Responsible Units (RUs) may use Recycling grant funds for planning, operation, evaluation, procurement, or construction of one or more components of recycling and/or yard waste programs during one calendar year. Eligible recycling costs are limited to those incurred for single family and 2-4 unit residential housing units. Eligible RUs maintain an “effective recycling program” as set forth in ch. NR 544, Wis. Adm. Code.

### Allowable Cost Categories

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<th>Allowable Cost Categories</th>
<th>Description</th>
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| **Payroll Costs: RU personnel** | Salaries, fringe benefits, training, and per diem for personnel who work directly on the recycling and/or residential yard waste program, including:  
  - Documenting recycling program collection results.  
  - Documenting how solid waste will be managed if generated in the grantee’s region but not separated or recovered for recycling.  
  - Recycling program planning  
  - Collecting, processing, transporting and marketing the following:  
    - Recyclables banned from landfills in 1995 at or for single family and 2-4 unit residences  
    - Residential yard waste banned from landfills in 1993, including the planning, construction and operation of compost sites.  
  - Staff and supply costs associated with development and enforcement of a recycling ordinance.  

RU must maintain time records to substantiate recycling and/or residential yard waste work efforts. |
| **Indirect Costs** | Recycling expenses that are equitably and systematically allocated to all of the grantees operations and/or facilities where recycling is not the sole activity or facility use. These expenses must be accumulated in a separate set of accounts. |
| **Consultant Fees** | Recycling program planning, customer satisfaction, or other services. Accountants, attorneys, engineers, etc. |
| **Service Contracts** | “Arm’s length” contracts entered into by RUs to obtain services necessary to perform any of the grant-eligible activities listed above. |
| **Capital Expenditures: Construction or acquisition costs, including improvements or equipment costing $1,000 or more and with an expected life of 3 years or more.** | • The cost of land at fair market value and site preparation costs.  
  • Construction costs including capitalized interest, professional services of an attorney, and engineering/architect services for design, construction, and construction inspection, all on an amortized (depreciated) basis over the useful life of the facility.  
  • Utility service costs: Repairs and maintenance: on an amortized basis for capital repairs; full cost of other repairs and maintenance allocable to recycling. |
| **Non-capitol Material, Supplies, and Equipment** | Rent and lease costs negotiated at “arm’s length”. However, payments under rent or lease-to-own agreements on facilities must be treated as purchases and are eligible only on an amortized (depreciated) basis. |
| **Equipment** | • Equipment costing $1,000 or more with an expected life of 3 years or more is eligible on an amortized (depreciated) basis or on an hourly use rate basis.  
  • Equipment costing less than $1,000 may be: depreciated, funded on an hourly use rate, or funded at full allocable cost.  
  • Equipment rent or lease payments negotiated “at arm’s length”; however, payment under rent or lease-to-own agreements must be treated as purchases and are, therefore, eligible only on an amortized (depreciated) basis. |
| **Other** | • Information and education costs for recycling, waste reduction, reuse, and yard waste management efforts associated with recycling at multi-family dwellings, businesses, and institutions related to the 1991 and 1995 items banned from landfills.  
  • Necessary materials and supplies, such as office supplies, recycling bags, household recycling bins (made of at least 25% recycled materials), gasoline and oil (but only if hourly use rates are not claimed). |