



Song-Brown Allowable/Unallowable Costs Guide

The Department of Health Care Access and Information (HCAI) expands access to quality, equitable, affordable health care for all Californians by supporting high value delivery systems, resilient health facilities and workforces, and actionable health information and strategies.

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Background

The Department of Health Care Access and Information (HCAI) works to increase and diversify California's healthcare workforce through Health Workforce Development. The Song-Brown Program aims to increase the number of residents or students receiving quality primary care education and training in areas of unmet need throughout California.

The guidelines herein are subject to change.

Song-Brown Costs and Statutory Priorities

Song-Brown Grant Program expenses should align with Song-Brown statutory priorities, which include:

1. Graduating individuals who practice in medically underserved areas,
2. Enrolling members of underrepresented groups in medicine to the program,
3. Locating the program's main training site in a medically underserved area, and
4. Operating a main training site at which the majority of the patients are Medi-Cal recipients.

Song-Brown funds are to be used for the direct education and training of residents or students. Additionally, all funded activities or purchases must clearly comply with the accrediting and/or approval body's standards through proper documentation.

Questions?

If you need clarity on an item listed here, or if you are considering an expense not listed here, contact us prior to incurring the expenditure. If you have any questions, or comments, please email SongBrown@hcai.ca.gov.

Allowable Cost Items

Song-Brown Grant Funds may cover the following costs:

Construction and Renovation

Construction and renovation activities are allowable when they are directly related to the establishment of new residency or educational programs.

Contractual and Consultant Costs

Purchasing goods and/or procuring services performed by an individual or organization other than the grantee in the form of a procurement relationship. Procurement of services must be in direct support of the education and training of residents or students. Procured services must be in accordance with the organization's established procurement policy.

Educational Materials

Textbooks, software, and other training materials required by the program for resident/student education per the Song-Brown agreement scope. These can be used only if the training materials are owned by the residency program and training program and items are not for personal use. Song-Brown funds cannot be used to reimburse residents/students for any of these expenses.

Educational Workshops, Conferences, or Retreats

A conference is defined as a meeting, seminar, symposium, workshop, or event for program faculty, staff, and/or residents or students, the purpose of which directly ties to the Song-Brown agreement scope. Travel for conferences must be within California only. Expenses claimed for conference-related travel must adhere to per diem rates established by the Department of General Services. For more information, visit: <https://hrmanual.calhr.ca.gov/Home/ManualItem/1/2203>.

Faculty Development

Costs associated with faculty development that are designed to enhance faculty skills as educators, improve quality and patient safety, foster the well-being of faculty and their residents or students and improve in-patient care based on practice-based learning and improvement efforts. This may include travel for training conferences and training conference registration fees (in-state only, see Travel).

Information Technology (IT) Systems

Education training equipment and software costs directly tied to the Song-Brown agreement scope. Examples include classroom computers, laptops, tablets, education modules, E-learning development software, lab training, and other medical education software. Any IT equipment or software purchased with Song-Brown funds must be retained by the residency program and training program. Song-Brown funds cannot be used to reimburse individual residents or students for any of these expenses.

Insurance

Medical liability coverage for residents or students as required by the accreditation or approval body. Song-Brown funds cannot be used to reimburse residents or students for any of these expenses. For health insurance or other fringe benefits, see Salaries and Wages, below.

Meals (PCR only)

Meals are included if the costs are reasonable and can be justified as maintaining the continuity of Graduate Medical Education (GME). Examples include food items and/or meals during required educational activities (i.e. grand rounds, conferences, etc.) but would not include food items and/or meals during regular shifts.

Medical Equipment

Equipment used to enhance education per the Song-Brown agreement scope. Grant funds may be used for any equipment that is required for the education of residents or students, only if equipment is owned by the training program and items are not for personal use outside of the training program.

Equipment that is shared by multiple programs may be claimed at the rate at which the granted program uses the shared equipment. For example, a training mannequin that is used 50% of the time by residents or students in the granted program and 50% of the time by another program at the university may have only 50% of the cost of the mannequin supported by grant funds.

Examples of equipment for which funds may be used include simulation equipment, mannequins, ultrasound machines for procedural training, exam tables, virtual or augmented reality platforms for enhancing clinical competencies, patient diagnostic equipment for training, and fetal heart monitors for training.

Memberships, Subscriptions, and Professional Activity Costs

Discipline-related professional publications and technical periodicals for faculty and staff that tie directly to Song-Brown program scope are permitted. Song-Brown funds cannot be used to reimburse residents or students for any of these expenses.

Office Supplies

Costs for general office supplies that support the Song-Brown agreement. Song-Brown funds cannot be used to reimburse residents or students for any of these expenses.

Salaries, Benefits and Wages

Supervising faculty and staff salaries, benefits, and wages for time spent directly supervising and educating residents or students, per Song-Brown agreement scope. For example, supervising faculty that spend 50% of their dedicated time supervising residents or students may have only 50% of their salary and/or medical benefits supported by grant funds.

Funds may be used to support administrative personnel for time directly working for the awarded Song-Brown program only.

Resident salary and benefits compensation during the term of their residency and during the term of the Song-Brown agreement is allowable.

Stipends

Program preceptor stipends for work at training sites that directly tie to Song-Brown agreement scope. For all other stipends, see “Non-Allowable Cost Items”.

Travel

Faculty and staff travel for presentations, professional development and training must be directly linked to the Song-Brown agreement scope. Travel must occur within California only. Expenses claimed for travel costs should be in accordance with per diem rates established by the U.S. General Services Administration (GSA). For more information visit: [FY 2026 per diem rates for California | GSA](#).

Meals consumed during conference travel are included as part of per-diem expenses if they are reasonable and tie directly to the Song-Brown agreement scope. Per diem expenses should be reimbursed in accordance with the State of California Department of General Services Administration policy. For more information visit: [FY 2026 per diem rates for California | GSA](#).

Unallowable Cost Items

In addition to the limitations listed above, the following costs are examples of expenditures that are not eligible for Song-Brown grant funds. This is not an exhaustive or all-inclusive list:

Construction, Renovation, and Land or Building Acquisition

Acquiring buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility (including site grading and improvement, and architecture fees). A building is defined as any permanent structure that is designed or intended for support, enclosure, shelter, or protection of a person, animals, or property having a permanent roof that is supported by columns or walls. The cost of renovations for reasonable accommodations may be excluded.

**Exception: New Programs are permitted to expense dollars for Construction and or Renovation, if necessary, to meet accreditation or approval requirements.*

Contributions, Donations and Gifts

Contributions, donations, and gifts, including cash, gift cards, property, and services, from the grantee to other entities.

Entertainment, Food and Drinks

Amusement, diversion, and social activities and any costs directly associated with bands, orchestras, galas, dance groups, graduation events, family activities, tickets to shows, meals (except meal spending included in the “Allowable Song-Brown Cost Items” section), catering, other foods or drinks including gift cards for those items, lodging, rentals, transportation, and gratuities, or other gift cards.

Fines, Penalties, Damages, and Other Settlements

Costs resulting from violations of, alleged violations of, or failure to comply with, federal, state, tribal, local, or foreign laws and regulations. Costs due to civil lawsuits.

Fundraising

Organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes the salaries of personnel involved in activities to raise capital.

Indirect Costs

Indirect costs are not allowable. Indirect costs, as opposed to direct costs such as salary, equipment, etc., are generally defined as the overhead cost of administering the grant.

**Exception: This is only an allowable budget category for the administrative costs related to Existing slots at Teaching Health Center grants. For these grants, indirect costs shall not exceed eight percent of the total dollar awarded.*

Information Technology (IT) Systems Unrelated to Medical Education

IT personnel or IT services, or for costs associated with the use of electronic health records. This includes firmware, and hardware that does not relate to the direct advancement of graduate and undergraduate medical education, computers, cell phones (and cell phone bills), and other hardware for personal use are not allowable. Additionally, internet billing is not allowable.

Licensing Fees

Individual licensure fees for residents or students.

Lobbying and Political Activity

Attempts to influence the outcomes of any federal, state, or local election, referendum, initiative, or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activities.

Meals

All meal spending not included in the "Allowable Cost Items" section.

Memberships, Subscriptions, and Professional Activity Costs

Non-program related memberships or subscriptions, such as gym memberships and any wellness activities, including yoga, meditation, retreats, or spa treatments.

Student Stipends, Awards, Gifts, Scholarships

Any form of cash or gift card provided or awarded to students for personal use, such as living expenses, clothing (medical scrubs, white coats, etc.), shoes, food, transportation, or childcare.

Organization and Administrative Costs

For costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors. Administrative costs are indirect costs and charges that do not solely benefit the residency program.

Out-of-State Travel

Expenses related to traveling outside of California. Also includes expenditures for persons (guest speakers, faculty, and residents/students) traveling into California. Examples of non-allowable expenses include student international immersion courses, international student travel, or domestic student travel to other states.

Pre-Award and Post-Award Costs

Any pre-award and post-award costs incurred prior to the execution date of the Song-Brown grant award agreement and after the payment term period of the Song-Brown grant agreement. New Program grants may be excluded.

Recruitment

Costs related to student, resident, and trainee recruitment, including in-person meals, printed materials, outreach programs, and supplies for recruitment activities.

Research and Publications

Publication costs associated with faculty academic research are not permitted. Costs associated with funding individual research projects are not permitted.

Salaries and Wages

Salaries, wages, and fringe benefits for project staff that devote time and effort that does not directly correlate with the advancement of graduate and undergraduate education and training. Any costs that cannot be specifically identified and easily and accurately traced to activities that solely align with the graduate and undergraduate education program. Examples include events, meetings, other programs, conventions, symposia, and seminars.

Special Projects

Such as programs that an organization sets up to recruit applicants to their program. This includes job fairs, as well as college and high school outreach operations designed to bring prospects to the granted program.

Examples include pipeline, pathway, and bridge programs.

SWAG (“Stuff We All Get”)

Promotional or marketing items such as gift bags, key chains, squeeze toys, pens, hats, trinkets, shirts, cups and other gift items known as swag.
