

Eligible Project Expenditures

The State may disburse grant funds only to pay for eligible expenses. Your bond bill will state what type of activities are acceptable for your grant funds. In general, to qualify as an eligible use of grant funds, the object of the expenditure must have a useful life expectancy of at least 15 years. This section describes expenditures eligible for grant funding. Consult with DGS before committing to any costs.

I. Real Property Acquisition

Acquiring land interests (freehold, fee, or leasehold) and real property improvements.

II. Architectural/Engineering Services

- A. Preliminary design; project design; preparing plans/specifications and related contract documents; preparing site plans, floor plans, specifications for architectural, structural, site improvements, civil, mechanical and electrical work, and related contract documents.
- B. Construction phase basic engineering; inspection; testing services.
- C. Post-construction phase start-up services.

III. Construction

- A. Work necessary to produce a complete and usable improvement to real property. Examples of construction projects are: erecting, installing, or assembling a new structure; installing, extending, or replacing utility systems; installing fixed equipment that becomes part of the structure; and developing and improving the site. All roofing projects must comply with the [State's roofing policy](#).
 - 1. Roofs. If you spend grant funds on roofing projects, you must comply with the same State roofing policy that we use for State buildings. Any roof purchased with State funds must have at least a 20-year, no-dollar-limit warranty. In the case of new construction, the proper roofing system is to be determined on the basis of a 60-year life cycle cost analysis. In the case of roof replacement projects, analysis of the proper roofing system must consider all relevant factors, including span dimension, structural condition, foundation design and capacity, roof top equipment, costs, and so forth.
- B. Construction projects are categorized:
 - 1. Addition/Expansion/Extension: Increasing an existing structure's overall external dimension.
 - 2. Alteration: Modifying or adapting the interior arrangement and other physical characteristics of an existing structure so that it may be better used for its present functions.
 - 3. Conversion: Modifying or adapting the interior arrangement and other physical characteristics of an existing structure so that it may be better used for new functions.
 - 4. Relocation: Moving an existing structure from one site to another including moving utility lines. Relocation of roads, pavements or similar facilities is excluded. Relocating two or more existing structures resulting in a single structure is deemed a single project.
 - ▶ **Note: Adjusting exterior space is categorized as addition/expansion/extension and is not normally deemed a conversion.**
 - 5. Renovation: Restoring and modernizing a structure or its systems, including building code compliance work, so that the structure may be effectively used for its present functions.
 - ▶ **Note: Renovation is needed to counter deterioration and obsolescence due to age, deferred maintenance, original faulty construction, or damage from natural disasters. Renovation differs from alteration primarily because alteration significantly modifies interior space arrangements, while renovation does not.**
 - 6. Replacement: Completely reconstructing a structure, or a mechanical or utility system, which, because of age, unsafe conditions, obsolescence, or other causes, cannot be economically repaired or renovated and cannot be used for its intended function.

- ▶ **Note: Reconstructing minor components of a mechanical or utility system is categorized as maintenance and is not normally included as a replacement. Replacement will be allowed as an eligible expenditure only if maintenance or renovation cannot resolve the problem.**
- 7. Restoration: Work required to bring a structure, to the maximum extent possible, to its former state. Ordinarily, restoration is authorized only for historic properties.
- 8. Site Development and Improvements: Includes grading; installing drainage facilities; constructing new roads, walks, parking areas, retaining walls, recreational areas, and fences; standard and essential landscaping; outdoor lighting.
- 9. Utilities: Includes installing, extending or replacing items such as sewer, water and electrical service systems; power plant facilities; heating, ventilating and air conditioning; elevators; fire escapes, sprinklers and fire alarms; and telephone communications and associated control systems.

IV. Equipment and Furnishings

Some equipment and furnishings are eligible expenditures while others are ineligible. Initial equipment and furnishings are eligible expenditures if they:

- Have a life expectancy of at least 15 years, with normal maintenance
 - Are unlikely to become technically obsolete for 15 years
 - Are of durable construction
 - Are heavy enough to prevent easy removal (chairs, however, may be eligible expenditures even if they do not meet this requirement)
 - Are not intended to replace adequate items already on hand (replacement equipment is not eligible for funding)
 - Are necessary to accommodate the functions for which the structure is intended AND
 - Are not elaborate or extravagant. Review is guided by the reasonableness of the cost, the items durability, and the items appropriateness.
- ▶ **Note: In the case of conversion or expansion, only equipment and furnishings needed to support a new function are eligible for funding. In the case of alteration, relocation or renovation, equipment and furnishings will not normally be eligible for funding. Because these projects are related to existing functions, it is expected that existing equipment can be used.**

Ineligible Project Expenditures

The State will not disburse grant funds for ineligible expenses. This section describes expenditures ineligible for grant funding. This list is not exhaustive. The State will determine eligibility on a case-by-case basis. Consult with DGS before committing to any costs.

- I. Feasibility studies or program development needed before authorizing funds (e.g., master plans)**
- II. Existing debt, interest (e.g., mortgage, rent, loans)**
- III. Fund-raising activities**
- IV. Salaries or wages paid to employees for project work**
- V. Administrative or legal costs**
- VI. Permits, licenses, bonds, reimbursables and insurance**
- VII. Maintenance**

- A. Maintenance is ineligible because it does not have a useful life expectancy of 15 years. Maintenance is the recurring periodic (daily, weekly, monthly, annual) or scheduled upkeep required to maintain or fix a structure or a system, or its components, so that it may continue to be appropriately and effectively used for its intended purpose during its life expectancy. Maintenance includes overhauling, reprocessing, and replacing parts or materials that have deteriorated through normal wear and tear. Maintenance includes work undertaken to prevent damage that otherwise would be more costly to restore.)

- B. Maintenance includes upkeep necessary to meet prescribed standards and codes. Maintenance does not include major changes necessary to cover new accreditation standards.
- C. Maintenance does not include constructing new maintenance sheds or buildings. Maintenance does not include extending or expanding utilities.
- D. Following are examples of ineligible maintenance projects:
 1. Painting, decorating, caulking, repainting, or treating masonry and other surfaces
 2. Repairing wall or floor tiles, shingles or siding, and roofs
 3. Sealing asphalt surfaces, ditching, replacing gutters and curbs, patching road surfaces
 4. Repairing sprinklers and alarm systems
 5. Repairing an elevator or escalator
 6. Repairing plumbing, sanitary facilities, or the heating, ventilating and air conditioning system
 7. Repairing lighting-and-electrical-systems components

VIII. Non-Capital Furnishings & Equipment

- A. Office machines and equipment. Examples: typewriters; computers, printers, and other computer peripherals, including software; calculators; fax machines; copying machines.
- B. Household furnishings. Examples: mattresses, pillows, rugs, mats, pads, curtains, draperies, pictures, statutes, interior-design items susceptible to the influence of style and frequent turnover, and other similar furnishings.
- C. Small household furniture, household furniture, appliances and accessories. Examples: coat-trees, folding chairs and tables, canisters, wastebaskets, trash cans and receptacles, paper roll dispensers, ironing boards, magazine racks, foot stools, dishes, pans, cutlery, glasses, desk sets, ladders, washing machines, dryers, refrigerators, ovens, stoves, fryers, griddles, hot plates, warmers, including hot food loaders, scales, pegboards, lamps, grills, toasters, irons, clocks, vacuum cleaners, scrubbers and floor polishers, bulletin boards, easels, planter boxes, movable chalk boards, towel racks not fixed, other similar furniture, equipment and accessories.
- D. Small equipment, machinery, and appliances. Examples: power tools, electric fans, movable air conditioning units, paint sprayers and paint mixers, welding machines, movie and slide projectors, portable screens, film splicers, slide viewers, audiovisual aids, CD and DVD players, video cassette recorders, record players, television sets, radios, stereo systems, portable paging systems, and other similar machinery and appliances.
- E. Major medical equipment and medical instruments - Examples: ophthalmoscopes, cystoscopes, otoscopes, oxygen tents, porta-lifts, bath lifts, cardiac arrest units, autoclaves, blood volume machines, serological baths, cryostat microtome units, ultra-violet lamps, resuscitators, inhalators, suction devices, refraction machines, eye charts, EEG and EKG machines, X-ray equipment, CT scan and MRI equipment, anesthesia units, obstetrical apparatus, whirlpool baths, and other similar equipment.
 - ▶ **Note: Exception may be made for major medical equipment and medical instruments that exceed \$20,000 if the useful life expectancy exceeds 15 years. Consult with DGS.**
- F. Professional, scientific and controlling instruments. Examples: photographic and optical equipment such as spectrophotometers, colorimeters, catheterization trays, fluoroscopes, microscopes, oscilloscopes, balance scales, recorders, lenses and binoculars.
 - ▶ **Note: Exception may be made for professional, scientific and controlling instruments that exceed \$20,000 if the useful life expectancy exceeds 15 years. Consult with DGS.**
- G. Glass and glass products, flat, blown or pressed. Examples: distilling apparatus, beakers, vials, test tubes, slides, basins, lamps, chinaware, dishes, mirrors, glass-top tables, and other similar products.
- H. Game equipment. Examples: bowling games, shuffleboards, billiard tables and equipment, ping-pong tables, and game tables.
 - I. Vehicular and motorized equipment. Examples: automobiles, trucks, boats, cleaning trucks, food trucks, heated or refrigerated tray trucks, dumpsters, forklifts, farming equipment, trailers or carts, wheelchairs, wheeled carts for maintenance use, and other similar equipment.
 - J. Supplies and materials. Examples: blankets, sheets, pillowcases, table linens, janitorial supplies, laboratory supplies, medical products, candle holders, books, flags and bunting, audio or visual tapes or discs, small hand tools, toolboxes, office supplies and other similar supplies and materials.