable and consistent with the facilities available.
- Parking fees and toll charges.

- Receipts
 - DEED may require receipts for any reimbursement requested by a Grantee under the provisions of this or any other chapter in this Plan.

Other Training

A Grantee may request for agency staff to attend a specific training activity. If, in the judgment of DEED, the requested course, workshop, conference, or seminar will better prepare agency staff to perform their current or projected responsibilities and if staffing needs and budgetary resources permit, DEED may approve the Grantee's request for training. **An employee must successfully complete the training/attend conference, to be eligible for reimbursement.** Expenses incurred shall be reimbursed in accord with Other Travel Expenses above. With the prior approval of the DEED, an agency staff required to attend continuing education courses in order to maintain professional licensure necessary to their employment may be released from work to attend courses determined to be relevant to the job.

In order to make sound judgement, an agency must submit to their ACP Coordinator the following information:

1. Name of the specific training activity (including website)
2. Dates of training activity
3. Justification of attendance; How this relates to each staff's current position and DEED ACP funded grant.
4. Location of training
5. Name of staff requesting to attend.
6. Cost breakdown per attendee, including registration fees, airfare, lodging, per diem meals, and transportation.
 - a. Include cost allocation.

Updates to the Cost Category Guidance

July 2024

Updated the [Support Services](#) - Transportation bullet to include guidance on ridesharing.

October 2024

Added link to Dept of Revenue to the [General Rules](#) section #9 for tax exempt information.

December 2024

Added a [Travel Expense Guidance](#) section; Updated the [Outreach](#) section to clarify staff/third-party expenditures.

February 2025

Added additional equipment purchase information and link to ACP Operations Guide as it relates to the Bidding Process/Requirements to the [Direct Services](#) section.

March 2025

No Updates

April 2025

Added to Direct Customer Training cost category to include testing/licensing fees.

July 2025

Updated [Items Billed to Support Services](#) - Clothing expenses.