

Appendix XI
Allowable and Non-Allowable Expenditures*

Allowable Expenditures	
Compensation – Wages and Payments	Payroll Taxes – Employer and Employee Shares (as applicable)
Salaries and Wages	FICA – Social Security and Medicare
Employee Share of Taxes and Withholdings	Income Tax
Employer Share of Taxes and Withholdings	Workers' Compensation Related Expenses
Regular Time	State Workers' Compensation Premiums
Overtime Pay (for hours worked in excess of 40 hours/week)	Paid Claims for Employee (work-related injuries and illnesses)
Compensation of Approved Contracted Program Services	Insurance Premiums (employee work-related injuries and illnesses)
Compensation – Employee Benefits (Taxed)	Employer Support Expenditures
Bonus (hire-on, longevity, performance)	Advertising/Employee Recruitment
Vacation Leave	Employee Training
Sick Leave	Criminal History Checks (at actual cost only)
Other Leave (jury duty, funeral, etc.)	Equipment – employer/employment-related (e.g., fax machine)
Employee Insurance Premiums (life)	Employer-Related Mailing Costs
Employee Mileage Reimbursement (e.g., commuting – not related to direct consumer services) CLASS Only	Employee Mileage Reimbursement (related to delivery of consumer services; employee is not taxed)
Employee Insurance Premiums and Paid Claims (health, medical, dental, disability)	Supplies (e.g., gloves)
Employer-Paid Contributions to Employee Deferred Compensation Plans, Retirement/Pension Plans, Child Day Care, Accrued Leave	Uniforms (e.g., employee aprons)
	Hepatitis B Vaccinations
	Copy Expenses
Payroll Taxes – Employer and Employee Shares (as applicable)	Travel Costs (other than mileage reimbursement) CLASS Only
Federal Unemployment Taxes (FUTA)	Court-Ordered Garnishments (alimony, child support, guaranteed education loans, etc.) and Employee Voluntary Withholdings/Accruals
State Unemployment Taxes (SUTA)	
Federal, State and Local Taxes	

Non-Allowable Expenditures	
Program Specific	Other Excluded Expenses
Refer to the program rules and provider manual	Services, goods, items or supports provided to or benefiting someone other than the person receiving services
Third-Party Resources	Personal need items
Services covered by the State Medicaid Plan, Medicare, private insurance, public education, home-based schooling, community resources, and other sources of assistance and support	Services beyond the scope of the program service definition
	Room and board beyond the rate paid to a facility approved for out-of-home respite services
Fees and Assessed Penalties	Expenses related to unpaid caregivers
Late Fees and Assessed Penalties	Expenses related to a Designated Representative (DR)
Finance Charges	Expenses related to the spouse of the person receiving services, employer or DR
Stop Payment Cost	

* List is **not** all-inclusive.