Project Budget Instructions

If you have any questions about how best to structure your application budget request, please contact the DBIA team prior to the application deadline.

1. The total project cost should match the total amount entered on your project budget. The project budget as entered on the application should include **all eligible and ineligible costs**.
2. We recommend that budgets include a variety of expense categories; projects that are primarily salary/personnel are unlikely to be funded due to the inherent risk.
3. Each item must be greater than $500 to be eligible.
   - You may combine groups of similar items together (i.e. different size cheese molds or shipping supplies) to reach this threshold. Individual items must still be specified and explained in the budget explanation and there should be quotes identifying each item.
   - You cannot enter more than 10 items under any single budget category.
4. Equipment **must be** purchased from either a dairy supplier or an industrial/commercial supplier of food-grade equipment.
5. Quotes are required for equipment items; quotes are *strongly* encouraged for all other items. The source of any budget request must be identified (i.e., quote, estimate, or personal research)
6. No approved reimbursements may be for general future expenses (i.e. general travel or miscellaneous supplies.) You must list the specific items you intend to spend grant dollars on.
7. Please review the budget instructions below carefully: If your project is selected for an award but less than 50% of your budget request is for eligible costs, you will not be awarded due to the likely impact to your project.

Explanation of categories on the budget worksheet and allowable items:
- **Personnel**
  - Must specify the role of the employee and the name (if available)
  - Can pay wages for up to 1 year according to the employee's specific work on the project
    - This reimbursement should be for a new employee or additional hours for an existing employee directly related to expansion due to the project

- **Equipment**
  - Must be specialty equipment used in production
    - Examples of unallowable general equipment: vehicle purchases, sinks, travel coolers, etc.
  - Can include estimated taxes and freight/shipping costs as separate line items
- **Supplies**
  - Must be reasonable inventory (i.e., cups/labels) related to the project
  - Cannot include ingredients or raw materials (See product development below)

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- o Software is allowable as a supply if the acquisition cost is under $4,999.99. If the cost is $5,000.00 or over, it is unallowable.
- **Product development**
  - o Trials or research, done in-house or via a contractor (indirect costs are not eligible)
  - o Ingredients/raw materials can only be covered for product development/trials
- **Consultants/Contractors**
  - o Eligible consultant areas include graphic design, marketing, feasibility studies, etc.
  - o Eligible contractor areas include installation of eligible equipment
  - o Must be a reasonable fee with a quote or include hourly cost calculations
  - o Does not include engineering, plant design or architecture fees as this is considered construction
- **Marketing/Sales**
  - o Can include advertisements of the specific product, materials for marketing the specific product or events related to marketing/sales (only *specific* project-related events)
  - o Cannot pay for freight/shipping of product
- **Other (Construction/Travel/Education/Etc.)**
  - o Construction is ineligible; should be listed in the comprehensive budget (if applicable)
  - o Training/education courses related to the project and any associated travel are eligible
  - o Travel to marketing/sales events is eligible; shipping of product is not eligible
  - o All travel budget requests must include estimated costs (or assumptions) for each reimbursement item (i.e., average flight/hotel costs and number of nights)
  - o This category may also include:
    - Required licensure or membership in related industry organization(s)
    - Insurance required for farmers' markets, etc. if relevant to the project
    - Rent on a *new* lease if required for project activities for up to 1 year

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