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 – ***must be employer/employment-related*** (e.g., internet service, fax machine, printer, phone or computer needed to complete employer/employment-related duties)
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)
	Uniforms (e.g., employee aprons)
Employer-Paid Contributions to Employee Deferred Compensation Plans, Retirement/Pension Plans, Child Day Care, Accrued Leave	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	
Services covered by the State Medicaid Plan, Medicare, private insurance, public education, home-based schooling, community resources, and other sources of assistance and support	Personal need items
	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.