**Section 240.2030 Unallowable Costs for In-home Service**

Certain costs shall not be considered by the Department in establishing a fixed rate of reimbursement for in-home service:

a) expenses resulting from transactions with related parties/parent organizations that are greater than the going market cost of the transactions to the provider;

b) non-straightline depreciation;

c) bad debts;

d) special benefits to owners, including owner and key-man life insurance;

e) compensation to non-working owners and officers;

f) discounts, rebates, allowances, and charity grants offered by the agency;

g) entertainment expenses;

h) fundraising;

i) legal fees for litigation with governmental agencies;

j) awards, grants and gifts to individuals;

k) fines and penalties;

l) contingency funds;

m) losses on other grants and contracts; and

n) health coverage costs incurred for direct service workers by any qualifying provider for which an enhanced rate is paid for that purpose by the Department under Section 240.1970.

(Source: Amended at 42 Ill. Reg. 20653, effective January 1, 2019)