Section 5: Eligible Costs

Only eligible costs incurred during the grant agreement term that are related to the project will be reimbursed. All eligible costs must also be reasonable and supported by appropriate documentation to be reimbursed. All eligible costs must, to the satisfaction of the Department, support the work plan and be directly related to, and in support of, the program deliverables.

Reasonable

For an eligible cost to be considered reasonable, the cost, in its nature and amount, must not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of project.
- The restraints or requirements imposed by such factors as: sound business practices; arm’s-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of this project.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to its employees, the public at large, and the state.
- Whether the cost significantly deviates from the acquiring entity’s established practices and policies regarding the incurrence of costs.

Direct Costs

Funding may be used for the following direct costs incurred to meet the program deliverables:

- Block grant recipient, statewide support entity, tribal set-aside recipient, subgrantee, and their contractors’ staff costs, including salary at the fully burdened rate. Administrative costs should not be included in the staff rate or salary. Administrative costs should be budgeted separately and must comply with the requirements outlined below.
- Payments to tribes or members of tribes for expertise provided in the development of plans; the development, permitting, and implementation of projects, and in the development and implementation of educational, training, and monitoring activities.
- Incentive payments to landowners, farmers, and ranchers to implement multibenefit land repurposing projects that create a public benefit for at least ten years.
- Travel. Eligible travel costs can only be used for in-state travel for the watershed coordinator as necessary to complete coordination work. Mileage for watershed coordinator activities is reimbursable if included in the proposed budget and work plan. In addition to mileage for watershed coordinator activities, costs must meet the requirements outlined below and in the Grant Agreement:
  - Accommodation-related travel costs: maximum reimbursement rates based on county as shown at: http://www.calhr.ca.gov/employees/Pages/travel-lodging-reimbursement.aspx, with no option for approval of an “excess lodging rate.”
• Rental car costs or personal vehicle mileage for travel directly related to the grant activities will be reimbursed at the relevant rental car or Reimbursement Rate Per Mile for Personal Vehicle as shown here: http://www.calhr.ca.gov/employees/Pages/travel-personal-vehicle.aspx.

• Rental car, personal vehicle, ride share, train, or airfare costs will only be reimbursed for travel directly related to execution of the work plan, and then only if it is the typical method used to get from one location to the other. Grantees should choose the least expensive mode of transportation feasible given their travel needs.

• No other travel-related costs will be reimbursed through this grant program.

**Administrative costs**

Administrative costs may account for no more than twenty percent (20%) of the total funding award. This limit may be exceeded if the block grant recipient or statewide support entity has a federally approved administrative cost rate that is greater than 20%. Proof of the federally approved administrative cost rate must be submitted with the application. Administrative costs may include those costs incurred by a block grant recipient to administer their grant, or administrative costs by subgrantees necessary to fulfill the deliverables outlined in these guidelines. Administrative costs include:

- Office space
- Supplies and equipment
- Legal or management oversight
- Prorated general liability, Workers’ Compensation (may be included in payroll), and automotive insurance

**Project development costs and permitting fees**

Block grant funding and funding provided under Section 4 may be used for project development costs, including:

- Preparing project plans, specifications, and cost estimates that will result in a specific project
- Acquiring permits for specific, future on-the-ground projects
- Analysis required to support and complete CEQA and or NEPA documentation for specific projects
- Performing necessary cultural resources, biological, botanical, aquatic, soil, hydrologic, wildlife, timber, or other studies/surveys and/or developing necessary project designs related to a specific site or physical project

**Project implementation costs**

Block grant funding and funding provided under Section 4 may be used for project implementation costs, including:

- Preparation of bid packages and contractor documents
- Performance costs within the scope of the project, including materials and supplies
- Labor and other costs necessary for the physical implementation of the project
Outreach, Education, and Training

The following costs associated with outreach, education, and training activities directly related to the execution of program deliverables are considered eligible, in keeping with the program’s goal of ensuring that the program provides benefits to disadvantaged communities, and recognizing that public participation in community engagement activities is a benefit to the program and public:

- Meeting space
- Meeting materials
- Facilitation services
- Technical assistance to landowners, farmers, or ranchers to apply for program funds
- Translation and interpretation for meetings and written materials
- Participant compensation that is an exchange of payment for services rendered in the development of community work products, and appropriately documented with deliverables such as sign in sheets or written surveys.
- Provision of transportation services for community residents, such as a vanpool.
- Provision of childcare services for community residents.
- Food and refreshments, excluding alcoholic beverages of any kind, that are determined to be an integral part of the event. Examples of activities where it would be appropriate to approve food purchase would include a design charrette held in the evening, where the meal is consumed as part of the event and replaces a meal otherwise missed by attending the event.

Monitoring

Block grant funding and funding provided under Section 5 may be used for pre- and post-project monitoring and adaptive management, including preparation of long-term management plans associated with projects.

Research

Block grant funding may be used for research and demonstration projects needed to test innovative land repurposing strategies of interest to block grant recipients.

Ineligible Costs

Ineligible costs are:

- Costs that are not related to the Multi-Benefit Land Repurposing Program
- Costs that occur outside of the Grant Agreement term
- Meals, incidentals, tips, per diems, or refreshments for travel
- Out-of-state travel and activities