Innovation Hub Grants | Allowable Costs

Allowable costs are charges related to your project that can be covered with your grant funds, as long as they follow federal rules under *2 CFR Part 200* and *2 CFR Part 400*. Unallowable costs are charges that cannot be covered or reimbursed by your grant award.

All requested costs must be allowable, allocable, necessary, and reasonable in accordance with the OMB CFR Cost Principles including *2 CFR Part 200* and *2 CFR Part 400*.

Questions about allowable costs? Refer to the frequently asked questions at www.InnovateSchoolFood.org or contact:

Mariela Medina
Grants and Contracts Manager
InnovateSchoolFood.org/Support
Schedule a 1:1 Meeting

Allowable Costs

- **Program Activities**
  - Improving Food Quality and Nutrition: Activities that aim to improve the quality, safety, and nutritional value of food products. These may include but are not limited to product development, taste-testing events, food safety training, and nutrition education.
  - Capacity Building: Costs associated with activities that enhance the skills, knowledge and resources to better meet the objectives of a project. These activities are allowable if they directly support and are necessary to the project's goals. This includes costs associated with providing training, technical assistance (such as consultations and technology), and planning (such as adapting materials to other languages and for Section 508 accessibility standards, honorariums for guest speakers, etc.).
  - Promotion Expenses: Printing, duplication and distribution of materials to promote projects; development and distribution of materials and social media; and costs for developing and translating materials or adapting them to different formats.

- **Operations and Administration**
    - Spending for Supplies: Materials needed to support the project, such as meeting and office supplies (paper, notepads, easels, etc.), printed materials, food storage units, small kitchen and cafeteria supplies (such as educational posters, cookware and cutlery), and small equipment less than $10,000 per unit.
    - Personnel Costs: Salary and benefits for key staff directly supporting the project for the percentage of time that the staff will be supporting the project.
    - Rental Costs: This includes rental costs for space, utilities and facilities directly used for the project. Rental agreements should be reviewed regularly to make sure they are still the most cost-effective and efficient choices.
    - Leasing: Leasing office space, equipment, vehicles or facilities needed for the project.
    - Technology: The purchasing of technology, such as hardware (like computers, laptops or tablets) and/or software (like accounting systems or antivirus software), is allowed if it is specified and essential to the project.
- **Travel**
    - Travel: Travel is an allowable expense if it is directly related to your project and justified in your budget. Travel can include site visits, trainings, or meetings relevant to project activities and scope of work.

Allowable Costs with Prior Approval From USDA

- Equipment: Equipment is defined as tangible, durable, personal property having a continual useful life of more than one year and a cost of $10,000 or more per unit.
    - Any large equipment purchases (over $10,000 per unit) will need to have prior approval by the USDA before they are allowed. Equipment must be essential to your project, meaning that it is directly related to the project's outcomes. If any equipment over $10,000 is included in your proposed budget, please explain why it is necessary and how you will ensure that it is cost effective. In order to demonstrate cost effectiveness, you will need to provide 3-4 estimates for the equipment you wish to purchase. You will be able to upload these estimates when you submit your application. Review and approval of your proposed equipment by the USDA will occur through review of your application. Please note that all equipment over $10,000 has additional reporting and disposition requirements.

- Improvements: Costs related to fixing, improving or updating an existing building or space to make it better, look nicer and work properly will need prior approval by USDA before they are allowed. The work should directly contribute to the project's goals. For example, a drip structure for a moveable greenhouse is allowable with prior approval by the USDA.

Unallowable Costs

The following costs are not reimbursable under this grant, even if they are directly related to your project. This list includes common unallowable costs, but other costs may apply. Please reach out to Mariela Medina or your State Lead if you are unsure whether a cost is unallowable.

- Food: Funds used to purchase food intended primarily for consumption, such as for events, lunch or meal services, are not allowable.
- Advertising/Public Relations Costs: Using funds for general promotional activities or general public relations, which primarily serve a grantee's public image rather than the specific goals of the grant, are not allowable.
- Marketing Items: Promotional "swag" and "door prize" items. For example, blankets, candy, clothing, keychains, and other items are not allowable.
- Prizes: Gift cards, cash, and other monetary awards are not allowable. This includes vacations, spa packages, hotel stays, or other, similar prizes.
- Vehicles: Grant funds may not be used to purchase motor vehicles, including cars, trucks, vans, buses, or other transportation equipment.
- Monetary expenses: Loans, cash, etc., are not allowable.
- Capital expenditures/Improvements: Money spent to make significant, long-lasting enhancements or additions to property, equipment or facilities, such as permanent structure building (foundation, plumbing, electrical, etc.), is not allowable.
- Lobbying: Costs associated with seeking to influence government policies, actions or decisions are not allowable.
- Costs Unrelated to the Project: Any costs for personal items or services not related to the project's objectives, or expenses unnecessary for successful project implementation, are not allowable.
- Fines and Penalties: Costs arising from violations of laws and regulations, such as fines and penalties, are typically not allowable.
- Equipment Fixes: Costs for maintenance and repair of equipment are not allowable.