

ALLOWABLE AND UNALLOWABLE COSTS AND ACTIVITIES

All Specialty Crop Block Grant Program (SCBGP) awards are subject to the appropriate cost principles for the applicant organization, the United States Department of Agriculture (USDA) program requirements, and the requirements established by the California Department of Food and Agriculture (CDFA) in the 2021 SCBGP Request for Concept Proposals.

Federal cost principles are regulations used to determine allowable costs and ensure consistent treatment of costs. Applicants are responsible for identifying the Federal regulations appropriate to their organization, consistently applying cost principles to the SCBGP grant funds, and ensuring contractors or consultants comply with applicable Federal cost principle requirements.

- State, local or Indian tribal governments, non-profit organizations, colleges, and universities will be subject to [2 CFR 200](#).
- For-profit organizations will be subject to [48 CFR Subpart 31.2](#).

The following list describes specific funding restrictions under the SCBGP. This section is not intended to be all-inclusive. The applicant should consult the Request for Concept Proposals and Federal cost principles for the applicable organization for the complete explanation of the allowability of costs they address.

Item	Description
Advisory Councils	<i>Unallowable</i> for costs incurred by advisory councils or committees.
Alcoholic Beverages	<i>Unallowable</i> for alcoholic beverages except when the costs are associated with enhancing the competitiveness of a processed product and either approved in the application or with prior written approval.
Aquaponics	<i>Allowable</i> as long as the crops that are being grown are eligible specialty crops and the focus of the project is on the specialty crops and not the fish. <ul style="list-style-type: none">• A project to determine whether carp, catfish, or tilapia are best for growing lettuce is acceptable.• A project to study whether lettuce or tomato produced the highest yield of tilapia is not acceptable.• A project to farm fish using an aquaponics system and then sell the fish is not acceptable.• A project to grow specialty crops where both the specialty crops and the fish are sold is not acceptable. For more information on constructing or purchasing an aquaponics system, see Equipment .

Conferences	<p><i>Allowable</i> for costs of conferences. A conference is defined as a meeting, retreat, seminar, symposium, workshop, or event whose primary purpose is the dissemination of technical information beyond the non-Federal recipient or subrecipient and is necessary and reasonable for successful performance under the Federal award. Allowable conference costs paid by the non-Federal recipient or subrecipient as a sponsor or host of the conference may include rental of facilities, speakers' fees, costs of meals (see Meals for restrictions), and refreshments, local transportation, and other items incidental to such conferences with the exception of entertainment costs that are unallowable. If registration fees are collected, the recipient or subrecipient must report fees as program income. The recipient should use the most cost-effective facilities, such as State government conference rooms, if renting a building or a room is necessary.</p>
Contingency Provisions	<p><i>Unallowable</i> for miscellaneous and similar rainy-day funds for events the occurrence of which cannot be foretold with certainty as to the time or intensity, or with an assurance of their happening.</p> <p><i>Unallowable</i> for working capital for activities/items not already in place.</p>
Buildings and Land – Construction	<p><i>Allowable</i> for rental costs of land and building space. However, lease agreements to own (i.e., lease-to-own or rent-to-own) are not allowable. The lease or rental agreement must terminate at the end of the grant cycle.</p> <p><i>Unallowable</i> for the acquisition of 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).</p> <p>Building means any permanent structure that is designed or intended for support, enclosure, shelter, or protection of person, animals, or property having a permanent roof that is supported by columns or walls.</p>
Contractual/ Consultant Costs (Professional Services)	<p><i>Allowable</i> subject to limitations below. Contractual/consultant costs are the expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the applicant in the form of a procurement relationship.</p> <p><i>Allowable</i> for contractor/consultant employee rates that do not exceed the salary of a GS-15 step 10 Federal employee in your area according to the General Schedule Locality Pay Tables (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2019/general-schedule/). This does not include fringe benefits, travel, indirect costs, or other expenses. Please note that</p>

	<p>any statutory limitations on indirect costs also apply to contractors and consultants.</p> <p>If rates exceed GS-15 step 10, one of the following justifications must be provided:</p> <ul style="list-style-type: none"> • A description of the steps taken to hire a contractor, which includes obtaining a cost/price analysis. The purpose of the analysis is to review and evaluate each element of cost to determine reasonableness, allocability, and allowability. <p>OR</p> <ul style="list-style-type: none"> • Due to the complexity or uniqueness of the project, the pool of available and qualified contractors is limited. Therefore, the selected contractor's specialized qualifications necessitate hiring at a rate beyond a GS-15 step 10. (Please outline the unique qualifications of the contractor.)
Contributions and Donations	<p>Unallowable for contributions or donations, including cash, property, and services, from the recipient or subrecipient to other entities.</p> <ul style="list-style-type: none"> • Example: Using grant funds to purchase produce to donate to other entities and/or individuals is unallowable.
Disparaging Other Products or Organizations	<p>Unallowable. Projects cannot disparage the work of another group, or the quality, safety, etc. of other products.</p> <ul style="list-style-type: none"> • Example: Funds can be used in a campaign to promote the quality of California olive oil but cannot be used in a campaign to criticize imported olive oil.
Electronic Benefit Transfer (EBT) Machines	<p>Unallowable for the purchase/lease of Supplemental Nutrition Assistance Program (SNAP) EBT equipment.</p>
Entertainment Costs	<p>Unallowable. Entertainment costs include amusement, diversion, and social activities and any costs directly associated with such costs (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities).</p>
Equipment	<p>Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.</p> <p>Acquisition Cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories,</p>

	<p>or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired.</p> <p>General Purpose Equipment means equipment that is not limited to technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning or refrigeration equipment, reproduction and printing equipment, and motor vehicles.</p> <p>Scientific Research Equipment is equipment used only for research or technical activities. Examples include electron microscopes, spectrometers, etc.</p> <p>Allowable for rental costs of general purpose equipment. Vehicles may be leased, but not purchased. The lease or rental agreement must terminate at the end of the grant cycle.</p> <p>For vehicle and equipment leases or rentals with an acquisition cost that equals or exceeds \$5,000, rates should be in light of such factors as: rental costs of comparable vehicles and equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the vehicle or equipment leased.</p> <p>Allowable when provide in the approved budget or with prior written approval for acquisition costs and rental costs of scientific research equipment provided the following criteria are met:</p> <ol style="list-style-type: none"> 1) Necessary for the research, scientific, or other technical activities of the grant award; 2) Not otherwise reasonably available and accessible; 3) The type of equipment is normally charged as a direct cost by the organization; 4) Acquired in accordance with organizational practices; 5) Must only be used to enhance the competitiveness of specialty crops; 6) More than one single commercial organization, commercial product, or individual must benefit from the use of the equipment; 7) Must not use scientific research equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services; and
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	<p>8) Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR 200.313 as applicable.</p> <p><i>Unallowable</i> for acquisition costs of general purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own).</p>
Farm, Gardening, and Production Activities and Supplies	<i>Allowable</i> when provided in the approved budget or with prior written approval.
Fines, Penalties, Damages, and Other Settlements	<i>Unallowable</i> for costs resulting from violations of, alleged violations of, or failure to comply with, Federal, state, tribal, local or foreign laws and regulations.
Fiscal Sponsorships	<p>Fiscal sponsorships generally refer to an arrangement between a non-profit organization and another group, by which the non-profit organization permits the use of their legal and tax-exempt status to the other group for activities related to the non-profit's mission.</p> <p><i>Allowable</i> provided the following requirements for fiscal sponsorships are met:</p> <ol style="list-style-type: none"> 1) The fiscal sponsorship arrangement and the identities of the involved parties must be clearly disclosed within the grant application. 2) If awarded funds, the fiscal sponsor, rather than the sponsored organization, is the grant recipient. The fiscal sponsor is responsible for executing the grant agreement and must ensure all project activities and costs, including activities of the sponsored organization, contractors or consultants comply with applicable Federal regulations and requirements, and grant terms and conditions. 3) Changes to the recipient (such as a change from the nonprofit fiscal sponsor to the sponsored organization) or key personnel require USDA and CDFA approval. 4) Fiscal sponsorship fees cannot be charged as a direct cost. Fiscal sponsorship fees <i>may</i> be allowable as an indirect cost, if charged consistent with the sponsored organization's established policies.
Fundraising and Investments Management Costs	<i>Unallowable</i> for 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 salaries of personnel involved in activities to raise capital.
General Costs of Government	<p><i>Unallowable</i> for salaries and expenses from:</p> <ol style="list-style-type: none"> 1) The office of the Governor of a state, chief executive of a political subdivision, or the chief executive of Federally-recognized Indian tribal government; and 2) A state legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction; 3) Costs of the judicial branch of government; 4) Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in 2 CFR 200.435); and 5) Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.
Goods or Services for Personal Use	<i>Unallowable</i> for costs of goods or services for personal use of the recipient's or subrecipient's employees, regardless of whether the cost is reported as taxable income to the employees.
Health and Nutrition Messaging	<p><i>Allowable</i> when health and nutrition information complies with regulations and policies of the Federal Trade Commission (https://www.ftc.gov/about-ftc/bureaus-offices/bureau-consumer-protection) and the U.S. Food and Drug Administration (https://www.fda.gov/food/food-labeling-nutrition).</p> <p>Nutrition and health claims must be truthful, not misleading or deceptive, and include adequate disclaimers if appropriate.</p> <p>Health and nutrition information should align with the most up-to-date Dietary Guidelines (https://health.gov/dietaryguidelines/).</p>
Information Technology Systems	<p><i>Allowable</i> for website development, mobile apps, etc., which are not considered to be information technology systems, but rather social media applications, if it is necessary to carry out a Federal award.</p> <p><i>Unallowable</i> for information technology systems having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established in accordance by generally accepted accounting principles (GAAP) by the non-Federal recipient or subrecipient for financial statement purposes or \$5,000. Acquisition cost means the cost of the asset</p>

	<p>including the cost to ready the asset for its intended use. Acquisition costs for software includes those development costs capitalized in accordance with GAAP.</p> <p>Information technology systems include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. Examples of unallowable information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of \$5,000 or more.</p> <p>Information Technology services such as networking, data management, help/support desk services, etc. are considered indirect costs and may not be charged directly. Indirect costs (also known as “facilities and administrative costs”) are costs incurred for common or joint objectives that cannot be identified specifically with a particular project, program, or organizational activity.</p>
Insurance and Indemnification	<i>Allowable</i> when provided in the approved budget or with prior written approval as indirect costs for insurance and indemnification.
Lobbying	<p>The recipient should obtain an advance understanding with the SCBGP if it intends to engage in certain activities intended to influence Federal, State, or local government entities.</p> <p><i>Allowable</i> activities directly related to the performance of a grant include:</p> <ol style="list-style-type: none"> 1) Providing a technical and factual presentation of information on a topic directly related to the performance of a grant, contract or other agreement through hearing testimony, statements or letters to the Congress or a state legislature, or subdivision, member, or cognizant staff member provided: <ol style="list-style-type: none"> a) The presentation is in response to a documented request (including a Congressional Record notice requesting testimony or statements for the record at a regularly scheduled hearing) made by the recipient member, legislative body or subdivision, or a cognizant staff member; and b) The information for the presentation is readily obtainable and able to be put in deliverable form; and c) The costs for travel, lodging, or meals are unallowable unless incurred to offer testimony at a regularly scheduled Congressional hearing pursuant to a written request for such

	<p>presentation made by the Chairman or Ranking Minority Member of the Committee or Subcommittee conducting such hearing.</p> <ol style="list-style-type: none"> 2) Any lobbying made unallowable by paragraph (c)(1)(iii) of 2 CFR 200.450 to influence state legislation in order to directly reduce the cost, or to avoid material impairment of the non-Federal entity's authority to perform the grant, contract, or other agreement; or 3) Any activity specifically authorized by statute to be undertaken with funds from the Federal award. 4) Any activity excepted from the definitions of “lobbying” or “influencing legislation” by the Internal Revenue Code provisions that require nonprofit organizations to limit their participation in direct and “grass roots” lobbying activities in order to retain their charitable deduction status and avoid punitive excise taxes, 26 USC 501 (c)(3) and (h), 26 USC 4911 (a), including: <ol style="list-style-type: none"> a) Nonpartisan analysis, study, or research reports; b) Examinations and discussions of broad social, economic, and similar problems; and c) Information provided upon request by a legislator for technical advice and assistance, as defined by 26 USC 4911 (d)(2) and 26 CFR 56.4911-2 (c)(1)-(c)(3). <p><i>Unallowable</i> for:</p> <ol style="list-style-type: none"> 1) 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 activity; 2) Establishing, administering, contributing to, or paying the expenses of a political party, campaign, political action committee, or other organization established for the purpose of influencing the outcomes of elections; 3) Any attempt to influence: <ol style="list-style-type: none"> a) the introduction of Federal or state legislation; or b) the enactment or modification of any pending Federal or state legislation through: <ol style="list-style-type: none"> i) communication with any member or employee of the Congress or state legislature, including efforts to
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	<p>influence state or local officials to engage in similar lobbying activity; or</p> <p>ii) by preparing, distributing, or using publicity or propaganda, or by urging members of the general public, or any segment thereof, to contribute to or participate in any mass demonstration, march, rally, fund raising drive, lobbying campaign or letter writing or telephone campaign; or</p> <p>c) any government official or employee in connection with a decision to sign or veto enrolled legislation; and</p> <p>4) Legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried on in support of or in knowing preparation for an effort to engage in unallowable lobbying.</p>
Maintenance	<p><i>Allowable</i> as indirect costs for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment (including Federal property unless otherwise provided for) which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition.</p>
Meals	<p><i>Allowable</i> for lunch or dinner meals if the costs are reasonable and a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.</p> <p><i>Allowable</i> for meals consumed while in official travel status. They are considered per diem expenses and should be reimbursed in accordance with the organization's established written travel policies.</p> <p><i>Unallowable</i> for business meals when individuals decide to go to lunch or dinner together when no need exists for continuity of a meeting. Such activity is considered an entertainment cost.</p> <p><i>Unallowable</i> for breakfasts for conference attendees because it is expected these individuals will have sufficient time to obtain this meal on their own before the conference begins in the morning.</p> <p><i>Unallowable</i> for meal costs that are duplicated in meeting participants' per diem or subsistence allowances.</p>
Memberships, Subscriptions, and Professional Activity Costs	<p><i>Allowable</i> for costs of membership in business, technical, and professional organizations when provided in the approved budget or with prior written approval.</p>

	<i>Unallowable</i> for costs of membership in any civic or community organization.
Organization Costs	<i>Unallowable</i> for costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselors, whether or not employees of the non-Federal entity, in connection with establishment or reorganization of an organization.
Participant Support Costs	<i>Allowable</i> when provided in the approved budget or with prior written approval for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, and focus groups. See also Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts .
Political Activities	<i>Unallowable</i> for development or participation in political activities in accordance with provisions of the Hatch Act (5 USC 1501-1508 and 5 USC 7324-7326).
Printing and Publications	<i>Allowable</i> to pay the cost of preparing informational leaflets, reports, manuals, and publications relating to the project; however, the printing of hard copies is discouraged given the prevalence of electronic/virtual publication means.
Salaries and Wages	<i>Allowable</i> as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation. Salary and wage amounts charged to grant-supported projects or programs for personnel services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations). <i>Unallowable</i> for salaries, wages and fringe benefits for project staff that devote time and effort to non-specialty crop specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. where costs cannot be specifically identified and easily and accurately traced to activities that enhance the competitiveness of specialty crops.

	<ul style="list-style-type: none"> • Example: Salaries and wages for a farmers' market manager to manage and advertise a farmers' market that includes non-specialty crop items is unallowable, while salaries and wages for personnel to conduct a cooking demonstration on how to prepare fruits and vegetables is allowable.
Scholarships and Student Aid Costs	<p><i>Allowable</i> for costs of scholarships, fellowships, and other programs of student aid only when the purpose of the Federal award is to provide training to selected participants. However, tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that:</p> <ul style="list-style-type: none"> • The individual is performing activities necessary to the grant; • Tuition remission and other forms of compensation are consistently provided in accordance with established institutional policy and consistently provided in a like manner to students in return for similar activities conducted under Federal awards as well as other activities; • During the academic period, the student is enrolled in an advanced degree program at a non-Federal entity or affiliated institution and the activities of the student in relation to the Federally sponsored research project are related to the degree program; • The tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of the necessary work; and • It is the institution's practice to similarly compensate student under Federal awards as well as other activities. <p>Charges for tuition remission and other forms of compensation paid to students as, or in lieu of, salaries and wages are subject to the reporting requirements in 2 CFR 200.466, or an equivalent method for documenting the individual's effort on the project. Tuition remission may be charged on an average rate basis.</p>
Selling and Marketing Costs	<p><i>Allowable</i> if the primary purpose is to promote the sale of an eligible specialty crop by either stimulating interest in a particular specialty crop or disseminating technical information or messages for the purpose of increasing market share for the specialty crops.</p>
Selling and Marketing Costs – Promotion of an Organization's	<p><i>Unallowable</i> for selling and marketing costs designed solely to promote the image of an organization, general logo, or general brand rather than eligible specialty crops.</p>

Image, Logo, or Brand Name	<ul style="list-style-type: none"> • A promotional campaign to increase sales of “XYZ Grown” Watermelon is acceptable while increasing brand awareness of “XYZ Grown” generically is not. • Promoting tomatoes while including an organization’s logo in the promotion is acceptable, while generally promoting an organization’s logo is not. • Promotional messaging could say “Buy XYZ Grown Apples” but not “XYZ Grown”, which promotes XYZ generically. • A promotional campaign to increase producer sales of “XYZ Grown fruits and vegetables” is acceptable while increasing membership in “XYZ Grown” generally is not.
Selling and Marketing Costs – Promotion of Non-Specialty Crop Activities, or Promotion of Venues that do not Align with Grant Purpose Program	<p><i>Unallowable</i> for selling and marketing costs for promotion at non-specialty crop specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc.</p> <ul style="list-style-type: none"> • Advertisements could say “Buy Sweet Corn! It is the Best!” but not “Buy Local!” • Advertising educational sessions at a conference that benefits specialty crop growers are acceptable, while advertising a non-specialty crop specific local food conference is not.
Selling and Marketing Costs – Promotional Items, Gifts, Prizes, etc.	<p><i>Unallowable</i> for promotional items, swag, gifts, prizes, memorabilia, and souvenirs.</p> <p><i>Allowable</i> with conditions when provided in the approved budget or with prior written approval for project specific marketing activities. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and place mats, or promotional items of personal nature (e.g., t-shirts, hats, etc.)</p>
Selling and Marketing Costs – Sponsorships	<p><i>Unallowable</i> for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used. These costs are considered a contribution or donation and only benefit the organization offering funding. This limits the beneficiaries to the sponsor organization, which conflicts with the restriction that projects affect and produce measurable outcomes for the specialty crop industry and/or the public rather than a single organization, institution, or individual.</p>

	<i>Unallowable</i> for the costs associated with fees for individuals or companies to have their specialty crop products placed at retail markets (i.e., slotting fees or allowances).
Selling and Marketing Costs – Coupons, Incentives, or Other Price Discounts	<p><i>Unallowable</i> for costs of coupon/incentive redemptions or price discounts.</p> <p><i>Allowable</i> for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (i.e., a print advertisement that contains a clip-out coupon) as long as they promote the specialty crop rather than promote or benefit a program or single organization.</p> <p>See also Participant Support Costs.</p>
Selling and Marketing Costs – Use of Meeting Rooms, Space, Exhibits for Non-Specialty Crop Activities	<p><i>Unallowable</i> for costs associated with the use of trade shows, meeting rooms, displays, demonstrations, exhibits, and the rental of space for activities that do not promote specialty crops.</p> <ul style="list-style-type: none"> Supporting the participation of raspberry and blueberry producers at a non-specialty crop specific international trade show to promote berries to an international audience is allowable, while renting a booth space for berry producers as well as wheat producers at an international trade show is not allowable. Supporting the participation of farmers' market managers at a national conference that is not specific to specialty crops is not allowable. Supporting a portion of a national conference that is not specific to specialty crops is not allowable, while supporting a session on specialty crops at a national conference that is not specific to specialty crops is allowable. Funding an "XYZ State Grown" booth at a specialty crop-specific venue where all exhibitors in the booth are specialty crop producers is allowable, but funding an "XYZ Grown" booth at a non-specialty crop specific venue is not allowable.
Selling and Marketing Costs – Food Displays, Tastings, Cooking Demonstration	<i>Allowable</i> for costs promoting the specialty crops in processed products (products prepared or created for the purposes of promoting a specialty crop but that require other ingredients are considered a processed product). A processed product is defined as a product that constitutes greater than 50% of the specialty crop by weight, exclusive of added water.
Supplies and Materials, Including Costs of Computing Devices	<i>Allowable</i> for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized

	<p>method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. Only materials and supplies actually used for the performance of a Federal award may be charged as direct costs.</p> <p>A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the recipient or subrecipient for financial statement purposes or \$5,000, regardless of the length of its useful life. In the specific case of computing devices, charging as a direct cost is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. Where Federally-donated or furnished materials are used in performing the Federal award, such materials will be used without charge.</p>
Training	<p><u>Allowable</u> when the training is required to meet the objectives of the project or program, including training that is related to Federal grants management.</p>
Travel – Domestic and Foreign	<p><u>Allowable</u> for travel when provided in the approved budget or with prior written approval when costs are limited to those allowed by formal organizational policy; in the case of air travel, the lowest reasonable commercial airfares must be used.</p> <p>CDFA has established guidelines for costs associated with travel using SCBGP funds. All applicants should adhere to the following when developing their travel budget:</p> <ul style="list-style-type: none"> • For travel and lodging within the United States, the maximum travel rates allowable are the lesser of the rates in effect at the time of travel as established by the U.S. General Services Administration (https://www.gsa.gov/travel/plan-book/per-diem-rates) or the Recipient's established travel policy. • Applicants should apply the current government mileage rate (https://www.irs.gov/tax-professionals/standard-mileage-rates) for personally owned vehicles used for travel related to the project. • International travel must comply with the Fly America Act, 49 U.S.C. 40118 (https://www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act). This Act requires consultants, contractors, grantees, and others performing United States Government financed foreign air travel (SCBGP grant funds, in this case) to travel by United States flag air carriers, with some exceptions. <p>Consideration should be given to the use of alternative technologies such as teleconferencing or videoconferencing if they are available, appropriate for the project, and less costly.</p>

	<p><i>Unallowable</i> for travel costs for conferences, venues, tradeshow, events, meetings, programs, conventions, symposia, workshops seminars, etc. that include non-specialty crop activities such as farmers' market annual conferences and general marketing tradeshow where these costs cannot be specifically identified and easily and accurately traced to activities that enhance the competitiveness of specialty crops.</p> <ul style="list-style-type: none"> • Example: Travel costs for personnel to travel to a farmers' market conference is unallowable, while travel to a vegetable food safety educational session is allowable. <p><i>Unallowable</i> for travel costs to specific states with discriminatory laws. In accordance with California Assembly Bill 1887 costs for travel to states with active discriminatory laws will not be reimbursed with SCBGP grant funds. As of the issuance of this document the following states are subject to California's ban on state-funded and state sponsored travel: Alabama, Florida, Montana, Arkansas, Kansas, Kentucky, Idaho, Iowa, Mississippi, North Carolina, Oklahoma, South Carolina, North Dakota, South Dakota, Tennessee, West Virginia, and Texas.</p>
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