**Section 600.220 Allowable Costs for Per Diem Rate Calculation**

a) Allowable costs shall be approved by the State Superintendent of Education and include only those costs that are reasonable and necessary for the accomplishment of program goals and objectives.

1) For the purpose of this Section, "reasonable cost" is a cost that, in its nature or amount, does not exceed that which would be incurred by a prudent buyer under the circumstances prevailing at the time the decision was made to incur the costs.

2) Accordingly, the School shall seek to approve expenditures for goods and services at a cost that is as low as possible without sacrificing the quality of the goods or services received.

b) The costs that are listed in this subsection (b) shall be considered allowable, except as may be excluded in Section 600.230:

1) Salaries, wages and fringe benefits for qualified staff and fees for consultants involved in the direct planning and delivery of classroom educational services, including teachers and teacher aides, and the supplies and overhead costs necessary to carry out these activities.

2) Salaries, wages and fringe benefits for qualified staff and fees for consultants involved in the direct delivery of program-related services, including speech and language clinicians, audiologists, occupational therapists, social workers, counselors, psychologists, recreation workers, vocational training personnel and school health services personnel, and the supplies and overhead costs necessary to carry out these activities.

3) Salaries, wages and fringe benefits for qualified staff and fees for consultants involved in the direct delivery of residential care services, including habilitation/child care workers, and the supplies and overhead costs necessary to carry out these activities.

4) Food and dietary, occupancy, administrative, transportation and other costs essential to the program. For the purposes of this subsection (b)(4), "occupancy" means those costs associated with the operation and maintenance of the physical plant, all lease or rental costs, and all interest.