




STATE OF INDIANA



Eric J. Holcomb, Governor
Devon McDonald, Executive Director

TO: All ICJI Staff and Subgrantees

FROM: Devon McDonald, Executive Director 

RE: Allowability of Costs Paid in Advance
Grant Management Directive 9

DATE: December 20, 2022

Issue: A number of the Indiana Criminal Justice Institute's ("ICJI") subgrantees request reimbursement for costs that are paid in advance and/or costs that span multiple grant periods of performance. The question has been raised to ICJI as to the allowability of these types of expenses.

Answer: A subgrantee that pays for costs in advance cannot be reimbursed for any portion of those costs where the benefit to the funded program occurs outside of the grant period of performance.

A subgrantee that pays for services that span multiple grant periods of performance can only be reimbursed for the cost of the portion of the services that falls within the current grant period of performance.

Examples: Subgrantee A pays an annual fee for a Zoom subscription in August 2022. The subscription is for the period of September 1, 2022, through August 31, 2023. The grant period of performance ends on September 30, 2022. Only the portion of the subscription cost that falls within the grant period of performance (9/1/2022-9/30/2022) is eligible for reimbursement.

Subgrantee B pays upfront for health insurance benefits for all staff in December 2022 for the upcoming calendar year (January 1, 2023 – December 31, 2023). Subgrantee B pays the full cost in December 2022 and the current grant period ends December 31, 2022. No portion of this cost is eligible for reimbursement because the entire benefit of the cost occurs outside the grant period of performance.

Subgrantee C must register and pay for a conference in June 2022, but the conference occurs in October of 2022. The current grant period of performance ends on September 30, 2022. While the cost to register was paid during one grant period of performance, the conference itself does not take place until the following grant period of performance. The cost of the prepaid registration fee cannot be reimbursed because the benefit to the grant program will occur outside of the grant period of performance.