



DIGITAL OPPORTUNITY (DO) DIGITAL SKILLS, EDUCATION AND WORKFORCE DEVELOPMENT (DSEW) GRANT PROGRAM


Updated Eligible Expenses Webinar

February 27, 2025

Agenda

1. **DSEW Eligible Expenses**
2. **DSEW Ineligible Expenses**
3. **DSEW Modifications**
4. **FAQs**



The background features a dark blue gradient with several faint, overlapping five-pointed stars and a large, light blue circular arc on the left side.

1. DSEW Grant Eligible Expenses

DSEW Grant Budget

For Round 1, Salaries, Benefits, and Taxes expenses are in Project Admin

For Round 1, Assistance to Individuals expenses are in Other Non-Personnel

GRANT BUDGET			
The Grant Budget line-item amounts below shall be applicable only to expenses incurred during the following period:			
BEGIN: DATE		END: DATE	
EXPENSE OBJECT LINE-ITEM CATEGORY ¹	GRANT CONTRACT*	GRANTEE MATCH ³	TOTAL PROJECT
Salaries, Benefits & Taxes ²	0.00	0.00	0.00
Professional Fee, Grant & Award ²	0.00	0.00	0.00
Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	0.00	0.00	0.00
Travel, Conferences, and Meetings	0.00	0.00	0.00
Grantee / Project Administration	0.00	0.00	0.00
Special Assistance to Individuals ²	0.00	0.00	0.00
Other Non-Personnel ²	0.00	0.00	0.00
Capital Purchase ²	0.00	0.00	0.00
GRAND TOTAL	0.00	0.00	0.00

¹ Each expense object line-item is defined by the U.S. OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E Cost Principles (posted on the Internet at: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E>) and CPO Policy 2013-007 (posted online at <https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/library-.html>).

² Applicable detail follows this page if line-item is funded.

³ A Grantee Participation Requirement is detailed by this Grant Budget, and the maximum total amount reimbursable by the State pursuant to this Grant Contract, as detailed by the "Grant Contract" column above, shall be reduced by the amount of any Grantee failure to meet the Participation Requirement.

DSEW Eligible Expenses Overview (1/3)

Category	Definition	Examples	Notes
Salaries, Benefits, & Taxes	Salaries for personnel directly involved in digital skill or workforce training, with proportional reimbursement for time spent.	<ul style="list-style-type: none"> Personnel salaries for trainers Payroll taxes and benefits for trainers 	<ul style="list-style-type: none"> Must include job descriptions, justification for executive involvement, and payroll documentation showing hourly rates, duties, and proportional time dedicated to grant-related work.
Professional Fee, Grant & Award	Costs for third-party professionals, consultants, or agencies related to grant project objectives.	<ul style="list-style-type: none"> Camp instruction Training facilitation Marketing and design consultation Strategic planning Curriculum development 	<ul style="list-style-type: none"> Requires documentation and proof of services rendered. Must be aligned with implementation of the grant services, not ongoing operational costs.
Supplies, Telephone, Postage & Shipping, Occupancy, Equipment Rental & Maintenance, Printing & Publications	Supplies and materials associated with project objectives. Costs related to long term lease spaces for program activities.	<ul style="list-style-type: none"> Materials or devices directly related to workforce and digital skills project objectives, such as laptops and hotspot devices Printed and non-distributed marketing materials Training manuals Program devices like thermometers and pulse oximeters. Lease costs for project related spaces, such as meeting rooms, training areas, office, staff workspace used for project objectives. 	<ul style="list-style-type: none"> Supplies must support specific certifications or training programs. Proof of deliverables is required for marketing expenses. Must include lease agreements, space descriptions, purpose of use, and rent breakdowns. A description of the space and breakdown of the % reimbursed rent are required.

DSEW Eligible Expenses Overview (2/3)

Category	Definition	Examples	Notes
Travel, Conferences, and Meetings	Travel expenses for staff delivering training services or attending pre-approved conferences or meetings.	<ul style="list-style-type: none"> • Mileage reimbursement • Lodging • Per diem • Conference registration fees 	<ul style="list-style-type: none"> • Must align with state-approved mileage (\$0.70) and per diem rates. • Documentation such as mileage logs, travel routes, and conference agendas are required. • Pre-approval from TNECD is mandatory.
Grant Project Administration	Administrative tasks required to manage the grant.	<ul style="list-style-type: none"> • Federal reporting • Invoicing • Compliance activities 	<ul style="list-style-type: none"> • Administrative costs cannot exceed 6% of the total grant amount awarded (unless otherwise approved). • Selected administrators must meet TNECD requirements for a professional grant administrator.
Special Assistance to Individuals	Financial assistance to trainees to offset costs while they are being trained.	<ul style="list-style-type: none"> • Participant stipends • Ride-share vouchers or discounted public transportation passes • Payment for industry-relevant credentialing tests and/or apprenticeship expenses 	<ul style="list-style-type: none"> • Payments must be made directly to service providers or partners. • Detailed records of expenses, including receipts and logs, are required. • Assistance for participants must include descriptions of methodology and criteria.

DSEW Eligible Expenses Overview (3/3)

Category	Definition	Examples	Notes
Other Non-Personnel	Other costs associated with project activities and not related to direct payments.	<ul style="list-style-type: none"> Licenses or subscriptions for training platforms Permits for compliance, if applicable Social media ad costs for program promotion 	<ul style="list-style-type: none"> Proof of deliverables (e.g., links, images of ads). Software description of use must be provided All subscriptions costs must fall within the contract period. Prior approval for non-personnel expenses is mandatory for reimbursement.
Capital Purchases (equipment)	Equipment assets with a life of more than one year.	<ul style="list-style-type: none"> Specialty printer (3-D printers) Machinery or tools Training equipment Any purchase over \$5,000 (per unit) 	Must directly support training objectives.

The background is a dark blue gradient. On the left side, there is a large, faint, light blue star. To the right of the star, there is a circular graphic element consisting of several concentric, semi-transparent blue rings.

2. DSEW Grant Ineligible Expenses

DSEW Ineligible Expenses (1/3)

Category	Definition	Examples	Notes
Broadband Construction	Costs associated with the construction of broadband access.	Drops built from the mainline to the grant project facility.	Broadband-related investments must be directly tied to the project scope to be eligible.
Internet Service	Reduced-cost internet services that are not part of the approved program.	Discounted or free broadband access plans for participants.	Internet service costs are only eligible when explicitly approved under project guidelines.
Promotional Items/Memorabilia	Costs for materials intended for marketing or branding without a direct programmatic purpose.	Gifts, souvenirs, and promotional merchandise.	Only marketing materials specifically for this DSEW project and services are eligible for reimbursement.
Capital Purchases	Costs for large physical assets that do not align with the grant's intended use.	Vehicles, land acquisition.	Only training-related equipment (=>\$5,000 per unit) is eligible under capital purchases.
Entertainment Costs	Expenses for social activities or recreational events.	Food, amusement, social gatherings, other related costs.	Meals, snacks, and drinks are ineligible unless covered under per diem travel rates.

DSEW Ineligible Expenses (2/3)

Category	Definition	Examples	Notes
Unreasonable or Unnecessary Costs	Any expense that is not directly tied to the project objectives or is excessive in nature.	Excessively high consulting fees, luxury accommodations, non-essential expenses.	Must demonstrate that expenses are reasonable, necessary, and allocable to the grant.
Pre-Award Expenses	Any cost incurred before the official grant award announcement date.	Purchases, contracts, or payments made outside of the contract period.	Expenses must occur after the contract start date to be considered eligible.
Legal Fees	Expenses for legal services or fees.	Attorney fees for reviewing contracts or other operational legal work.	Legal fees are not eligible.
Recurring Supply Costs	Expenses for regularly needed supplies that are part of normal business operations.	Office paper, pens, ink cartridges, cleaning supplies.	Supplies must be directly related to training and program scope to be eligible.
Project Contingency	Funds set aside for unexpected price changes.	Covering unexpected price increases (up to 15% of the project budget).	The allocation of overall project contingency costs can't be reimbursed.

DSEW Ineligible Expenses (3/3)

Category	Definition	Examples	Notes
Indirect Salaries and Benefits	General administrative expenses not directly tied to grant activities.	Salaries for non-project staff.	Only direct grant administrative costs (e.g., compliance reporting) are eligible, unless otherwise approved.
Indirect Non-Essential Technology	Technology items not essential for the program.	General office equipment, operational software, computers, printers, subscriptions.	Technology must be necessary for program implementation to qualify for reimbursement.
Unrelated Professional Fees	Consulting or contractor fees that do not provide direct services to the grant program.	Legal consulting, external advisory services not tied to program activities.	All professional fees must align with grant project objectives to be eligible.
Unrelated Travel Costs	Travel expenses not directly tied to grant-related activities.	Flights, hotels, meals, or vehicle rentals for staff not delivering program services.	All travel costs must be pre-approved and must serve a documented project purpose.
Miscellaneous Non-Program Expenses	Any general expense that does not directly contribute to the grant's intended outcomes.	Unrelated office expenses, utilities, gas cards, gift cards, insurance, optional software tools, general administrative costs, liability insurance. Recruitment fees, business capitol, professional societal fees/membership dues, and participant travel (e.g., field trips).	All expenses must be clearly documented and program related for reimbursement eligibility.



3. DSEW Modifications

DSEW Modifications

There have been a few modifications regarding eligible/ineligible expenses and some costs were moved to the appropriate budget categories.

- **Grant Project Admin:** Costs associated with bookkeeping and accounting should be allocated in Grant Admin rather than Professional Fees. Administrative expenses cannot exceed 6% of the total grant award amount. Selected administrators must meet TNECD requirements for a professional grant administrator.
- **Salaries, Benefits & Taxes:** TNECD requires supporting documentation for salaried positions that will be directly implementing the approved DSEW program. This documentation should include the following:
 - Employee name with dates and hours billed
 - A brief overview of the activities completed
 - The cost per hour and total charged
 - Paycheck and/or direct export from payroll system

The background features a dark blue gradient. On the left side, there is a large, faint graphic consisting of three five-pointed stars and a crescent moon, arranged in a pattern similar to the Malaysian national flag. The text '4. FAQs' is overlaid on this graphic in a white, sans-serif font.

4. FAQs

General Eligibility Questions FAQs

- **Q: What types of expenses are covered under the DSEW grant?**
 - A: The grant covers services related to providing a skilling program.
- **Q: Can I use DSEW grant funds to cover general business expenses?**
 - A: No. The grant is strictly for expenses directly tied to DSEW program activities.

Salary & Professional Fee FAQs

- **Q: Can I use DSEW grant funds to pay for administrative staff salaries?**
 - A: Only if they are directly involved in grant-related activities. General office staff and non-program-related personnel are not eligible.
- **Q: Are consultant or contractor fees covered?**
 - A: Yes, if they provide services directly related to the DSEW grant, such as curriculum development, training facilitation, or environmental reviews.

Supplies and Capital FAQs

- **Q: Can I purchase computers or software with DSEW grant funds?**
 - A: Yes, but only if they are directly related to training services. Personal-use devices or non-essential subscriptions are not eligible. Devices may be given to participants to keep.
- **Q: Are there restrictions on supply purchases?**
 - A: Yes, supplies must be less than \$5,000 per unit cost and tied to workforce development or digital skills programs.
- **Q: Can the DSEW grant funds be used to purchase land or vehicles?**
 - A: No. Vehicles are not eligible, nor is Property Acquisition.

Occupancy & Lease Cost FAQs

- **Q: Can I use the DSEW grant to cover rent or lease costs?**
 - A: Yes, but only for spaces used for DSEW program activities. If the entire facility is not used for the program, the reimbursed portion must be justified and documented.
- **Q: What documentation is needed for lease reimbursement?**
 - A: You must submit:
 1. A copy of the lease agreement.
 2. A description of the space and how it is used for DSEW activities.
 3. A breakdown of the rent percentage being requested.
 4. Proof of Payment for the specified claim period.

Travel & Conference FAQs

- **Q: Are travel expenses covered under the DSEW grant?**
 - A: Yes, but only for staff delivering training services or attending pre-approved conferences.
- **Q: Can I get reimbursed for meals and lodging during travel?**
 - A: Yes, but only for staff at the approved per diem rates. Individual meal receipts are not accepted.
- **Q: What documentation is required for travel reimbursement?**
 - Mileage logs showing start/end locations and routes;
 - Conference agendas and justification of how it benefits the DSEW program; and
 - Pre-approval email from TNECD.

Grantee / Project Administration FAQs

- **Q: Is there a limit on administrative costs?**
 - A: Yes, administrative expenses cannot exceed 6% of the total grant award amount.
- **Q: Are legal fees covered?**
 - A: No. Fees for contract approvals or general legal services are not eligible.
- **Q: Can I use the grant to cover fundraising costs?**
 - A: No. Fundraising-related activities are not covered under the grant.
- **Q: Can I submit reimbursement for expenses incurred before the grant award date?**
 - A: No. Pre-award expenses are not eligible for reimbursement.

Grant/Project Administration FAQs

- **Q: What documentation is required for internal grant administration that is reimbursable?**
 - A: The documentation required is:
 1. Force Account Labor Acknowledgement Document
 2. Direct time charged to approved administrative activities supported by timesheets and an overview of what is being billed to the grant to include:
 - Employee name with dates and hours billed
 - A brief overview of the activities completed
 - The cost per hour and total charged
 - Paycheck and/or direct export from payroll system

Special Assistance to Individuals FAQs

- **Q: Can I use grant funds to help individuals attend training?**
 - A: Yes, the DSEW grant covers financial assistance for devices, transportation assistance, and credentialing exam fees. Reimbursement for participant program fees is not allowed.
- **Q: Can grant funds be used to pay participants directly?**
 - A: No, payments must go to the service provider (*e.g., training center, transportation provider*). However, stipends may be allowed for internships or training milestones **if properly documented, including eligibility criteria, hours worked, and milestones achieved.**
- **Q: What types of transportation assistance are allowed?**
 - A: Bus or van passes for public transit, and discount codes for ride-sharing apps (*e.g., Uber, Lyft*). Gift cards are not allowed.

Non-Personnel FAQs

- **Q: Can grant funds be used to reimburse fees for background checks?**
 - A: Yes, however background checks are ineligible for employees who are not dedicated 100% to the DSEW project.

Procurement FAQs

- Grantee must choose a method based on the **contract amount** or **type of services** to be procured. See more at: [2 CFR 200.317-200.327](#).
- **Note** - ALL procurement actions, regardless of cost threshold, must be documented and will be reviewed at the time of monitoring.

Cost Threshold	Required Actions
\$0.1 to \$9,999.99	<ul style="list-style-type: none">• At least three written quotes, such as screenshots from online shopping websites
\$10,000.00 to \$249,999.99 (or otherwise determined threshold)	<ul style="list-style-type: none">• At least 3 bids must be included to show lowest price was selected• All bids/quotes must be signed by the vendor• Cannot exceed \$249,999.99
\$250,000.00+ (or otherwise determined threshold)	<ul style="list-style-type: none">• Must be conducted in a sealed bid process called an ITB (invitation to bid) or RFP (request for proposal)• Cannot exceed \$250,000

Procurement FAQs

- **Q: What records must be maintained for procurement?**
 - A: Bid advertisements, bids or proposals, bid tabulations, awards, executed contracts must be kept until 2031 (five years after the contract end date).
- **Q: What records must be maintained for reimbursement?**
 - A: Invoices, receipts, and records must be kept for all purchases until 2030 (five years after the contract end date).
- **Q: What is the "No Supplanting Attestation"?**
 - A: Funds cannot be used as a substitute for current programs or projects managed by the grantee.

Procurement – Professional Services FAQs

- **Q: What kind of contractors/vendors are considered professional services?**
 - A: Any third-party contractor that is supporting the scope of the grant project, which is included but not limited to engineering or architecture firms or professional grant administrators.
- **Q: Should a professional services vendor be selected based upon the lowest price?**
 - A: Procurement of professional services should not be based on price but on meeting your qualifications.
- **Q: What steps should I take to procure a professional services vendor?**
 - A:
 - Send at least 3 letters to companies who could provide the service.
 - Give them time to respond.
 - Have a selection committee and specified qualifications/scoring system to select service provider.
 - Document the process.
 - If you are using the Development District to administer the grant, you do not have to use a formal procurement process for grant administration.
 - If you only receive one response back when procuring professional services, draft a single response memo and keep it on file.

The background features a dark blue gradient. On the left side, there are several overlapping, semi-transparent five-pointed stars. A large, faint circular graphic, possibly a globe or a target, is also visible behind the stars. The text '5. Feedback Form' is centered in the upper-left quadrant in a white, bold, sans-serif font.

5. Feedback Form

Let us know how we did! (and log your attendance)



Please mark your attendance on the form by scanning this code. Please let us know how we did and what you would like us to prioritize in upcoming webinars and office hours. You can also use this space to share with us your pointed questions that you would like us to get back to you on.



Please email
ECD.Broadband@tn.gov
with any questions you may have.
Thank you!