

Article XI-Q Bond Program Quick Reference
Facility Asset Projects – Agency – Tax Exempt Bonds
Real or Personal Property Owned or Operated by the State of Oregon
Allowable vs Un-allowable Costs

Allowable Capitalized Costs:

- **Direct Project Costs** (must be directly identifiable to the project)
 - Land
 - Construction
 - Architectural
 - Engineering
 - Development Contractor
 - Construction Equipment
 - Costs necessary to place the asset into its intended location and condition for use
 - Freight/Transportation
 - Site Preparation
 - Professional Fees
 - Travel Directly Related to the Project
- **Direct Labor Costs** (must be actual hours worked on the project, not rates or percentages)
 - Project manager
 - Employee
- **Pollution Remediation** (only if it is required to complete the project, otherwise un-allowable) (Per OAM 15.77.00, these costs will likely not be capitalized as part of the asset) (Bond Counsel will review Pollution materials to determine if required by federal law. Costs of Bond Counsel will be agencies responsibility, and cannot be paid for with bond funds) (i.e. Hazardous Materials, Lead, Asbestos, etc.)
 - Pre-cleanup activities
 - Pollution Removal
 - Follow-up Monitoring
- **Demolition Costs** (only if it is required to complete the project and is not the entire project, otherwise un-allowable) (Per OAM 15.60.10, these costs may not be capitalized as part of the asset)

Un-allowable Costs:

- **Related Party Costs**
 - Agency to Agency Payments (payment never reaches a non-governmental entity)
 - DOJ, BOLI, DEQ fees
 - State Data Center Fees (unless costs can be directly traceable to an outside vendor)
- **Expenses Prior to Site Identification**
 - Site Assessment (to determine best location)
 - Feasibility Study (to determine best location)
 - Environmental Studies
- **Repair Costs** (See OAM 15.60.10)
 - Roof patching
 - Maintenance
 - Minor Repairs
- **Indirect/Administrative Costs**
 - Office supplies
 - Rent
 - Overhead Costs
- **Operational Costs**
 - Membership Dues
 - Moving Expenses
 - Maintenance Fees

Please note this is not an all-inclusive list. The information in this document is to be used as a general overview of costs that can or cannot be paid for with Bond Proceeds. Each project is different, so please ask if you have items not listed here. (Also, see sections 2.1.1, 2.1.2 and 2.1.3 of the “Agency Guide to Financing Capital Project with Article XI-Q Bonds” for more information.

Article XI-Q Bond Program Quick Reference

IT Asset Projects – Agency – Tax Exempt Bonds

Real or Personal Property Owned or Operated by the State of Oregon

Allowable vs Un-allowable Costs

Allowable Capitalized Costs:

- **Application Development Stage Costs** (See OAM 15.60.40)
 - Configuration/Coding
 - Hardware/Software Purchase
 - Hardware Installation
 - Testing
 - Data Conversion (only if the conversion is necessary to make the software operational)
- **Software License Agreements**
 - Must have the “Right to Use” the software
 - Must be Non-Cancellable
- **Off the Shelf Capitalized Software Programs**
- **Direct Project Costs**
 - Contractor (application development costs only)
 - Travel Directly Related to the Project
 - Third-party Hosting Services
- **Direct Labor Costs** (must be actual hours worked on the project, not rates or percentages)
 - Project manager
 - Employee

Un-allowable Costs:

- **Preliminary Project Stage Costs** (See OAM 15.60.40)
 - Conceptual Formulation of Alternatives
 - Evaluation of Alternatives
 - Determination if Technology is needed
 - Final Selection of Alternatives
- **Post-Implementation/Operation Stage Costs** (See OAM 15.60.40)
 - Training
 - User/Operational Manuals
 - Software Maintenance
- **Related Party Costs**
 - Agency to Agency Payments (payment never reaches a non-governmental entity)
 - DOJ, BOLI, DEQ fees
 - State Data Center Fees (unless costs can be directly traceable to an outside vendor)
- **Indirect/Administrative Costs**
 - Office supplies
 - Rent
 - Overhead Costs
- **Operational Costs**
 - Membership Dues
 - Moving Expenses
 - Maintenance Fees

Please note this is not an all-inclusive list. The information in this document is to be used as a general overview of costs that can or cannot be paid for with Bond Proceeds. Each project is different, so please ask if you have items not listed here. (Also, see sections 2.1.1, 2.1.2 and 2.1.3 of the “Agency Guide to Financing Capital Project with Article XI-Q Bonds” for more information.
