**Section 670.60 Eligible and Ineligible Grant Expenditures for Human Services Providers**

Grant expenditures for capital improvement projects must comply with GATA, the Uniform Guidance and any applicable funding source, be reasonable and necessary, and support the allowable grant project activities set forth in Section 670.50. Specific eligible grant costs will be set forth in the applicable NOFO, dependent on the funding source and the project priorities (Section 670.50(c)).

a) Grants funded by Build Illinois

1) Expenditures for grants funded through Build Illinois must support bondable capital improvement projects (Section 670.50(a)(1)) for facilities owned or leased by human services providers. Eligible bondable capital improvement project expenditures include the following characteristics:

A) The expenditures are not recurring. In this context, recurring expenses are defined as those costs which are incurred at frequent or regular periodic intervals within the initial term of financing, and which would cause an accumulation of costs for the same expenditure purpose before the expenses initially incurred for such purpose are completely amortized;

B) The project is a physical improvement to the human services provider's facility and is of a durable nature not consumed in use;

C) The project reflects an extended useful life or longevity to the human services provider's facility, which in effect confers long-term (non-transitory) benefits to the citizens of the State of Illinois;

D) The project purposes are not subject to inherent risk of failure, rapid technological obsolescence, or primarily intended to fulfill temporary requirements or needs;

E) The project appreciably increases, improves, or enhances the equitable interests of the of the human services provider's facility, which in turn benefits the State of Illinois, or its legally constituted subdivisions, in the property, land, building or asset to be developed, constructed or improved; and

F) The expenditures are considered as internal components of a project, which if considered separately may not reflect the extended useful life, but will be bondable provided that such components are initially required and appreciably contribute to effective functioning, or are otherwise incapable of separation from a more complex unit which in itself is bondable.

2) Eligible budget cost categories for grants funded by Build Illinois will include the following:

A) Design/Engineering (limited to 10-15% of total grant budget);

B) Wiring/Electrical;

C) Equipment/Materials/Labor;

D) Paving/Concrete/Masonry;

E) Construction Management/Oversight (limited to 10-15% of total grant budget);

F) Mechanical System;

G) Excavation/Site Preparation/Demolition;

H) Plumbing;

I) Other Construction Expenses; and

J) Contingency (limited to maximum 10% of total grant budget).

3) Any expenditures by human services providers funded through Build Illinois that are not within the eligible characteristics and cost categories set forth in this Section will be considered ineligible including, but not limited to, the following:

A) Operational and administrative expenses;

B) Lease payments for rental of equipment or facilities;

C) Costs of staff or resident labor and material;

D) Expenditures to acquire or construct temporary facilities;

E) Purchase of automobiles, trucks, farm equipment, boats or rolling stock;

F) Livestock or laboratory animals;

G) Unpredictable or unusual legal expenses;

H) Costs for archaeological digs, research or exploration;

I) Costs related to the acquisition of land or a building or to conduct site selection; and

J) Work that contains repairs, maintenance or remodeling of a limited nature or scope, which is not done as part of a larger bondable improvement project.

b) Grants funded by Rebuild Illinois

1) Expenditures for grants funded through Rebuild Illinois must support capital improvement projects (Section 670.50(a)(2)) for facilities owned or leased by human services providers. Eligible budget cost categories for grants funded by Rebuild Illinois will include the following:

A) Design/Engineering (limited to 10-15% of total grant budget);

B) Wiring/Electrical;

C) Equipment/Materials/Labor;

D) Paving/Concrete/Masonry;

E) Construction Management/Oversight (limited to 10-15% of total grant budget);

F) Mechanical System;

G) Excavation/Site Preparation/Demolition;

H) Plumbing;

I) Other Construction Expenses; and

J) Contingency (limited to maximum 10% of total grant budget).

2) Any expenditures by human services providers funded through Rebuild Illinois that are not within the eligible characteristics and cost categories set forth in this Section will be considered ineligible including the following:

A) Administrative and operational expenditures including, but not limited to, utilities, personnel, insurance, indirect costs and debt obligations; and

B) Costs related to the acquisition of land or a building or to conduct site selection.

c) For all funding sources, *no portion of a human services capital investment grant awarded under this Part may be used by a grantee to pay for any ongoing operational costs or outstanding debt* [20 ILCS 605/605-1030(d)].