

Appendix III: Funding Restrictions

All proposed project costs must be necessary and reasonable and in accordance with federal guidelines. Determinations of allowable costs will be made in accordance with the Cost Principles found at 2 CFR Part 200 (Uniform Guidance) and the Department of Labor specific requirements at 2 CFR Part 2900 U.S. Labor’s Adoption and Exceptions to the Uniform Guidance. Compensation, including salaries, must be handled consistently with the Uniform Guidance, including 2 CFR Part 200.430. Disallowed costs are those charges to a grant that the grantor agency (in this case, the Department of Labor) or its representative determines not to be allowed in accordance with the Cost Principles or other conditions contained in the grant. Applicants will not be entitled to reimbursement of pre-award costs. **Once awarded, the Notice of Award will specify the start and end date of the award. No costs should be incurred before or after the period of performance.** The following limitations apply to funds awarded under this TEGL:

- **Salary caps:** None of the funds appropriated under the heading “Employment and Training” in the appropriation statute(s) may be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate more than Executive Level II. The Executive Level II salary may change yearly and is located on the U.S. Office of Personnel Management website at [Executive Senior Level \(opm.gov\)](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/executive-senior-level).¹ This limitation does not apply to contractors providing goods and services as defined in the Audit Requirements of the Uniform Guidance (see 2 CFR Part 200 Subpart F).
- **Construction Projects:** Construction costs or the purchase of land or buildings are not allowable.
- **Equipment:** The grant award recipient(s) must receive prior approval from the Grant Officer to purchase any equipment as defined in the Uniform Guidance at 2 CFR Part 200.1. Prior approval is required only when the per unit’s acquisition cost is \$ 10,000 or more, regardless of the recipient’s capitalization threshold. Equipment purchases must adhere to the procurement requirements found in 2 CFR Part 200.313 or 2 CFR Part 200.439.

Being awarded this grant does not automatically mean that the equipment specified in the approved budget or Statement of Work (SOW) is approved by the Grant Officer. The recipient must submit an equipment approval request to the Federal Project Officer (FPO) for review, within 90 days of the Notice of Award date. Applicants that are approved by Congress to use grant funds to purchase equipment (as specified in the description of the project’s purpose as specified in the Explanatory Statement for Division B Consolidated Appropriations Act, 2026 and [Appendix I](#)) are alternatively invited to submit the prior approval request for an equipment purchase in their application. Whether submitted as part of the application package or as a post-award amendment application, this request must include:

1. Item name.
2. Item description and basic specifications.
3. Estimated useful life of the equipment.

¹ <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/executive-senior-level>

4. Item cost (actual or estimated) including the cost to put the asset(s) in place and make it usable for the purpose it was acquired.
5. Purpose of acquisition: a description of how the equipment will be used to support the grant and a reference to the approved activities in the Statement of Work (and page numbers, if known). This description and justification are critical, as the information will provide the documentation that the costs to be incurred are for approved grant-related activities and in the best interests of the government.
6. Contact name with email address and telephone number.

The Grant Officer has the authority to approve or disapprove the request. All Grant Officer approvals will be in writing in the Notice of Award of the grant or in the form of an amendment to the grant agreement. **The recipients are strongly encouraged to submit requests for equipment purchase as early as possible in the grant's period of performance with as many planned pieces of equipment as possible.**

Recipients may not purchase equipment during the last year of the period of performance. If any approved acquisition has not occurred prior to the last funded year of performance, approval for that item is rescinded.