MINNESOTA
OFFICE OF CANNABIS MANAGEMENT

CanRenew and CanGrow grants

Grant Budget Allowability Guide

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Introduction

This guide provides definitions, requirements, and allowable uses for each budget category used in CanRenew and CanGrow grants administered by the Office of Cannabis Management (OCM). Grantees must ensure all expenses are reasonable, necessary, aligned with the approved work plan and supported by proper documentation.

Grantees should refer to their grant agreement and the Grantee Manual (mn.gov/ocm/grantee-manual/) **for additional details and grant requirements.**

Allowable grant expenses

Allowable expenses are costs that are necessary, reasonable, allocable and directly related to the approved grant activities and workplan.

All expenses submitted for reimbursement must:

- Support the objectives of the approved grant program and be essential to administering and implementing the grant program.
- Be included in the approved budget or receive prior approval when required.
- Be adequately documented by invoices, receipts, payroll records or other required documentation.
- Comply with the grant agreement, OCM policies and applicable state requirements.

Per the Grantee Manual, costs that are expressly unallowable or not included in the approved budget must not be submitted for reimbursement. Any unallowable reimbursements identified during financial reconciliation must be paid back to the state or corrected on the next invoice and will likely require additional financial reconciliations to be completed.

This guide provides common examples of allowable and unallowable costs but cannot address every situation. OCM reserves the right to determine allowability based on the grant agreement, approved work plan, and applicable laws and policies.

Types of grant expenses

Direct expenses

Direct expenses are costs directly tied to carrying out a specific program. Examples include salaries for program staff, materials for activities, and travel required for program events.

Examples include:

- Cost of time for staff delivering training, coaching, outreach, or participant support
- Program-specific materials (curriculum, workshop supplies, activity kits; refer to the Supplies section for more detail)
- Mileage or lodging for staff traveling to program events
- Participant engagement materials directly tied to program delivery
- Contractors (refer to Contractual section for full guidance)

Indirect expenses

Indirect expenses are organization-wide costs that support multiple programs and cannot be linked to a single project. These include administrative expenses, facility costs, and utilities.

Examples include:

- Administrative staff time that supports multiple grants (HR, finance staff, executive leadership)
- Facility-wide costs such as rent, utilities, internet or security services
- Shared technology platforms (software, databases, communication systems used by multiple programs)
- General organizational supplies not specific to any one grant (refer to Shared costs for allocation requirements)

Shared costs

Shared costs benefit multiple programs and must be prorated according to each program's use. For example, office supplies used across several projects must be allocated based on usage.

Examples include:

- Office supplies—such as paper and toner—used by staff working on multiple grants (refer to Supplies section for additional guidance)
- Shared equipment or technology (printers, laptops used across programs)
- Shared staff time (administrative support, outreach workers, facility staff) allocated by timesheets or usage
- Multi-program outreach materials or space rental for events serving more than one grant program

Four questions to ask yourself before charging any expense to a grant:

- Is it necessary?
- Is it reasonable?
- Is it directly related to the approved workplan and budget?
- Can it be supported with documentation?

If any answer is no, contact the grants team via email at grants.ocm@state.mn.us.

Unallowable expenses

This list is not an exhaustive list; contact your grant coordinator with any questions.

- Costs incurred outside the approved grant period
- Agency debt, interest, fines, penalties, late fees, or mortgage (principal or interest) costs
- Alcohol and/or cannabis, including cannabis seeds
- Flat rate per diem costs
- Fundraising activities or staff time used for fundraising activities
- Incidentals
- Massage chairs, saunas, etc.
- Land acquisition
- Capital expenses
- Corporate formation
- Lobbying
- Appreciation/entertainment/social activities for board, staff, partners, or team members

Budget categories

OCM grant budget categories include:

- Personnel and fringe benefits
- Equipment
- Travel
- Training
- Supplies
- Contractual
- Other (program and participant support)
- Administrative costs

Personnel and fringe benefits

Personnel and fringe benefits include wages for employees whose work directly supports grant-funded activities described in the approved workplan. This includes staff who deliver services, conduct outreach, manage case plans, complete reporting, develop program materials, coordinate partners, or perform other grant-specific tasks. These costs must reflect actual hours worked and be supported by appropriate time-tracking documentation when positions are funded by multiple sources.

Requirements

- Positions funded by multiple sources must maintain accurate time-tracking documentation.
- Refer to the OCM Grantee Manual for more information on time tracking and source documentation.
- List all staff positions and the staff person's name in each role charged to the grant on separate line items. Inform your OCM grant coordinator of any grant-funded position or staff changes.
- All wages must reflect actual hours worked on grant activities.
- Benefits must follow the organization's established policies.
- Include job title, full-time equivalent (FTE), percent billed to the grant, and hourly rate for the full grant period.

- Wages include overtime pay, holiday pay, paid leave, and staff bonuses per agency policy, and must be billed in proportion to actual hours worked on the project.
- Personnel costs must be paid through an established payroll system that includes tax withholding, pay stubs, and documentation. Grantees may not pay themselves or employees using cash, through peer-to-peer payment platforms (CashApp, Venmo, Zelle, PayPal, or similar), personal accounts, or any method outside a formal payroll process. These payments will be deemed unallowable.

Allowable expenses

- Program delivery (training, coaching, technical assistance, case planning, business support, outreach).
- Supervision of grant-funded staff and volunteers engaged in grant-supported activities.
- Paid internships when on grantee's payroll (contracted internships must be budgeted under Contractual).
- Executive leadership, administration, facility, and support staff hours directly related to the project. *Double-charging administrative or leadership staff time; for example, billing the same hours as both personnel costs and administrative/indirect costs is a common error, which must not occur.*
- Payroll taxes (FICA, Medicare, unemployment, workers' compensation).
- Employer-paid fringe benefits (insurance (health, dental, vision, disability) and/or retirement contributions. These costs must be allocated or proportional to grant-funded hours.)

Documentation

Grantees must maintain clear, complete, and accurate records, in accordance with generally accepted accounting principles, demonstrating that all personnel costs billed to the grant are based on actual time spent on grant-funded activities. Documentation must align with the organization's established payroll practices and withstand audit review. At minimum, personnel documentation must include:

- Timesheets or time-tracking records that show actual hours worked and clearly distinguish time spent on grant activities versus other funding sources.
- Supervisor approvals verifying hours recorded by staff, especially for positions funded by multiple sources.
- Payroll records such as pay stubs, payroll registers, and wage summaries that match the hours billed to the grant.
- Job descriptions outlining grant-related duties to ensure alignment between the work performed and the costs charged.
- Organizational payroll policies related to wages, overtime, bonuses, leave, benefits, and time-tracking procedures.
- Documentation of benefit calculations (health, retirement, FICA, workers' compensation) showing proportional allocation to the grant based on actual hours worked.
- Records of staff changes (new hires, departures, changes in FTE or job duties) maintained throughout the grant period.

Common mistakes

- Charging 100% of a staff member's salary to the grant when the position is only partially grant-funded. Grantees must bill only for the actual hours worked on the project, supported by time-tracking.
- Paying staff using cash or peer-to-peer payment platforms (CashApp, Venmo, Zelle, PayPal, etc.). These methods are not considered allowable payroll systems and will result in disallowed costs.
- Using estimated, projected, or averaged hours instead of documenting actual hours worked. Estimates or standard allocations are not allowable for positions funded by multiple sources.
- Failing to maintain supervisor-approved timesheets or relying on unverified self-reported hours.
- Not documenting paid leave, overtime or bonuses according to the organization's official payroll policy. These costs must be consistent with agency policy and proportionate to grant-funded work.
- Double-charging administrative or leadership staff time; for example, billing the same hours as both personnel costs and administrative/indirect costs.
- Charging interns or volunteers as personnel when they are paid through stipends or contractor arrangements rather than payroll. Contracted interns must be budgeted under contractual.
- Billing personnel costs before the official start of the grant period or after the end date, even if work was related to the project.
- Not updating budgets or documentation when staffing changes occur, such as shifts in FTE, job responsibilities, or funding allocations.
- Missing position descriptions, which outline the employee's responsibilities and justify their role on the grant.
- Missing documentation of pay changes, such as a payroll change form or other formal record showing salary assignment and adjustments.

Equipment

Equipment is generally defined as durable items with a high unit cost ($500 and above, or bulk purchases of multiple units, e.g. multiple computer monitors) that directly support the grant program.

Requirements

- Equipment purchases with a total value greater than $10,000 require quotes or documentation showing cost reasonableness, in alignment with OCM procurement expectations.
- Items must be necessary for carrying out approved grant activities and directly support program delivery.
- Equipment must be purchased, inventoried, used, and maintained according to the organization's internal policies and federal/state requirements.
- Refer to the [OCM Grantee Manual] for additional information on procurement, documentation, and cost reasonableness.

Allowable expenses

- Security equipment
- Technology
- Furniture (high-cost items essential for program delivery)
- Vehicles
- Machinery and tools

Documentation

Grantees must maintain sufficient documentation to demonstrate that equipment purchases are appropriate, necessary, and purchased at a reasonable cost. Documentation must be retained for audit purposes and aligned with the organization's procurement policies. Required documentation generally includes:

- Quotes, bids, or cost-comparison documentation for purchases totaling more than $10,000.
- Purchase orders, invoices, and receipts showing the vendor, item description, quantity, and unit cost.
- Proof of payment (e.g., financial system records) which demonstrates that purchases were paid through approved organizational processes.
- Equipment inventory records that include item description, serial/model number, location, date of purchase, and condition.
- Organizational procurement policies outlining thresholds, approval requirements, and competitive purchasing procedures.
- Justification statements explaining how the equipment directly supports grant-funded work (especially for high-cost or specialized items).
- Maintenance and usage records, if applicable, that document the equipment is used for grant activities.

Refer to the OCM Grantee Manual for detailed expectations regarding documentation, procurement, and inventory procedures.

Common mistakes

- Failing to obtain quotes or cost reasonableness documentation for purchases over $10,000.
- Purchasing equipment that does not have a clear, direct connection to grant activities, or is used primarily for general organizational purposes.
- Not retaining itemized receipts or relying on summaries or bank statements.
- Charging equipment costs to the grant when the item was purchased before the grant period or after the grant end date.
- Making purchases using peer-to-peer payment platforms (CashApp, Venmo, Zelle, PayPal, etc.). These methods are likely to result in disallowed costs.
- Not maintaining an equipment inventory, especially for high-value items such as technology, vehicles, or machinery.
- Failing to follow the organization's own procurement or approval policies, including competitive purchasing requirements.
- Not retaining receipts, invoices, or proof of payment, or relying on estimates or verbal quotes.
- Charging equipment as supplies or contractual when it should be categorized under equipment.

Travel

Travel includes travel expenses necessary for grantee staff (not contractors or participants) to complete grant-funded activities.

Requirements

- Travel must directly support approved workplan activities.
- Mileage reimbursement must not exceed current IRS standard mileage rates.
- Lodging and meals must not exceed state travel reimbursement rates.
- In-state travel only; out-of-state travel requires prior OCM approval.
- Shared vehicle costs must be properly documented.

Allowable expenses

- Staff parking and mileage for training delivery, professional development, partner meetings, program activities, events.
- Staff meals, lodging, and parking for approved grant-related travel.
- Vehicle rental for staff conducting participant transportation or fieldwork.
- Airfare, taxi/rideshare, baggage fees, or other reasonable transportation costs with prior approval.

Note: Contractor travel is reported only in contractual costs. Participant travel is reported only in other costs.

Documentation

Grantees must maintain clear records supporting all travel expenses charged to the grant. Documentation must follow the organization's travel policies and remain consistent with state and federal guidelines. Required records generally include:

- Travel requests or internal approval forms.
- Agendas demonstrating the purpose of the trip and its connection to grant activities.
- Itemized receipts for lodging, transportation, parking, tolls, and other travel costs.
- Mileage logs showing date, destination, purpose, and miles driven, when personal vehicles are used.
- Proof of payment through approved organizational processes.
- Organizational travel policies detailing allowable rates, mileage reimbursement, and per-diem rules.
- Refer to the OCM Grantee Manual for additional documentation expectations.

Common mistakes

- Charging travel that is unrelated to grant-funded activities.
- Billing per diem or mileage rates that exceed the organization's or IRS-established policy.
- Not retaining itemized receipts or relying on bank statements alone.
- Charging for travel outside the approved grant period.
- Using peer-to-peer payment platforms to reimburse staff — these are unallowable.
- Not documenting who traveled, the purpose of the trip, or how it supported the grant.

Training

Training includes costs for professional development or skill-building necessary for grantee staff or contractors to effectively implement activities described in the approved CanRenew or CanGrow workplan. Training may also include costs for grantee-hosted training events designed to build participant or community capacity when those events are part of the approved grant activities.

Requirements

- Training must directly support grant implementation or participant skill-building.
- Grantee-hosted trainings must be reasonable, tied to the approved workplan, and documented with agendas, materials, or attendance records.

Allowable expenses

- Registration fees for capacity building, grant program-related, cannabis industry, compliance, entrepreneurship, workforce, or technical trainings.
- Training materials, certification fees, and costs to host grantee-led trainings.
- Costs associated with offering accredited training (such as A/V equipment rental, CEUs/CLEs administration fees, etc.).
- Platform/online hosting costs (Zoom, Webex, etc.) – reimbursable only for the duration of the event/grant.

Documentation

Grantees must retain documentation demonstrating that training expenses were necessary, reasonable, and directly connected to grant goals. Documentation may include:

- Agendas, curricula, or program descriptions demonstrating grant relevance.
- Registration confirmations, invoices, and receipts.
- Proof of payment from approved organizational accounts.
- Training materials, certificates of completion, or attendance records.
- Organizational approval forms, if required.

Common mistakes

- Charging staff training that is not directly tied to grant deliverables.
- Billing memberships or professional certifications that are not allowed or not required for grant work.
- Failing to retain agendas or course descriptions that show relevance to the grant.
- Charging estimated costs rather than actual paid expenses.
- Making purchases using peer-to-peer payment platforms (CashApp, Venmo, Zelle, PayPal, etc.). These methods are not considered allowable and will likely result in disallowed costs.

Supplies

Supplies are generally low-cost items under $500 per unit that are necessary to administer or deliver approved CanRenew and CanGrow grant activities. Supplies are typically consumable, replenished frequently, or used directly in program delivery. This category includes office supplies, printing and copying, program materials, and food or beverages provided to program participants during approved grant activities. Staff food is allowable only when consumed with participants *during* the provision of program services (e.g., shared meals during workshops, training groups, youth activities, or participant engagement sessions). These costs must be necessary for program delivery and not routine staff meals.

Requirements

- Must be directly tied to grant activities.
- Must be reasonable and necessary for program or administrative purposes.
- Must include documentation showing purpose and connection to service delivery.
- Must be under $500 per unit unless otherwise approved.

Allowable expenses

- Office supplies (paper, pens, toner, folders).
- Printing, copying, outreach materials.
- Curriculum or workshop materials.
- Outreach supplies (swag, apparel, candy, tabling items) used specifically for grant-related outreach or engagement.
- Bulk basic needs items for participants (hygiene, socks, winter gear).
- Consumables used in program activities.
- Food and beverages for participants.
- May include shared food for staff only when eaten with participants while providing services.

Documentation

Supply purchases must be supported by detailed records showing the items directly support grant implementation. Documentation must include:

- Itemized invoices and receipts.
- Purchase orders, if used.
- Proof of payment consistent with organizational financial processes.
- Inventory records for high-value items or items distributed to participants.
- Justification statements describing the relevance of supplies to grant activities.

Common mistakes

- Charging general office supplies used for agency-wide operations instead of grant-specific activities.
- Not retaining itemized receipts or relying on summaries or bank statements.
- Purchasing supplies before the grant start date or after the end date.
- Incorrectly categorizing high-cost (greater than $500) or durable (lasting for an extended period) items under supplies instead of equipment.
- Making purchases using peer-to-peer payment platforms (CashApp, Venmo, Zelle, PayPal, etc.). These methods will likely result in disallowed costs.

Contractual

Contractual means contracts and payments to vendors, contractors, or professional service providers who deliver specific, specialized activities included in the approved grant workplan who are not employees of the grantee.

Requirements

- Contracts must be in writing and approved prior to services being performed and must clearly define:
  - Scope of work.
  - Specific deliverables.
  - Payment terms, including rate structure and payment schedule.
  - Performance expectations.
- Contractor budgets must include all costs, including:
  - Hourly or deliverable-based rates.
  - Materials or supplies.
- Contractor travel (lodging, mileage, meals, taxi/rideshare, vehicle rental, etc. Rates cannot exceed state rates).
- Contractors must submit itemized invoices showing service dates, hours or deliverables, and any reimbursable costs included in the contract.
- Rates must be reasonable, clearly tied to the scope of work, and consistent with industry standards.
- Contractors must maintain any required licenses, certifications, insurance, or credentials necessary to perform the contracted services. Grantees are responsible for verifying compliance.
- Grantees are responsible for monitoring contractor performance to ensure all deliverables meet contract requirements and align with the approved workplan. Monitoring may include reviewing work products, checking progress against timelines, maintaining communications, and documenting oversight activities.
- OCM does not require competitive procurement if the partner or contractor is written into the grantee's approved workplan during the grant application process. Grantees must maintain documentation supporting why the partner was selected, including:
  - Explanation of why this partner/vendor is uniquely qualified.
  - Why no other reasonable vendor could provide the required services.
  - The method used to identify or assess potential providers.
- Justification for the sole-source selection. This constitutes a sole-source procurement justification and must be retained for audit purposes.
- If vendors are added later and not included in the original approved workplan, standard procurement documentation (e.g., quotes, bidding records) is required.
- Paying contractors using peer-to-peer payment platforms (CashApp, Venmo, Zelle, PayPal, etc.). These methods are not considered allowable payroll systems and will result in disallowed costs.

Allowable expenses

- Program facilitators, industry trainers, cannabis readiness coaches.
- Evaluators or data analysts.
- Business development experts supporting licensing or entrepreneurship training.
- Cultural consultants, community engagement specialists, lived experience consultants, youth advisors, etc.
- Accessibility services (interpreters, translation).
- Other specialized professional services tied directly to grant outcomes.
- Contractor travel costs included within the contract budget.

Documentation

Grantees must maintain complete records for all contractors, consultants, and vendors paid with grant funds. Documentation typically includes:

- Contracts or service agreements outlining scope, deliverables, and rates.
- Invoices that describe services delivered and dates of service.
- Proof of payment through approved financial systems.
- Procurement documentation (quotes, bids, cost comparison) when required by the organization's policy.
- Records demonstrating contractor selection followed established procurement rules.
- Logs or deliverables showing work performed (reports, training materials, attendance lists, participant surveys, etc.).

Common mistakes

- Not having a signed contract or agreement in place before services begin.
- Billing for services that are not included in the approved budget or workplan.
- Not retaining deliverables or service documentation to verify work was completed.
- Charging contracted staff as personnel instead of contractual, or misclassifying individuals as contractors when they should be employees, which may violate labor laws and result in disallowed costs. Refer to the Department of Labor and Industry's Worker Misclassification page.
- Not following organizational procurement policies (e.g., failing to obtain multiple quotes when required).

Other (program and participant support costs)

Other program-related expenses include direct program and participant support costs necessary and reasonable for delivering the CanRenew or CanGrow program model and participant services, which cannot be classified elsewhere but remain essential, necessary and allowable for program implementation.

Requirements

- Only directly related program expenses may be charged 100% to the grant.
- Allocated expenses must use a reasonable, consistent, and documented allocation method that reflects the portion of the cost directly benefiting the grant. Common allocation methods include square footage (for shared facility costs), percentage of staff time (for shared service costs), or proportional usage (for shared supplies or software). Allocation methods must follow the organization's established financial policies, be supported by documentation, and be available for audit review.
- Participant stipends and direct participant assistance must comply with the direct participant assistance policies outlined in OCM Grantee Manual and may only be reimbursed after distribution.

Allowable expenses

- Participant travel and lodging
- Participant stipends for program contributions (focus groups, evaluation, advisory boards, or other approved engagement activities).
- Rental assistance for program participants
- Childcare for program participants
- Gift cards or vendor cards (grocery, gas) for program participants
- Program completion incentives for participants.
- Basic needs (food, clothing, hygiene, phone, medical care, therapy, daycare, etc.).
- Transportation assistance (bus card, gas card, cab vouchers, minor car repairs, license reinstatement fees, rideshare/taxi, i.e. Uber/Lyft).
- Housing assistance (application fees, rent, security deposit, utilities, emergency lodging, essential housing items).
- Employment/education needs (work attire, tools, classes, certification or testing fees, books, tutoring).

Documentation

Documentation for other costs must clearly demonstrate how each expense supports program delivery or participant needs. Typical documentation includes:

- Itemized receipts and invoices.
- Proof of payment through approved accounts.
- Distribution logs for participant support items (gift cards, supplies, incentives). Distribution logs must include participant name or ID, date, type of assistance, amount, and staff verifying distribution.
- Policies governing incentives, stipends, or participant reimbursements.
- Written justification connecting each expense to the grant objectives.
- Vendor contracts or agreements when applicable.

Common mistakes

- Pre-purchasing vendor or cash cards; this expense **cannot** be reimbursed until after distribution to the participant. Refer to the direct participant assistance guidance in the OCM Grantee Manual for more information.
- Providing participant incentives or support without maintaining distribution logs. Find an example distribution log in Appendix A.
- Charging general organizational expenses that do not directly support participants or program delivery.
- Using cash or peer-to-peer payment platforms (CashApp, Venmo, Zelle, PayPal, etc.) to distribute participant support (these are unallowable).
- Not documenting the purpose and grant connection of miscellaneous program costs.
- Charging food or refreshments for staff meetings when they do not meet grant allowability rules.

Facility and space-usage charges for grantee-owned facilities

When grantees charge the grant for use of space they own, costs must reflect actual allocable operating costs, not market rental rates or opportunity cost. Charges must be consistent with the organization's cost allocation plan (CAP) and must not include expenses such as mortgage principal, capital improvements, depreciation, or interest.

Documentation

- The organization's cost allocation plan (if applicable).
- A schedule of actual annual facility operating costs used to calculate the rate.
- Total usable square footage of the building and allocation by square foot of the expense.
- The calculation documenting how the cost-per-square-foot rate was determined.
- Documentation that the same methodology is used across programs.
- All internal policies governing space-use charges or facility cost allocation.

Space-use charges may be allowable only when they:

- Are based on actual costs.
- Do not duplicate costs already allocated through a CAP.
- Follow the organization's established allocation methodology.
- Directly support approved workplan activities.

Administrative costs

Administrative costs are organization-wide expenses that support overall operations and benefit multiple programs, including CanRenew and CanGrow. These costs are not directly tied to a single grant activity but are necessary for the organization to function. Administrative costs must follow the organization's established cost allocation methodology and may only be charged to the grant when they directly support implementation of the approved workplan.

Requirements

- Administrative costs must be reasonable, necessary, and consistently applied across all organizational programs.
- Administrative costs must be allocated using a documented and reasonable cost-allocation methodology, such as percentage of staff time, square footage, proportional usage, or other approved calculations.
- Costs may not duplicate expenses already billed (for example under personnel, supplies, contractual, equipment, or other program-related costs).
- Administrative staff whose time benefits multiple programs (e.g., finance, HR, executive leadership, IT, facilities) must maintain time records or allocation documentation that reflects proportionate benefit to the grant.
- Administrative costs must comply with the OCM Grantee Manual and must not include unallowable expenses such as mortgage principal, capital improvements, interest, or general organization entertainment.
- Administrative costs may only be billed 100% to the grant when the cost is exclusively and directly tied to grant operations (rare).

Allowable expenses

- Accounting, bookkeeping, payroll processing, and financial oversight supporting grant compliance and reporting (only allowable for specific, documented time).
- Insurance (general liability, cybersecurity, D&O, premises insurance) allocated based on a consistent organizational method.
- Human resources costs that support recruitment and onboarding of grant-funded staff (only allowable for specific, documented time).
- Executive leadership oversight directly supporting project management (only allowable for specific, documented time).
- Information technology systems supporting multiple programs (email, software licenses, data systems, shared communications platforms) allocated based on consistent organizational method.
- Facility-wide expenses (utilities, security services, janitorial costs, maintenance) allocated according to organizational method.
- Administrative materials and office operations shared across multiple programs allocated according to organizational method.

Documentation

Administrative cost documentation must demonstrate how each expense supports the grant proportionally and how the allocation methodology was applied. Required documentation may include:

- The organization's CAP or written allocation methodology.
- Time allocation records or timekeeping documentation for administrative staff billed proportionally to the grant.
- Invoices and receipts for administrative expenses (insurance, financial services, IT systems, utilities, facility services).
- Allocation calculations showing how shared administrative costs were prorated to the grant.
- Organizational policies governing cost allocation, facility charges, administrative billing practices, and shared-cost methodologies.
- Justification statements showing how administrative costs support grant operations.

Common mistakes

- Charging administrative expenses at 100% when they benefit multiple programs and must be allocated.
- Not using a documented allocation methodology or using inconsistent methods across programs.
- Charging administrative or leadership staff time to the grant without time records or proportional allocation documentation.
- Duplicating costs — for example, charging facility costs under both administrative and other categories.
- Including unallowable costs such as mortgage principal, capital expenses, depreciation, or interest.
- Charging general organization operations (board meetings, staff retreats, fundraising, unrelated office expenses).
- Billing Administrative costs that are more appropriately categorized under personnel, contractual, equipment, or supplies.

Support and resources

Website:
mn.gov/ocm/development/grants/overview

Email:
grants.ocm@state.mn.us

Appendix A: Distribution log example

Date	Client ID	Description of items/services needed	Reason assistance is needed	Payment type	Amount
[Enter date]	[Enter ID]	[Example: winter gear, rent payment, groceries]	[Brief explanation]	[Vendor card / check to vendor / online credit card/ACH payment / transportation reimbursement / other]	[$]

Documentation attached (Y/N)	Distribution date	Distribution method	Staff requestor (Name/signature)	Staff authorizer (Name/signature)	Notes
[Yes/no]	[Enter date]	[Method]	[Name and signature line]	[Name and signature line]	[Optional notes]