



**Farmer/Rancher Grant Program: Approved Budget Categories & Allowable Costs**  
 (For Unallowable Costs – see pg. 3)

Budget Category	Description
<b>Salaries</b>	Includes personnel costs (wages) for a farm/ranch operation’s employees who will be paid directly from the grant for work specifically related to the proposed project. Include the individual’s base salary (e.g., annual salary or hourly rate) and FTE (estimated number of hours devoted to the project).
<b>Benefits</b>	Includes associated benefits (fringe and health, if applicable) paid on behalf of employees paid directly from the grant.
<b>Contracted Services</b>	<p>Includes paying an organization/business or individual for goods, services and/or consulting; fee-for-service work; honoraria; paying individuals providing services related to your project, e.g., collecting and providing samples, etc.</p> <p>Characteristics of contractors include:</p> <ul style="list-style-type: none"> <li>• Provides the goods or services within normal business operations;</li> <li>• Provides similar goods or services to many different purchasers;</li> <li>• Operates in a competitive environment;</li> <li>• Provides goods or services that are ancillary to the operation of the project, and</li> <li>• Is not subject to monitoring or reporting requirements of the prime award.</li> </ul> <p>Characteristics of consultants include:</p> <ul style="list-style-type: none"> <li>• A company or an individual who is clearly a bona fide consultant (expert advisor) who pursues this line of business for him/herself.</li> <li>• Are paid for their time at a daily or hourly fixed rate.</li> <li>• A consultant is considered a “work for hire” thus all intellectual property and copyrightable information is assigned to Montana State University.</li> </ul>
<b>Supplies</b>	<p>Includes basic supplies and materials needed to carry out the project. Examples include: agricultural supplies (fencing, seeds, plants, fertilizer), field and lab supplies, minor equipment and tools (individual items that cost less than \$5,000), paper/envelopes, in-house photocopying of materials for workshops/meetings, software, books, shipping materials. Any shipping costs associated with the purchase of supplies/materials should be included as supply costs. The purchase of food/refreshments for meetings/field days (must be necessary to maintain meeting continuity) is also considered a supply cost.</p> <p>Please keep the following in mind:</p> <ul style="list-style-type: none"> <li>• Supplies must be project-specific and can be tracked as being used for the project</li> <li>• Individual items that cost \$500 or more must be listed separately in the proposal budget and justification</li> <li>• Include minor equipment and/or leveraged capital equipment purchases as supply costs.</li> </ul>

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**Special Note about Capital Equipment Purchase:** The purchase of capital equipment (defined as a single, autonomous piece of equipment that costs \$5,000 or more and has a useful life of more than one year) is generally not allowed under the SARE program. Capital equipment purchase of \$5,000 or more may be leveraged by non-Western SARE funds; thus, up to \$4,999 of the proposed budget may be allocated towards capital equipment purchase. This expense must be well-justified. Purchasing components of equipment that individually cost under \$5,000 in an attempt to circumvent the \$5,000 cap is not allowed. Minor equipment that costs less than \$5,000 is allowed. **Please include minor equipment and/or leveraged capital equipment purchases in the Supplies budget category.**

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**Communication** Expenses related to postage and mailings (including shipping samples for analysis), printed materials (flyers, brochures, posters). or for commercial photocopying (note: in-house photocopying falls under supplies)

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**Travel** Travel must be directly related to the project and includes: mileage reimbursement, airfare, lodging, meal per diem; car rentals, taxi, bus, shuttle expenses and parking; conference fees and registrations. Please note, travel *per diem*, mileage reimbursement, and meals must follow your organization's approved rates. If no rate is available, please use the Federal Government rate listed on the [U.S. General Services Administration website](#). Additionally, lodging reimbursements for all travel must be limited to the Federal Government rate listed on the [U.S. General Services Administration website](#).

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**Special Note on Foreign/International Travel:** foreign travel is typically NOT allowed under the SARE program except in cases where sufficient justification has been provided and it must be pre-approved by Western SARE. To justify foreign travel, Western SARE grant applicants/recipients need to demonstrate the travel is 1) directly related to the project, 2) essential for project completion, and 3) well justified (*i.e., provide explanation for why the activity cannot be done in the USA, detail relevance to Western agriculture sustainability, and provide foreign institution and colleagues' qualifications, etc.*). If approved, the PI of the Western SARE-funded grant is required to travel via an U.S. flag air carrier (*i.e., any U.S.-based airline operating internationally that holds a certificate under Section 401 of the Federal Aviation Act of 1958*). The Freely Associated States -Federated States of Micronesia, Marshall Islands, and Palau- are foreign countries.

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**Rent** Includes the rental of equipment, land, facilities (e.g., meeting rooms, lab space) and user fees. **Note: total proposed equipment rental costs may NOT exceed \$4,999.**

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### Notes

- All proposed costs are subject to review and approval.
- Please do not categorize proposed expenses as "other"; each project expense must fall into one of the categories listed above. For assistance with categorizing expenditures that do not seem to fall within the above referenced categories, please contact Jen von Sehlen, Western SARE Fiscal Manager: [jennifer.vonsehlen@montana.edu](mailto:jennifer.vonsehlen@montana.edu) or (406) 994-4786
- Matching funds are not required or requested of Western SARE grant recipients. Please do not include matching funds in the budget.

Please see next page for information on **Unallowable Costs**.

## Unallowable Costs – All Western SARE Grant Programs

Per the [NIFA Federal Assistance Policy Guide](#) published April 2021, below is a list of unallowable costs. Budgets that include any of the following will not be approved or the PI will be asked to re-budget. Please note: this list is not exhaustive; budgets are reviewed for allowability/allocability in relation to proposed project activities.

Cost	NIFA Description
<b>Entertainment</b>	Costs of entertainment, including amusement, diversion, and social activities and any associated costs
<b>Equipment (Capital)</b>	See <b>Supplies</b> section above for more details.
<b>Fixed Equipment &amp; Acquisition or Construction of Real Property</b>	The purchase or installation of fixed equipment in such spaces; or for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.
<b>Incentives</b>	Cash or cash value items (i.e., gift cards) provided to individuals to incentivize behavior
<b>Lobbying</b>	Any actions designed to influence the obtaining of grants or influence or give special consideration to action on an award or regulatory matter.
<b>Meals/Food</b>	Business meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered an entertainment cost. However, meals that are part of the costs of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable as are costs of transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences. Note: Meals consumed while in official travel status do not fall in this category. They are considered per diem expenses and should be reimbursed in accordance with the organization's established travel policies subject to statutory limitations.
<b>Memberships (Lobbying)</b>	Costs of membership in organization whose primary purpose is lobbying
<b>Promotional Items</b>	Items purchased to give-away: conference giveaways; t-shirts; bags, pens, pencils, mugs, bottles, etc.
<b>Renovation or Refurbishment of Research Spaces</b>	Renovation or refurbishment of laboratories or other research spaces
<b>T-shirts, Clothes</b>	For project staff or participants, or so personnel can be identified as working on the project, or as giveaways/promotion of the program

**Additionally, Western SARE funds may NOT be used for the following purposes:**

- Starting or expanding a farm or farm operation
- Testing of commercial products
- Major renovations/permanent improvement to a farm or ranch, such as construction or remodeling a building
- Major repairs of existing equipment
- The purchase and distribution of gift cards for any amount, for any purpose
- Furniture/furnishings purchases of any type, for any purpose