Appendix C: Explanation of Budget Categories

This document describes allowable expenses for Northeast SARE funded projects. It should be used as a guide while drafting your budget using the Northeast SARE Budget Justification and Narrative Templates (Excel spreadsheet).

Budget Categories

Revised 11.25.25

Each section below will follow the format shown to the right, followed by a summary chart of most common budget expenses.

As you complete your budget, organize each expense into the correct budget category using the information found in the "allowable expenses" sections. Also be sure to provide all required information for each line item, as explained in the "instructions for required fields."

Budget Category

Allowable expenses

Examples of allowable expenses will be listed.

Instructions for required fields

Description: Enter the name of the budget item
Details/Justification: Briefly explain the person's role in the project
Quantity: Enter the quantity. This should be a numerical entry.
Unit: Enter the unit.
Price: Enter the price. This should be a numerical entry.

Other Notes

- Clarifying information
- Common Questions
- Tips

Direct Costs

Personnel (Salaries and Wages)

Allowable expenses

salary, hourly wages, and/or stipends for employees of the organization running the project.

Instructions for fields

Description: Enter the name and/or job title of the person

Details/Justification: Briefly explain the person's work on the project

Quantity:

- For hourly employees, enter the number of hours they will work
- For salaried employees, enter the percentage of their time (full time equivalency or FTE) dedicated to the project, as a decimal. For example, if they will spend 25% of their total working time on the project, enter 0.25

Unit: hours, FTE, stipend, etc.

Price:

- For hourly employees, enter their hourly wage
- For salaried employees, enter their yearly salary

Other Notes

- For personnel requiring a different unit and/or price per year of the project, separate your personnel costs by year, with one year per row.
- Only people employed by your organization should be listed in this section.
    - If you are paying a consultant or providing payments to people who are not employees of the host organization, enter these expenses under "Consultant Services"
- If your organization is requesting indirect, administrative and clerical staff cannot be included in the direct costs budget.

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount
Jane Doe Year 1	Salary for year 1. Planting, observation, and harvest	0.1	FTE	$50,000.00	$5,000.00
Jane Doe Year 2	Salary for year 2 including 5% anticipated raise. Data analysis and outreach	0.1	FTE	$52,500.00	$5,250.00

Fringe

Allowable expenses:

costs for benefits to employees of the host organization being paid on this project

Instructions for fields

Description: Enter the name and/or job title of the person

Details/Justification: explain the fringe rate requested, write "fringe benefits," or list the benefits that will be covered

Quantity: Enter the percentage of their salary or wage that is needed to cover their benefits as a decimal. For example, to request 50%, enter 0.5

Unit: percent

Price: Enter the person's total compensation for the project—the "amount" from their "host organization personnel" line

Other Notes:

- Tuition remission for graduate students belongs in the "Tuition" section[1].

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount
Jane Doe Fringe Benefits	Fringe Benefits	0.2	Percent	$5,000.00	$1,000.00
Communications Specialist	Social Security, Health Insurance, Retirement,	0.5	Percent	$16,250.00	$8,125.00

Travel Costs

Allowable Expenses

Expenses related to the travel of any employees of the host organization for project-specific work. Examples include mileage, cost for hotel rooms, conference registration, per diem (costs for food during travel), vehicle rentals, etc.

Instructions for fields

Description: Enter a name for the trip

Details / Justification: Must include all the following:

- Who is traveling: provide names or position titles
- Start and end location
- Dates of travel or estimated length of trip
- Purpose of the trip

Quantity: Enter the quantity you need as a number

Unit: Miles, Nights, Per Diem, Conference Fee, Each, etc.

Price: Enter the cost, in dollars and cents, for each unit

Other Notes:

- International travel is discouraged and, if proposed, must be integral to the project's success and described in your budget justification. There are certain restrictions on costs and carriers. Contact Northeast SARE staff for details.

[1] Northeast SARE policy developed with SPA

- If your organization has an established mileage reimbursement rate, you may use that rate. If not, do not exceed the current federal rate for mileage reimbursement.[2]
- This category is only for travel by host organization employees. Travel for project participants should be included under the category "Participant Support Costs". Travel for consultants, speakers, and employees of other organizations should be listed under "Consultant Services."
- If your organization has an established per diem amount for daily meal expenses, you may use that amount. If not, do not exceed UVM policy, which is $70 per day.
- The only allowable purposes for attending a conference are 1) to present project findings or information or 2) to obtain specific information to disseminate to project participants. For conference attendance costs, one of these two purposes must be specified in the details/justification.

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount
Travel to Field Sites	Jane Doe will travel to the field sites in summer 2026 to take samples. Starting location: Washington County, VT. Destination: various throughout VT. Estimated 10 trips at 50 miles per trip	500	Miles	$0.70	$350.00
Conference Registration	Communications Specialist will attend Vegetable Conference in Boston, Mass in February 2026 to present project results	1	Conference registration fee	$150.00	$150.00

Materials and Supplies

Allowable Expenses

Consumable items that will be used to conduct your project. Materials and supplies have a useful life of 1 year or less OR cost less than $5,000. Items that last longer than 1 year AND cost more than $5,000 should be listed under "Equipment".

Similar materials and supplies can be "lumped together" if the total cost of the line item does not exceed $1,000.

[2] NIFA Guidance

Individual materials and supplies with a value greater than $1,000 should be prorated based on the project length. You may see an example of how to prorate an expense under the "Equipment" category.

Instructions for fields

Description: Enter the name of the item

Details / Justification: *Explanation of how the item will be used / why it is needed for the project*

Quantity: *Enter the number you need*

Unit: *Each, pounds, kit, set of supplies, etc.*

Price: *Enter the cost, in dollars and cents, for each unit*

Other Notes:

- Materials and supplies used for hosting workshops and events should be included here. Note that meals are only an allowable expense if required for the continuity of the training, and this must be stated in the details / justification.
- Depending on use, perennial plants and livestock are allowed, see below.
- Livestock feed is allowed
- Branded promotional items (articles of clothing that do not serve a Personal Protective Equipment (PPE) purpose or items that are given away as "swag") are not allowed.

<u>A note on perennials and livestock:</u>

Perennials and livestock may be considered Materials and Supplies expenses if they are specific to your project and the amount requested is necessary for the project. Livestock are only eligible if they are newly purchased, specific to the project, and the study is likely to result in loss of income.

Perennial crops and livestock are **not** allowable expenses when used for the purposes of establishing a farming enterprise.

Perennial crops and livestock **are** allowable expenses when:

- Example 1: You are testing a perennial crop that is new to your region. Perennial plants are an allowable expense.
- Example 2: You are comparing a beehive treatment between two different hives. Bees are an allowable expense, so long as the numbers are in accord with the numbers you would need to reasonably compare treatments.
- Example 3: You are testing the use of ducks or chickens as pest or weed control. These smaller, shorter-lived animal species would be an allowable expense.

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount
Lab materials	Pipettes, labels, gloves, and growth media to conduct lab experiments	1	Set of supplies	$750.00	$750.00
Cover Crop Seeds	Seeds used for trial plots in years 1 and 2. Oats, peas, and rye.	100	Pounds	$1.50	$150.00
Lunch for workshop	Lunch provided for 25 workshop attendees. Day-long workshop where food is required for continuity of learning.	25	meals	$10.00	$250.00

Publication Costs

including Journal Fees and Printing

Allowable Expenses

Funds for the costs of documenting, preparing, publishing or otherwise making available to others the findings and products of the work conducted under the award. You may include anticipated costs of preparing and publishing the results of the proposed project, including costs of reports, reprints, page charges or other journal costs, and necessary illustrations.

Instructions for fields

Description: Name of the item

Details / Justification: Provide a brief explanation for each item that explains why it is needed for the project.

Quantity: *Enter the quantity you need as a number*

Unit: *pages, postage, journal fee, etc.*

Price: *Enter the cost, in dollars and cents, for each unit*

Other Notes:

- Subscription fees for online services should be included in the Software and Subscriptions category under “Equipment or Facility Rental or User Fees”

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount

Printing outreach flyers	Flyers to advertise workshop at trial field	100	Flyers	$0.50	$50.00
Postage to mail outreach flyers	Cost to mail flyers to farmers within a 50-mile radius of workshop	100	Postage	$1.50	$150.00
Publication fee for journal	Cost to publish one article in a reputable scientific journal to share project results	1	Fee	$750.00	$750.00

Consultant Services

Including Consultants, Speakers, and Labs or Other Services

Allowable Expenses

Includes payments to individuals or organizations compensated on a temporary basis to carry out specific tasks.

Instructions for fields

Description: Enter the name of the individual and/or organization

Details / Justification: Description of the work they are doing and why this is required for the project

Quantity: *The amount requested as a number*

Unit: *Hours, flat fee, samples, etc.*

Price: *Enter the cost, in dollars and cents, for each unit*

Other Notes:

- Northeast SARE strongly encourages farmers (and others who take time out of their normal work to provide a service to the project) to be paid for the time they contribute to a project at a reasonable rate.
- If your proposal is awarded, you will need to provide the grant administrator with the name, resume or CV, and scope of work for all consultants before the consultant can be contracted or paid by your organization.

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount
John Doe – Consultant	John Doe from Farm Consulting will support project team with	1	Flat fee	$2,500.00	$2,500.00

	interpreting soil test results for 2 years.				
UMAINE Soils Lab – Soil Testing – Service	Soil samples will be tested all 3 years of the project to measure progress. 5 per year for 3 years	15	Samples	$60.00	$900.00

Other

Allowable Expenses

If you have a project expense that truly does not fit into any of the above or below categories, it should be included in this section. Each item must be clearly identified and justified to be allowed. Unidentified, unjustified and undefined ("etc.", "miscellaneous" or "contingency expense") items are not allowed.

Instructions for fields

Description: Enter the name of the expense

Details / Justification: Provide a brief explanation for each expense that explains **why it is needed for the project.**

Quantity: Enter the quantity you need as a number

Unit: Enter the unit for the expense

Price: Enter the cost, in dollars and cents, for each unit

Excluded Direct Costs

All applicants may request expenses in these "Excluded Direct Costs" categories. However, for organizations requesting de minimis indirect, these costs will be excluded from the indirect calculation. For organizations requesting the federally negotiated 10% rate or not requesting indirect, there is no impact. See more information under Indirect Costs or Facilities and Administrative (F&A).

Participant Support Costs

Allowable Expenses

Costs paid to participants of educational activities or paid on their behalf for participation in meetings, conferences, symposia, workshops or other training activities. This may include costs for travel to and from educational activities and stipends paid to participants for their

participation in training activities but cannot include salaries or wages paid in exchange for services.[3]

Instructions for fields

Description: Enter the name of the expense

Details / Justification: Provide a brief explanation for each expense that explains **why it is needed for the project**. Include the number of participants.

Quantity: Enter the quantity you need as a number

Unit: each, per person, stipend, etc.

Price: Enter the cost, in dollars and cents, for each unit

Other Notes:

- **Participant support costs are considered restricted funds.** If your project is awarded, moving any funds into or out of this category will require completing a re-budgeting process with your grant administrator.

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount
Participant Stipend	Stipend paid to project participants upon completion of new farmer training program	10	Per person	$2,000.00	$20,000.00
Participant Registration to Beekeeping Conference	We will pay the registration fee for our 10 farmer participants to attend a beekeeping conference to build skills in queen rearing	10	Conference registration	$250.00	$2,500.00

Equipment or Facility, Rental or User Fees

Includes Rental of Office Space or Land, Rental of Equipment, Software and Subscriptions, and User Fees

Allowable Expenses

Costs for renting office space, land, or equipment that is necessary for the project. Costs for software, subscriptions, and user fees

[3] UVM SPA guidance

Instructions for fields

Description: Enter a name for the expense

Details / Justification:

- For Rental of Office Space, list:
  - A description of the office space
  - Why the space is required and not already available through the host organization
- For Rental of Land, list:
  - Square footage, acreage, or other identifier of land to be rented
  - Why the land is essential for the project
- For Rental of Equipment, list:
  - Name/type of equipment
  - Why the equipment is essential to the project and is not "general purpose"
- For software, subscriptions, or user fees, list:
  - The name of the expense
  - Why it is required for the project and not otherwise available

Quantity: *Enter the quantity you need as a number*

Unit: *months, acres, square feet, flat fee, each, etc.*

Price: Enter the cost, in dollars and cents, for each unit

Other Notes:

- If your organization is requesting de minimis indirect costs, expenses in this category will not be included in your indirect costs calculation.
- Office rental is often covered under the organization's indirect costs and would only be applicable if your organization is not requesting indirect costs, or a remote site was specifically needed to carry out the project, or if your organization does not have access to the type of space needed, such as a recording studio for a podcast.
- Land-use charges are most typical in field or greenhouse research projects when a rental rate is applied. The host organization may request rental charges for use of their own land to offset the lost revenue from that land being taken out of production.

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount

Greenhouse rental fee	Rental fee from host organization to compensate for lost revenue for using 1 greenhouse for experiments for 1 growing season	1	Flat fee	$2,500.00	$2,500.00
No-till drill rental	Rental of no-till drill to direct seed into cover crop for year 1 trials. Our farm does not own this specialized implement	3	Days	$300.00	$900.00
Zoom subscription	We will use zoom to host focus groups. Our organization does not generally work with remote individuals, so we do not have existing access to conferencing software.	6	Months	$49.00	$294.00

Equipment

Includes Purchase of Equipment and Cost of Fabrication

Allowable Expenses

Include the cost to purchase or fabricate (build) equipment in this category.

Definition: Equipment is defined as an item that has

1. An acquisition cost of $5,000 or more **and**
2. An expected useful life of more than one year

Allowable items ordinarily will be limited to research equipment and apparatus not already available for the conduct of the work. General-purpose equipment is not eligible for support unless primarily or exclusively used in the actual conduct of scientific research, educational, or other technical activities.

- If you are fabricating a piece of equipment and the total cost of all the parts you are requesting exceeds $5,000, include the parts here. If the total cost of all the parts you are requesting is less than $5,000, include the parts in the materials and supplies section.
- All applicants must pro-rate the cost of the equipment based on its useful life.
    - The allowed expense should be calculated as the purchase price, divided by expected useful life in years (typically 5 years for farm equipment) times the number of years used for the project.

- For example: A $6,000 scale (plus a shipping fee of $200) is needed to weigh cattle being raised under different feed regimens, and one is not available for rent. It will be used for two years in the project with a useful life of 5 years. The allowable SARE portion of the purchase price would be $6,200/5 years = $1240 per year. $1240 times two years = $2,480. This is the allowable expense charged to the SARE grant; the balance of $3,720 would be paid by the farm.

Instructions for fields

Description: Enter a name for the expense

Details / Justification:

- Explain why the equipment is necessary and specific to the project (not general use) and why it is not already available to the project team.
- Explain why you are purchasing the equipment, not renting it.
- If the equipment has a useful life beyond the project, show how you calculated the prorated cost.

Quantity: *Enter the quantity you need as a number*

Unit: *each, etc.*

Price: Enter the cost, in dollars and cents, for each unit

Other Notes:

- If your organization is requesting de minimis indirect costs, expenses in this category will not be included in your indirect costs calculation.
- Fabrication of equipment in a SARE project is only appropriate when a project plan of work calls for a piece of equipment to be constructed as an integral part of the project.
- When possible, equipment should be rented, but if the equipment is relatively inexpensive to purchase, or not available for rent, you may propose buying the equipment.
- Shipping and delivery costs may be included as part of the cost of the item or as a separate line item.

Description	Details / Justification	Quantity	Unit	Price	Amount
Livestock Scale	$6,000 scale (plus a shipping fee of $200) to weigh cattle. It is not available for rent. It will be used for two years with a useful life of 5 years. $6,200/5 years = $1,240 per year. $1,240 times two years = $2,480.	1	Prorated cost	$2,480.00	$2,480.00

Tuition Remission

Graduate student tuition remission should be included in this category and is only allowable if it is included as part of an assistantship[4].

Instructions for fields

Description: Enter the name of the expense

Details / Justification: Provide a brief explanation for each expense that explains **why it is needed for the project.**

Quantity: Enter the quantity you need as a number

Unit: semesters, credits, years, etc.

Price: Enter the cost, in dollars and cents, for each unit

Other Notes:

- If your organization is requesting de minimis indirect costs, expenses in this category will not be included in your indirect cost calculation.

Examples

Description	Details / Justification	Quantity	Unit	Price	Amount
Tuition Remission	Tuition Remission for graduate student John Doe as part of his assistantship	4	Semesters	$6,000.00	$24,000.00

Subawards/Subcontracts

Allowable Expenses

Subawards are a portion of the award that will be paid to another organization to carry out part of the funded project. Subawards are used when the collaborating entity *(the subawardee)* contributes substantively to the programmatic goals. To determine whether you should pay an organization through a subaward, consider the following.

- Will the organization have multiple types of expenses, such as labor, materials, and hosting events?
    - If yes, a subaward might be the right fit.
- If there is only one category of expenses, you can likely include those expenses in your primary budget. Note that salary or wages paid to employees of another organization should be included under “Consultant Services.”

[4] Northeast SARE and UVM SPA policy

- Is the organization able to manage a budget and expense costs on their own prior to being reimbursed?
    - If yes, a subaward might be the right fit. The host organization will submit reimbursement requests on behalf of the subawardee.

Instructions

- You will need to submit a complete budget using Northeast SARE's budget template for each subawardee that follows all requirements laid out in this appendix.
- The total amount of each subaward must be included in the host organization's budget.

Other Notes:

- If your organization is requesting *de minimis* indirect costs, the portion of each subaward exceeding $25,000 will be excluded from de minimus indirect costs. For example, if you have an $80,000 subaward, indirect costs may be applied to the first $25,000 only; the remaining $55,000 is excluded.
- Consultants differ from subawards in that consultants are managed under explicit direction of the project leader; Subawardees work toward the same goals of the project but have more discretion in implementing their work.

Indirect Costs or Facilities and Administration (F&A)

Explanation of Indirect Costs

Indirect costs are also known as "overhead" or "facilities and administration" (F & A) costs. These are costs for utilities, office space, administrative staff, etc. that would exist whether the project was funded or not. They are typically calculated as a percentage of *total* OR *modified total* direct costs. Eligibility for indirect costs is determined by your organization's type.

Determining your Indirect Costs

Use the following four options to determine your indirect costs.

A. Federally Negotiated Indirect Rate: My organization has a federally negotiated indirect rate. Indirect is requested, using the USDA/NIFA cap of 10% total direct costs.

*Indirect Costs = (Total Direct Costs) * 0.10*

B. *de minimus* Indirect Rate: My organization does not have a federally negotiated indirect rate, but we are eligible to receive indirect costs because we are NOT a for-profit or commercial business.

de minimus indirect is requested, based on modified total direct costs. Modified total direct costs are total direct costs minus equipment, tuition, facility or equipment rental/user fees, and the portion of each subaward in excess of $25,000.

*de minimus Indirect Costs = (Total Direct Costs - equipment – tuition- Facility or Equipment Rental / User Fees, -the portion of each subaward in excess of $25,000) * 0.10*

C. For-Profit Business: My organization is a for-profit farm or other for-profit business. We are not eligible for indirect costs. No indirect is requested. Overhead expenses that are directly attributable to the project may be itemized in the budget and must not exceed the USDA/NIFA cap of 10% of total direct costs.

D. Not Requesting Indirect: My organization is eligible for indirect but is choosing not to request it. No indirect is requested. Overhead expenses that are directly attributable to the project may be itemized in the budget and must not exceed the USDA/NIFA cap of 10% of total direct costs.

Instructions

- Place an X in the appropriate box on the budget template based on your selection above. The budget template will automatically calculate your indirect costs based on your selection.

Eligible and Ineligible Expense Summary

Common Eligible and Ineligible Expenses

This chart provides a summary of common budget expenses as a quick reference guide. All expenses must be reasonable in cost, allowable under federal and SARE guidelines, and allocable to the project. This is not an exhaustive list, and you should refer to the detailed notes to verify eligibility.

Type of Expense	Eligible	Suggested Expense Category	Ineligible
Labor	Wages, stipends, salary, and fringe benefits for individuals working on the project, etc.	Personnel Consultant Services	
Consultant Compensation	Farmer stipends, presenter fees, lab fees, research incentives, interview compensation, etc.	Consultant Services	
Materials & Supplies	Education and Research supplies, outreach materials, and project-specific software, etc.	Materials & Supplies	
Publication Costs	Fact sheets, guides, flyers, etc., as well as copies, postage + mailing costs, and other project communications	Publication Costs	
Rental Fees	Rental of farm equipment, land, or greenhouse space, etc.	Equipment or Facility, Rental or User Fees	
Branded Items	Branded materials used to promote research findings (e.g., banners for data collection booths) may be allowable if not intended as giveaways	Materials & Supplies	Swag items such as t-shirts, pens, bags, and clothing not serving a PPE purpose.

Type of Expense	Eligible	Suggested Expense Category	Ineligible
Travel & Per Diem	Travel to/from research or education sites and attendance at conferences to present project results or to bring information back to project participants	Travel Costs (if host organization employee is traveling) Consultant Services (if consultant is traveling) Participant Support Costs (if participant is traveling)	Travel to conferences and other meetings that is not essential to the project's success or unrelated to participant training. International travel (unless prior approval is obtained); Canada is not considered international
Meeting & Training Expenses	Facility rental and participant support costs, food necessary for continuity of a meeting or training, etc.	Materials & Supplies Equipment or Facility, Rental or User Fees	Any food expenses that are not necessary for the continuity of a training event or project meeting
Technology	Software or subscription expenses specific to the project such as video conferencing or online data storage	Equipment or Facility, Rental or User Fees	Cell phone expenses and other items like copiers, cameras, computers, video equipment and other items that have uses beyond the project
Capital Expenses	Equipment necessary for and specific to the project	Equipment Equipment or Facility, Rental or User Fees	Purchasing land, buildings, livestock, orchards, greenhouses, and major improvements, fixtures or expansion expense, equipment with general use like tractors
Operating Expenses	For-profit businesses may be able to include pro-rated operating expenses.	Other	Expenses that would be incurred in the absence of the project including utilities, general maintenance, general supplies
Indirect Costs	Ten percent of total direct costs	Indirect Costs	For-profit businesses generally cannot include indirect

Type of Expense	Eligible	Suggested Expense Category	Ineligible
Subawards	For portions of the project conducted by other organizations	Subawards / Subcontracts for entities contributing substantively and independently to the project Consultant Services for individuals or entities under direct supervision of the PI	
Incurred Outside the Grant Period		Never Allowed	All expenses incurred before the award start date or after the award end date listed on your grant contract