



OREGON
WATERSHED
ENHANCEMENT BOARD

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Guidance on Budgeting in Grants

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Lists & Symbols

Lists and Examples

All examples and lists are guidelines only and may not be exhaustive. The policies in this document apply to all OWEB grant types unless otherwise specified.

Footnote Symbols

^{OC} Eligible activity in Operating Capacity Grants

^{SG} NOT an eligible activity in Small Grants

^{LW} Land/Water Acquisitions only

★ These items may also be placed in alternative categories based on the applicant/grantee’s accounting practices and preference. Once expenditures have been paid, reimbursed items cannot be moved to a different budget category.

^C Contact your OWEB Project Manager or Fiscal staff with questions.

TABLE 1: WEBSITES

Websites Referenced in this Document	
Oregon Watershed Enhancement Board (OWEB)	https://www.oregon.gov/OWEB/Pages/index.aspx
OWEB Grant Management System (OGMS)	https://apps.wrd.state.or.us/apps/oweb/fiscal/default.aspx
Oregon Administrative Rules (OWEB OAR’s)	https://www.oregon.gov/oweb/about-us/Pages/OWEB%20Administrative%20Rules.aspx
Oregon Revised Statutes (ORS’s)	https://www.oregon.gov/oweb/resources/Pages/Statutes%20%26%20Policies.aspx
Code of Federal Regulations (2 CFR § 200.414 Indirect costs)	https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455/section-200.414
FAA Guidance on Drones	https://www.faa.gov/uas/
System for Award Management (SAM)	https://sam.gov/SAM/
DAS Risk Assessment Tool	https://www.oregon.gov/das/Risk/Pages/CntrctrInsReq.aspx

Chapter 1: Applying for a Grant

- ✓ **Budget Creation**
- ✓ **Funding Sources**
- ✓ **Promoting the Project**
- ✓ **Grant Programs with Specific Policies**
- ✓ **Grant Agreements**

The Oregon Watershed Enhancement Board (OWEB) expects applicant/grantees to adhere to standard accounting, procurement and contracting policies. This includes, but is not limited to, dividing costs into two broad categories:

- **Direct costs** are the activities or items associated entirely with the project or program. This may include project materials, program staff salaries, and other fees that pertain only to the project or program.
- **Indirect costs** include items that are associated with operating the organization (e.g. administrative staff, rent, utilities, office supplies). These costs reflect services and supplies used by an entire organization, both for the overall organization's functions and for specific projects or programs. Applicants/grantees can calculate a percentage of these costs for allocation to programs but shouldn't include 100% of the costs of these items in any single project's budget (see [Chapter 11: Indirect Costs](#)).

Applicant/grantees should have basic accounting practices that define costs in these broad, basic categories in a consistent manner.

Budget Creation

OWEB has an online application system that can be accessed through the OWEB [Grant Management System \(OGMS\)](#). Within the application system and [grant program specific websites](#), OWEB has provided application guidance documents that describe the grant offering and best practices for applications.

When developing an application budget, provide as much detail as needed to tell the project's story. Each line item should describe a necessary component of the project. The application should back up the need for this component. Contract costs should be detailed and match the scope of work described in the application.

It is acceptable to estimate costs in the application budget; however, if awarded, proof of actual expenses will be required for all costs. For example, it is acceptable to use an average cost per hour for personnel, but actual costs must be used if the application is awarded.

Funding Sources

OWEB grants are paid for from multiple funding sources. OWEB’s primary grant funding source is constitutionally designated from the Oregon Lottery. Other funding includes federal dollars, salmon license plate revenue, general fund appropriations, lottery bond revenues, and other state funds (e.g. OAHP, Water Acquisitions, etc.). Certain funding sources might have additional budgeting and reporting requirements, some of which are listed below. It is important to read the grant offering guidance—and if awarded, the grant agreement—carefully, so you are aware of any budgeting or reporting requirements that are tied to the fund source.

- *Federal Funds cannot be used to pay a federal agency.* If the applicant plans to contract with a federal agency, note the federal agency in the item line of the budget. This will determine the funding source if the application is awarded.
- Applications funded with federal funds must comply with all applicable federal laws, including the Build America Buy America Law (BABA). Federal conditions will be included in any federally funded grant agreement.

Promotional Items & Engagement Activities

Websites, social media, tours, and giveaways to the public are important tools to get the word out about restoration work and land/water transactions. These costs can be difficult to link to the purpose of the project and distinguish between “nice to have” and “necessary.” Grant funds should be used to complete the work as proposed in the application. The application, including the budget, should describe how the items are necessary to support eligible projects.

For example, if an upgrade to a new website platform is necessary to display the project maps, pull out those costs onto a separate line item (see [Chapter 9: Other](#)) and explain the need for the item in the budget. [Table 2: Promotional Item Eligibility](#) below provides guidance as to what is an eligible direct cost (including [Operating Capacity Grants](#)).

TABLE 2: Promotional Item Eligibility

Item	Eligible (direct cost)	Not Eligible as direct costs in any grants
Website	<p>Website upgrade costs for specific grant or project (e.g., hosting a story map).</p> <p>Capacity grants only: Website name, website redesign, logo design, hosting, and maintenance.</p>	<p>Costs that are not specific to supporting current or future eligible project implementation. Examples of this are:</p> <ul style="list-style-type: none"> • Website development not necessary for implementation of the project, communicating results of future or completed eligible restoration and acquisition projects. • Highlighting ineligible project types. • Promotion of advocacy; and

		<ul style="list-style-type: none"> • General fundraising activities, such as adding a “donate here” button.
Social media	Highlighting completed, eligible project types to promote awareness and encourage future conservation actions.	Posts where the primary purpose is raising awareness of ineligible project types (e.g., advocacy, general fundraising, education not necessary for carrying out eligible restoration and land/water transaction projects, general diversity, equity and inclusion (DEI) awareness).
Publications	Newsletters, annual reports, brochures, project highlights, watershed maps, and other publications featuring information on funding and training opportunities that support eligible project types. Fundraising materials targeting specific eligible projects.	Publications only focusing on membership recruitment, fundraising, or ineligible project types (e.g., education not necessary for carrying out eligible restoration and land/water transaction projects, general DEI awareness, advocacy, general fundraising).
Tours	<p>Tours of completed eligible project types.</p> <p>Tours for the purpose of developing local support for future conservation actions.</p>	<p>Tours of ineligible project types (e.g., water storage projects not related to conservation actions, land/water transactions or easements where the primary purpose is not conservation).</p> <p>Tours for purposes not tied to future conservation actions.</p>
Sponsorship	Workshops or other events that are directly related to eligible project types (e.g., restoration conference or workshop).	Workshops, trainings, or other events supporting ineligible project types (e.g., education not necessary for carrying out eligible restoration and acquisition projects, advocacy, general DEI topics).
Promotional Items	<p>Stickers</p> <p>Capacity grants only: t-shirts, hats</p>	Moneymakers (e.g., logo item sales, donut fundraisers, project tours where participants are charged money).

Grant Programs with Specific Policies

The grant programs listed below may have specific policies and budget requirements. Because of the unique nature of these programs, program-specific materials have been developed which may differ from guidance outlined in this document. If the program-specific guidance is silent on a topic, GoBig applies. However, the program-specific guidance controls in the event of a conflict with GoBig.

Operating Capacity Grants

[Operating Capacity grants](#) for Watershed Councils (WCs) and Soil and Water Conservation Districts (SWCDs) are billed on a quarterly basis. The grantee is required to provide an expenditure tracking report for payment that includes a description of the expense, but is not required to submit copies of receipts, invoices, or supporting documentation; however, OWEB may request back-up documentation at any time. These items must be kept on file in compliance with record retention requirements detailed in the grant agreement. Because these grants do not include the indirect budget category, costs must be distributed among the available budget categories. See the relevant program materials for [Watershed Councils](#) and for [Soil & Water Conservation Districts](#) for more information.

CAPACITY GRANTS

Operating Capacity investments support community participation in collaborative, voluntary restoration of watersheds. These grants are awarded biennially.

Land Acquisition Grant Program

Land Acquisition grants are used for various project-related costs in addition to the purchase price of the property of interest. In all eligible budget categories, Land Acquisition grants may bill for costs incurred up to 18 months before the application deadline. Refer to the [Land Acquisition program administrative rules - OAR 695-045](#) and [Program Materials](#) for more information. If the Land Acquisition guidance is silent on a topic, GoBIG applies. However, the Land Acquisition guidance document controls in the event of a conflict with GoBIG.

Water Acquisition Grant Program

Water Acquisition grants are used to acquire, from willing sellers, interests in water that restore stream flows for the benefit of watersheds and habitats for native fish or wildlife. Refer to the [Water Acquisition program administrative rules - OAR 695-046](#) and [Program Materials](#) for more information.

Drinking Water Source Protection Program

Drinking Water Source Protection grants provide funds to public water suppliers to protect, restore, or enhance sources of drinking water through land acquisition and conservation. Refer to [Program Materials](#) for more information.

Oregon Agricultural Heritage Program

Oregon Agricultural Heritage Program (OAHP) grants provide funds to working lands for conservation covenants or easements and the development of conservation management plans. Refer to the [Program Materials](#) for more information.

Grant Agreements

If your grant application is awarded, you will receive a grant agreement. Be sure to read the grant agreement and all attached exhibits thoroughly for conditions, timelines, billing requirements, progress and final reporting, etc.

Chapter 2: Applicant & Grantee Requirements

- ✓ Applicant requirements
- ✓ Navigating SAMS and UEI
- ✓ Grant start and end dates

Applicant Requirements

A grant applicant must be a tribe, watershed council, soil and water conservation district, not-for-profit institution, school, community college, Oregon State institution of higher education, independent not-for-profit institution of higher education, or political subdivision of this state that is not a state agency. A state or federal agency may apply for funding only as a co-applicant with an eligible entity. An applicant must also have a Federal Employee Identification Number (FEIN).

Unique Entity Identifier (UEI)

Per federal guidance, all OWEB grantees must be registered at the [System for Award Management \(SAM\)](#) before receiving a grant agreement. Grantees may request, and be assigned, a Unique Entity Identifier (UEI) through the SAM.gov website. **Not having a registered UEI will delay the grant agreement.** SAM registration must be updated annually.

GRANT DATES

The grant becomes effective on the award/start date and ends on the Grant completion date in the grant agreement. OWEB expects grantees to adhere to standard procurement and contracting policies.

OWEB will not reimburse grant expenses incurred prior to the award date, except for those specified in Acquisition Grants and/or land-use form review costs.

OWEB will also not reimburse expenses incurred after the grant completion date.

Chapter 3: Receipts & Records

- ✓ Receipts to keep
- ✓ Expense review
- ✓ Payment requests

Receipts

Copies of receipts, invoices, or supporting documentation for amounts \$250 or more, will be required by OWEB for all grants except [Operating Capacity Grants](#). OWEB does not accept purchase orders, account statements, or credit card statements without detailed invoices attached. All expenses charged to an OWEB grant must be listed on an expense tracking spreadsheet or accounting software report. This report must cover the entire grant to date; *a report that only covers the period since the last payment will not be accepted.*

OWEB reserves the right to review expenses under \$250 and may request receipts, timesheets, payroll, travel logs, or other documentation. The intent of this review is to ensure the grantee billed OWEB for actual costs.

The grant becomes effective on the award/start date and ends on the grant completion date in the grant agreement. OWEB will not reimburse grant expenses incurred prior to the award date, except for those specified in [Acquisition Grants](#) and/or land-use form signature costs. OWEB will also not reimburse expenses incurred after the grant completion date.

In some grant programs, payment requests may be billed in advance. Refer to the grant agreement (Exhibit B) for more information on eligibility. For advance requests, receipts are required to document expenses incurred within 120 days of the date of the payment. Grantees not providing these receipts within the timeline may have future payments delayed on all grants to that organization until receipts are received.

Records Retention

Copies of all receipts, invoices, or supporting documentation for costs charged to an OWEB grant must be retained by the grantee for six years from the project completion date and provided to OWEB upon request. Refer to your grant agreement for more information.

Chapter 4: Salaries, Wages and Benefits

The Salaries, Wages and Benefits budget category refers to in-house staff of the applicant/grantee (i.e., applicant/grantee employees for whom payroll taxes are paid) performing work on the proposed project. When preparing your application budget, please list one position title and the expected number of hours, and cost-per-hour per-line in the budget; do not describe the duties to be fulfilled, but instead provide the position title of each worker expected to work on the project. Non-grantee project partners whose employees are also performing work on the proposed project should be included in [Chapter 5: Contracted Services](#).

Billing Tip

OWEB will accept either of the following methods for recording Salaries, Wages and Benefits charges to a grant:

- List of expenses on grantee's letterhead
- Detailed accounting software expense sheet









In either case, timesheets and payroll records must be retained and provided for backup if requested.

Eligible Salary, Wages and Benefits

- Gross wages
- Payroll taxes
- Health insurance
- Retirement benefits
- Accrued leave liability (or a portion of vacation time if accrued leave liability is not used by the Grantee)
- Workers' compensation insurance

Ineligible Salary, Wages and Benefits

- ✗ Payroll processing fees
- ✗ Contract workers
- ✗ Interns working under a contract
- ✗ Volunteer reimbursement

ELIGIBLE	NOT ELIGIBLE
 Gross Wages	 Payroll Processing Fees
 Payroll Taxes	 Contracted Workers
 Health Insurance	 Partner Employees
 Worker's Compensation Insurance	 Volunteer Reimbursement

Additional Note

In general, OWEB expects items such as administrative staff, office space, and utilities to be covered under [Chapter 11: Indirect Costs](#). Some applicants/grantees may charge these costs as a direct cost if their fiscal policy is to incur a high percentage of costs as direct costs. An example of this would be an organization that has a federal Negotiated Indirect Cost Rate Agreement (NICRA) at the national level, but local office does not receive any portion of this money for local expenses. In this case, all costs at the local office are charged to specific projects and there are records (e.g., timesheets or other accounting back-up) that document the costs that are directly attributable to the specific project. If an applicant is including these costs in the application budget, they must explain why the costs are integral to the project in the justification section of the budget. Grantees are not allowed to charge costs at an enhanced rate that covers some or all local costs; all charges must be actual.

Chapter 5: Contracted Services

Within the Contracted Services budget category, list on separate lines the anticipated service costs and any related contractor travel and supplies. Do NOT place all contract costs into one row as “lump-sum,” except when a contractor bids a lump-sum amount for a specific service (discrete deliverable), such as an appraisal for an [Acquisition Grants](#) project. Contract costs should be broken out and should match the scope of work described in the application.

Federal funds cannot be used to pay a federal agency. If the applicant plans to contract with and reimburse a federal agency, record the agency name in the item line of the budget. This will help determine the funding source if the application is awarded.

[Chapter 8: Equipment Items](#), as defined by OWEB, will not be reimbursed if purchased by a contractor and then billed to the grantee. These types of costs are not reimbursed by OWEB as additional costs because they should be included in the contractor’s billing rates and cost of

HELPFUL HINT

Include payments to landowners and project partners in this category.

doing business. OWEB encourages grantees to work with contractors to minimize the purchase of tools and other items that will outlive the life of the grant.

Budget Contingency: OWEB will allow a contingency amount as a line item in the Contracted Services budget category. The following conditions must be met:

- The contingency amount can be no more than 10% of the category total and
- The budget narrative in the application must explain the specific reasons a contingency is needed. If there is no justification in the budget narrative, the contingency amount will be denied.









Any contingency funds not used will be recaptured; they cannot be moved to another budget line item.

Eligible Costs

- Non-grantee employee labor and travel (e.g. summer interns working under a contract)
- Contractor materials, supplies, labor, or equipment time for the grant
- Landowner materials, supplies, labor, or equipment time for the grant
- Match or reimbursement for partner agencies or collaborators (see [Chapter 12: Match Guidance](#))
- Contracted watershed council coordinator or project management
- Project-specific website development (see [Promotional Items](#))
- Contracted drone-related expenses (see [Chapter 18: Drones](#))
- Engineering and technical consulting
- Appraisal, environmental site assessment, transaction negotiation, or site stabilization [LW](#)
- Legal services for non-standard contract development and reviews needed for project implementation (e.g. contracts to address water rights issues)
- Drilling costs up to \$5,000 for non-monitoring wells that demonstrates clear ecological benefit (see [Chapter 13: Wells](#))

Ineligible Costs

- ✗ Costs associated with portable items that are intended to reside with the landowner after the grant is complete. Exceptions may be possible on a case-by-case basis for items that continue to serve their originally proposed ecological purpose in the same location.
- ✗ Audit and tax preparation costs [OC](#)
- ✗ General IT support [OC](#)
- ✗ Contracted grant administration (defined as staff or contractor time preparing and mailing grant contract documents or performing other administrative grant contract work) [OC](#)

ELIGIBLE	NOT ELIGIBLE
 Non-grantee employee labor and travel	 Audit and tax preparation costs ^{OC}
 Contractor & landowner materials, supplies, labor, or equipment for grant	 Portable items that will reside with the landowner after the grant
 Engineering and technical consulting	 General IT support ^{OC}
 Legal services: non-standard contract development, appraisal, and environmental site assessment.	 Contracted grant administration ^{OC}

Chapter 6: Materials and Supplies

Materials and Supplies are defined as consumable items, purchased by the applicant/grantee, which are normally used up during the project. **This budget category includes items costing less than \$5,000.**

Budget Contingency: OWEB will allow a contingency amount as a line item in the Materials and Supplies budget category. The following conditions must be met:

- The contingency amount can be no more than 10% of the category total and
- The budget narrative in the application must explain the specific reasons a contingency is needed. If there is no justification in the budget narrative, the contingency amount will be denied.

Any contingency funds not used will be recaptured; they cannot be moved to another budget line item.

Eligible Materials and Supplies







- Culverts, fencing, mulch, electrical supplies, etc. purchased by the grantee (not a contractor)
- Rocks, logs, plants, etc. purchased by the grantee (not a contractor)
- Field gear or personal protective equipment (e.g., waders, rain gear, hard hat, safety vest)
- Miscellaneous tools, hardware, and small equipment that are necessary for project completion
- Signs for funding partners, project-specific printing (e.g. brochures, project maps) [★]
- Gas/oil for grantee-owned equipment (see [Chapter 16: Equipment Usage Rates](#))
- Permanent solar panels/pumps (Permanent means they are intended to remain in the place where installed but may be removed from time to time for maintenance and/or winter protection. OWEB will not pay for pump/panel maintenance).
- Drone-related expenses (see [Chapter 18: Drones](#)) ^{SG}

Footnote Symbols (OC, SG, LW, ★, C) -see page 3

- Monitoring supplies, Hach kits, survey supplies ^{SG}
- First Aid kits and refills ^{SG}
- Food or room rental expenses for meetings and working lunches (not staff meetings); sign-in sheets and agendas are required to be kept ^{SG} ★
- Computers and tablets ^{SG} ★
- Remote meeting equipment to support skills development, engagement, and partner collaboration to support eligible project types (e.g., video conferencing equipment, technology that supports online engagement) ^{SG} ★

Ineligible Costs

- ✗ Vehicles, watercraft, UTVs and ATVs
- ✗ Costs associated with portable items that are intended to reside with the landowner after the grant is complete. Exceptions may be possible on a case-by-case basis for items that continue to serve their originally proposed ecological purpose in the same location.
- ✗ Fundraising or membership software
- ✗ Flower bouquets, greeting cards, gifts, prizes
- ✗ Donations to charities
- ✗ Late fees or penalties
- ✗ Prepaid or gift cards

ELIGIBLE		NOT ELIGIBLE	
	Tangible items necessary for restoration (rocks, logs, plants, etc.)		Purchase of vehicles, watercraft, UTVs and/or ATVs
	Field gear, tools, PPE		Fundraising costs
	Project-specific items for a grant worker		Donations / Gifts

Chapter 7: Travel & Training

The Travel & Training budget category should include applicant/grantee expenses incurred getting to and from the project location, including mileage, meals, per diem, and lodging. Contractor or project partner travel expenses should be charged to [Chapter 5: Contracted Services](#). When an applicant/grantee can establish a compelling need for conference or training workshop attendance related to the project, OWEB may pay for related expenses. Out-of-state travel must be pre-approved by OWEB’s Project Manager if the applicant/grantee intends to seek reimbursement.

Footnote Symbols (OC, SG, LW, ★, .C) -see page 3

Travel logs

Travel logs must be maintained for all travel expenses and must document travel dates, times, destinations, miles, and the person traveling. Mileage must be calculated using the most direct and usually traveled route. All travel costs must be based on rates and policies approved by the Department of Administrative Services (DAS) that are in effect at the time of travel; DAS periodically updates rates to align with the federal GSA rates. The DAS rate includes costs for insurance, gas, electric vehicle charging, oil and maintenance. An example travel log and current approved rates may be found on the [Manage Your Grant/Forms page of](#) OWEB website. Per the grant agreement, at any time OWEB can ask for additional information about requested reimbursement, including at payment request or after a grant closes.

Alternative transportation

To encourage environmentally sensitive options, such as rideshare and public transportation, OWEB will allow reimbursement for actual costs where a personal vehicle or organization vehicle is not available. In line with this policy, travel costs must be charged on an actual cost basis and may go above the mileage reimbursement rate. When doing this, organizations should prepare a justification why the selected travel method was the best alternative. Rideshares and commercial car rentals should only be taken when alternative economical public transportation is unavailable or impractical.

Driver requirements

All drivers wishing to be reimbursed for travel must hold a valid, current driver's license for the class of vehicle to be driven and carry automobile liability insurance in the amounts not less than those required by (i) the [Oregon Financial Responsibility Law \(ORS 806.060\)](#) or (ii) the jurisdiction in which the vehicle is being operated, whichever is greater. More information on insurance requirements is included in Chapter 15 and in any resulting grant agreement.

Per diem and lodging rates

Grantees are encouraged to use the current DAS *per diem* rates for meal and lodging costs. Per diem and lodging rates are posted on the [Manage Your Grant/Payments & Budget page](#) of the OWEB website. Even if actual meal or lodging costs exceed DAS rates, OWEB cannot pay more than the published *per diem* rates at time of travel.

Grantee-owned vehicles








The costs for fuel, electric vehicle charging, and maintenance of grantee-owned vehicles are not eligible; they must be recaptured by using the mileage reimbursement rate. The federal GSA mileage rate does not differentiate between gas and electric vehicles. This includes windshield repairs, insurance, tires, oil changes, car washes, bodywork, or other costs associated with keeping the vehicle in good condition.

Eligible Travel & Training Costs

- Vehicle mileage reimbursement
- Commercial rental car charges for vehicle rental and gas or electric vehicle charging; charges must be less than vehicle mileage reimbursement for same trip ^{SG}
- Motor pool/fleet charges for vehicle rental and fuel ^{SG}
- Rideshares (e.g., Uber, Lyft, Zip cars, etc.)
- Parking ^{SG}
- Lodging and lodging taxes ^{SG}
- Per diem costs (meals and lodging) ^{SG}
- Airfare (allowed only if cheaper than mileage reimbursement plus staff travel time)
- Conference and workshop registration ^{SG}
- Project-specific training or education seminar fees ^{SG} (Note: Diversity, Equity, and Inclusion (DEI) training is not eligible here unless it can be tied to a grant's primary objective.)

Ineligible Travel & Training Costs

- ✗ Use of motorcycles or mopeds (prohibited by state policy)
- ✗ Tips/Gratuities
- ✗ Lunch not reimbursed on one-day travel
- ✗ Out-of-state travel (allowed only with OWEB Project Manager's prior approval)
- ✗ Prepaid fuel or gift cards for fuel
- ✗ Grantee-owned vehicles- fuel or electric charges in lieu of travel logs and mileage rate
- ✗ Training that cannot be tied to a specific grant objective ^{OC}

ELIGIBLE	NOT ELIGIBLE
 Personal vehicle rate (PVR) mileage reimbursement ^{SG}	 Grantee-owned vehicle charges other than PVR
 Parking ^{SG}	 Tips
 Lodging & Per diem ^{SG}	 Out-of-state travel
	 Casual lunches

Chapter 8: Equipment

The Equipment budget category is defined as moveable, nonexpendable items with a useful life of generally two years or more and a per-unit cost of \$5,000 or more (items less than \$5,000 belong in [Chapter 6: Materials and Supplies](#)). Include only equipment that is specifically necessary for the project. Indicate the number of units and the unit cost wherever appropriate.

Equipment purchase is strongly discouraged in Small Grants and may not be authorized in certain other grant programs. Refer to grant program guidance for more information.




Federal funds may not be used to purchase equipment; therefore, be clear in your application if equipment is proposed as that may influence the fund source applied to the grant.

When planning on purchasing equipment with OWEB funds, follow [OAR 695-005-0050\(6\)](#) which requires that equipment purchased with Board funds shall reside with the Grantee or another approved entity. These entities will make the equipment available to others at no cost, other than nominal operation and maintenance costs.

A unit of equipment is defined as an item and all necessary parts to make it usable. For example, a drone and its accessories (such as camera, batteries, and software) would be included as a single item of equipment. In contrast, a tractor and trailer might be two different pieces of equipment, based on whether the tractor could be used separately from the trailer.

Ineligible Equipment Costs

- ✗ Vehicle, watercraft, UTVs, and ATVs
- ✗ Costs associated with portable items that are purchased and intended to reside with the landowner after the grant is complete. Exceptions may be possible on a case-by-case basis for items that continue to serve their proposed ecological purpose in the original location.

ELIGIBLE	NOT ELIGIBLE
 <p>Moveable, nonexpendable items with a useful life of two years or more that cost \$5,000 or more per unit</p>	 <p>Vehicles, watercraft, UTVs, and ATVs</p>  <p>Portable Items</p>

Chapter 9: Other Costs

The “Other” budget category refers to items that do not fit in the specific budget categories included in this document, including the price of property for Land/Water [Acquisition Grants](#).







Eligible Other Costs

- Purchase price of a conservation easement or a fee simple interest in land ^{LW}
- Interest on a bridge loan for the purchase of a conservation easement or a fee simple interest in land, or to secure an interest in water ^{LW} (Note: This is the only scenario in which interest is an eligible cost.)
- Land-use form signature costs (may be incurred prior to the grant agreement award date)
- Grantee-owned equipment repair (chainsaws, weed eaters, augers, mowers, spray equipment, etc.) or usage rate (uncommon; see [Chapter 16: Equipment Usage Rates](#))
- Project permit costs and regulatory agency fees
- Insurance costs specifically required for the project (see [Chapter 15: Insurance](#))
- Facility rental: Storage facility, project site, or meeting rooms (if project requires separate space and utilities at the project site) ^{SG}
- Commercial equipment rental and insurance (for equipment rented by grantee)
- Software or software subscription, fee, or lease (such as for a GIS license, meeting subscription, or monitoring software) ^{OC}
- Website domain fee
- Dues (to organizations or other professional development; if relevant to the project)
- Social media or newspaper advertisements, solicitations, and announcements for events
- Project-specific printing costs ^{*}
- Business meeting meals and working lunches (not staff meetings), meeting refreshments, food, or catering ^{SG *}
 - Sign-in sheets and agenda are required
 - Tips for food or other costs are not eligible for reimbursement

Ineligible Other Costs

- ✗ Individual’s license or permit, Oregon engineering stamp, boater or ATV safety education cards. Weed Board grants pesticide application license is an explicit exception to this.
- ✗ Repair of rented commercial equipment
- ✗ General office rent ^{OC}
- ✗ Utilities, janitorial, yard maintenance, copier lease, P.O. box rent ^{OC}
- ✗ Worker’s Compensation Insurance (e.g. SAIF) (belongs in [Salaries, Wages, and Benefits](#))
- ✗ Fundraising or membership software

- ✗ Refrigerator or microwave used only for office comfort
- ✗ Banking fees, payroll service fees, business license fees, dues^{OC}

ELIGIBLE		NOT ELIGIBLE	
	Items necessary to complete the job not mentioned in a previous category ^{A SG OC}		Bank fees (bounced check fees, interest, under minimum balance fees)
	Software		Rental equipment repair
	Insurance needed for the job		Fundraising or membership software

Chapter 10: Post-Grant Costs

The Post-grant budget category refers to costs incurred after the grant has been completed. Post-grant costs are not eligible in [Operating Capacity Grants](#).

Post-Implementation Status Reporting

Post-Implementation Status Reporting (PISR) is necessary to comply with the terms and conditions of the grant agreement; requirements will be defined in the OWEB grant agreement. OWEB covers costs associated with the PISR requirements up to \$3,500.

For Small Grants, Year-Two Status Reporting cost is capped at \$200.

Costs for PISRs are not eligible for reimbursement in Weed Board grants.

Plant Stewardship

Plant stewardship activities occur after site preparation and planting, and include activities necessary for long-term survival of the plantings, including but not limited to:

- Regular and ongoing control of invasive weeds (e.g. mulching, weed treatment, etc.)
- Regular and ongoing control of animal damage to the plantings (e.g. maintaining/replacing caging, fencing, or other methods of animal control)
- Regular and ongoing watering or irrigation
- Interplanting (adding or replacing plants that have died in order to meet project goals)

Plant stewardship costs over \$3,500 should be included in the direct costs of the grant.

For Small Grants, OWEB allows for costs associated with post-grant plant stewardship up to \$1,000.

Did you know?

If plant stewardship costs exceed \$3,500, these costs should be included in the overall grant timeline and the direct costs of the grant.

Chapter 11: Indirect Costs

Indirect costs are overhead or administrative costs incurred by an organization that cannot be easily allocated to a specific project or function. Most OWEB grants—except for [Operating Capacity Grants](#)—are allowed to use this budget category. Indirect cost rate options are determined by OWEB staff based on the fund source for the grant type. Consult the grant program offering for specific guidance on indirect costs.

TABLE 3: Indirect Cost Rate Options

	Federally Negotiated Indirect Cost Rate Agreement (FNICRA)	15% or less <i>de minimis</i> indirect rate	NO Indirect Costs Allowed
Restoration Grants	X	X	
Technical Assistance Grants	X	X	
Monitoring Grants	X	X	
Effectiveness Monitoring Grants	X	X	
Engagement Grants	X	X	
Land/Water Acquisition and OAHG Grants*	X	X	
Small Grants		X	
Weed Grants		X	
Operating Capacity Grants			X

*Calculated on the modified direct costs, less capital asset costs, such as land and water rights and interest paid on loans. See program guidance for additional information.

Federal Negotiated Indirect Cost Rate Agreement (FNICRA)

When a grant program allows for indirect, Federal Regulations ([2 CFR 200.414 \(d\)](#)) require OWEB to accept federally negotiated indirect cost rates. The current approved Federal Negotiated Indirect Cost Rate agreement (FNICRA) letter should be uploaded with the application. A current FNICRA, defined as being authorized by a cognizant agency and with the effective period not expired, must be on file before indirect cost funds will be reimbursed.

Footnote Symbols (OC, SG, LW, ★, C) -see page 3

Federal de Minimis Rate (15% or less)

The Federal government has established the de minimis rate at a maximum of 15%. See [2 CFR 200.414 \(f\)](#). Grantees that do not have a current Federal negotiated indirect cost rate (including a provisional rate) may elect to charge a de minimis rate of up to 15% of Modified Total Direct Costs (MTDC). Grantees that select this method are not required to submit receipts for indirect costs. At application, check the *de minimis* box and insert the desired rate (0-15%). A grantee may not use the Federal de minimis rate if they have an approved federal negotiated indirect cost rate (FNICRA).









More information on indirect costs can be found in the electronic Code of Federal Regulations (e-CFR) [website](#).

Examples of Eligible Indirect Costs

- Staff or contracted bookkeeping, accounting, clerical and financial services, audit services, tax preparation, tax/corporate filing fees, administrative personnel
- Staff or contractor time mailing contract documents, making copies, answering phones, or other administrative tasks
- Insurance (see [Chapter 15: Insurance](#)), including:
 - General liability insurance (e.g. risk, bonding, liability, etc.)
 - Director and officer (D/O) policy
 - Property insurance (including occupancy and rent policies)
 - Volunteer or event rider (if not eligible for a specific grant)
- Utilities (e.g. electricity, natural gas, water)
- Janitorial services
- Communication equipment (e.g. telephone, internet, fax, cell phones)
- General office supplies (e.g. paper, folders, toner, pens)
- Purchase, depreciation, lease, and maintenance for office equipment (e.g. copiers, faxes, printers, and scanners)
- Legal expenses for review of standard contracts and agreements necessary for the grant
- Advertisements, solicitations and announcements for contract bids and job postings
- Copying and printing costs associated with general grant administration
- Banking and fiscal transaction fees
- Technology (e.g. computer, IT service, maintenance, software, etc.)
- Postage
- Costs associated with the ownership of equipment (excluding passenger vehicles, to be included under Travel) including depreciation, storage, maintenance (tune-ups, oil changes, etc.) and insurance (see [Chapter 16: Equipment Usage Rates](#))

Ineligible Indirect Costs

- ✗ Overdrafts, late fees, finance charges, penalties and interest
- ✗ Costs that are charged to [Operating Capacity Grants](#) (do not double bill)
- ✗ Computers, laptops and tablets required for project implementation (these should be included in [Chapter 6: Materials and Supplies](#))
- ✗ Vehicle insurance (covered by mileage reimbursement rate)

ELIGIBLE	NOT ELIGIBLE
 Non-grantee employee labor and travel	 Audit and tax preparation costs ^{oc}
 Contractor & landowner materials, supplies, labor, or equipment for grant	 Portable items that will reside with the landowner after the grant
 Engineering and technical consulting	 General IT support ^{oc}
 Legal services: non-standard contract development, appraisal, and environmental site assessment.	 Contracted grant administration ^{oc}

Chapter 12: Match Guidance

- ✓ [Types of Match Funding](#)
- ✓ [Required Match Documents](#)

All OWEB grants have match requirements; refer to the grant offering to determine match requirements. ^c

Match is defined as additional resources expended to further the grant objectives, as required by [OAR 695-005-0060](#). Records must be maintained that support the cash match costs within the grantee’s accounting system and be available for audit and review. For third-party contributions, the support for the value must be verifiable from grantee records, including documentation of the methods used to determine the value.

Match claimed for one grant may not be claimed for any other grant. For example, if a grantee has a \$50,000 grant from US Fish and Wildlife Service (USFWS), the grantee may either claim the entire \$50,000 to match a single OWEB grant or claim portions of the \$50,000 to match multiple OWEB grants until the entire \$50,000 is allocated. The grantee may not match each grant with \$50,000 from the same USFWS grant.

Match Definitions

Cash Match: Actual cash paid by the grantee for a service or product. This includes any cash funds that were donated to the grantee to offset the costs of a specific item.

In-Kind Match: Services or goods that are donated to the project by the grantee or a third party.

Leverage: Cash or in-kind contributions the grantee does not want to dedicate as OWEB match. Leverage is defined as resources that further the grant objectives and are necessary to achieve the proposed outcomes but are beyond what the grantee is claiming for OWEB required match.

Eligible Match

- Cash and in-kind resources dedicated specifically for the project
- Cash and in-kind resources that are integral to the successful completion of the project and align with the proposed ecological objectives

Ineligible Match

- ✗ Oregon Department of Agriculture (ODA) Weed Grants
- ✗ Other OWEB grants (except [Operating Capacity Grants](#))
- ✗ Mitigation funds (see [Permit Compliance, Enforcement Orders and Mitigation \(ineligible\)](#))
- ✗ Cash and in-kind resources that are not necessary to the successful completion of the project and do not complement the proposed ecological objectives

ELIGIBLE	NOT ELIGIBLE
 Cash & in-kind resources for project	 ODA Weed grants, other OWEB grants
	 Mitigation Funds

Match Timing

At application, applicants must document the identified plan to seek match, though funding does not have to be secured at the time of application. Contributions not dedicated as match can be identified as leveraged resources. If match is recorded as secured at the time of application, documentation must be uploaded with the application.

At first payment request, the grantee must provide proof that the required match is secured prior to disbursement of funds. Attaching signed and dated letters of support, agreements, or e-mails that state type of match (cash or in-kind) and the dollar value is one method of match documentation. Grantees may also document secured match by submitting the [Match Form](#)

[found on OWEB's website](#). Documentation of secured match must be signed and dated by authorized representatives.

At the time of project completion reporting, the grantee must document the actual match. The grantee will also be expected to report total project costs, including actual leveraged resources. This reporting is done through OWEB's Online Project Completion Reporting. If there are deviations greater than 25% from either the proposed match or the total project costs, including leveraged resources, the grantee must explain those changes in the project completion report narratives.

Chapter 13: Grant Activity Guidance

- ✓ **Education**
- ✓ **Fish screens**
- ✓ **Levees and dikes**
- ✓ **Wells**

Fish Screening (conditions may apply) ^{SG}

Fish screening components eligible for funding through the Oregon Department of Fish and Wildlife's (ODFW) fish screening program are not eligible for OWEB funds. ([OAR 695-010-0040\(2\)](#)). Grant applications that include fish screens as a component require the applicant to consult with ODFW about eligibility and design before applying to OWEB. OWEB will not release funds for fish screening components until the OWEB Project Manager has received a letter from ODFW confirming the project is not eligible for ODFW funds.

Levees and Dikes (conditions may apply)

OWEB will not consider funding levee or dike (defined as a structure intended to contain a body of water) project components unless they are essential to other project components that provide significant ecological benefit addressing watershed limiting factors. Because levees and dikes restrict natural watershed process and function, OWEB prefers not to fund such structures and requires applicants to show they have sought other funding to pay for levees or dikes.

Applications that request OWEB funding for levee or dike construction or repair must be accompanied by a letter from project partners that are providing cash funding for the project, stating whether the levee or dike component of the project is eligible or ineligible for funding by the partners. OWEB will not release funds from grant awards for levee or dike construction or repair until it has received such letters from all project partners that are providing funding.

Education (ineligible)

- ✘ Projects whose primary purpose is education are not eligible. [OAR 695-015-0040\(2\)](#).

Permit Compliance, Enforcement Orders and Mitigation (ineligible)

- ✘ Projects required as a condition of a local, state, or federal permit are not eligible. Any costs related to a watershed improvement project constructed solely to comply with a state or federal agency enforcement order, legal judgment, or mitigation requirement are also not eligible. [OAR 695-010-0040\(3\)](#).

Routine Maintenance (ineligible)

- ✘ Any costs associated with routine project maintenance are not eligible. Maintenance does not include those activities necessary to establish the improvement. [OAR 695-010-0020\(2\)](#).

Water Conservation (ineligible)

- ✘ Any costs related to a water conservation project are not eligible, unless there is a measurable in-stream flow benefit, groundwater benefit, or water quality improvement. [OAR 695-010-0040\(5\)](#).

Water Storage (ineligible)

- ✘ Any costs for a watershed improvement project that consist solely of construction of a water storage structure for an out-of-stream use not related to watershed restoration or protection are not eligible. [ORS 541.932\(8\)](#) and [OAR 695-010-0040\(1\)](#).

Wells (conditions may apply)

Because the construction of wells for the purpose of providing water has a significant private benefit, and has the potential to adversely affect water resources, OWEB has the following restrictions for when its publicly funded grants can be used to construct wells.

Eligible Well Costs

OWEB will reimburse up to \$5,000 in drilling costs per operating well. Costs associated with the well, including electrical service, solar panels, plumbing supplies, labor, and other pertinent water development costs, are not subject to the \$5,000 limit and must be detailed as separate line items in the budget.

Costs associated with wells are reimbursable if the application demonstrates *all* of the following:

- The well is part of a larger project with clear ecological or conservation benefit(s).

- The well is part of a project that provides direct riparian, in-stream flow, or upland benefits. For example, an application that proposes wells for livestock watering clearly demonstrates that the watering facilities are part of a project to fence stream corridors to improve riparian conditions and water quality or are part of a grazing management strategy to improve associated native vegetation and wildlife habitat.
- The well will not adversely impact the connections in the watershed between ground and surface water to the detriment of other restoration needs and meets any appropriate Oregon Water Resources Department regulations.
- Any proposed irrigation wells are for land already under irrigation, and the proposed project will not add additional acres under production. Examples of irrigation well projects may include conversion from a surface to a groundwater source for irrigation. The Oregon Water Resources Department must concur with the proposed source switch.

This policy does not apply to wells constructed for monitoring projects. Proposals for monitoring wells should be developed in consultation with OWEB staff. Applications for monitoring wells will be reviewed to ensure that wells are needed for the identified monitoring purpose and must meet any appropriate Oregon Water Resources Department regulations. Current monitoring eligibility rules are at [OAR 695-025-0100](#).

Ineligible well costs

- ✘ Wells that are not part of a larger project with clear ecological or conservation benefits are not an eligible expense.
- ✘ Wells will not be funded through OWEB if any portion of the well will be for domestic use. For example, if a 4-inch pipe is needed for livestock use, this size must be justified in the design and OWEB will not fund an 8-inch pipe that would allow additional water use for home or other purposes. The criteria used for determining pipe size should be clearly described in the application.
- ✘ “Dry wells,” including wells unusable due to water quality problems, will not be reimbursed. A dry well is generally described as a well that does not produce water for the intended purpose. Once drilled, it either does not produce water or produces less than the desired amount. OWEB funds may only be used for well costs that meet the project water needs.

Chapter 14: Natural Resource Materials

- ✓ **What can be reimbursed**
- ✓ **Determining fair market value**

OWEB may reimburse the grantee for natural resource materials (e.g., trees, logs, rocks, plants), provided by the project landowner and extracted, or obtained from the landowner's property where the project is taking place.

Prior to such reimbursement:

- Grantee must verify that payment to a landowner for natural resource materials does not exceed fair market value.
- Grantee must **document fair market value** by providing quotes from three separate local vendors.
- Grantee must either provide copies of any issued licenses, approvals, or permits that are required for the landowner to extract or remove the natural resource, or provide written documentation that permits, approvals, or licenses are not required.
 - OWEB recommends that two of the three quotes be from vendors not affiliated with the landowner.
 - OWEB will consider accepting quotes from just two separate local vendors if grantee provides a justification for why a third quote could not be obtained.
- ✗ OWEB does not reimburse grantee for previously inventoried landowner materials (e.g., fence posts, wire, gates, pipe, culverts, etc.) unless prior approval is received from the OWEB Program Manager and the approval is documented in Exhibit B (Conditions of Agreement) of the grant agreement. Inventoried items may be used as match (see [Chapter 12: Match Guidance](#)).

Establishing Fair Market Value

Fair market value will be documented by the grantee providing three vendor quotes.

OWEB recommends that two of the three quotes be from vendors not affiliated with the landowner.

OWEB will consider accepting quotes from just two separate local vendors if grantee provides a justification for why a third quote could not be obtained.

Chapter 15: Insurance

- ✓ **What types of insurance do you need?**
- ✓ **How much insurance do you need?**

OWEB requires the grantee to have insurance commensurate with the grantee’s activities. In general, the premiums for general insurance types should be charged to [Chapter 11: Indirect Costs](#); [Operating Capacity Grants](#) should charge these costs to [Chapter 9: Other](#). If additional insurance coverage is required for a specific project, the costs may be charged to [Other Costs](#).

Insurance Coverage

Insurance requirements apply to all grantees receiving funds from OWEB. Grantees must also ensure that all contractors and consultants hired for projects have the appropriate types and amounts of insurance. In developing your grant application budget consult with your insurance provider about the specific scope of the project and what insurance requirements you might expect. You can also refer to the tables below for general guidance (non-binding), and if needed contact your OWEB grant project manager.

NOTE: If the grant is awarded, OWEB may require other levels of insurance beyond what is noted below. Review your grant agreement and exhibits for specific requirements.

These contractor insurances do not apply to landowners when the grantee contracts with the landowner to perform work on their property.

TABLE 3: Insurance Required for ALL OWEB Projects

Insurance Type	Minimum Amount required for all OWEB grant agreements
Commercial General liability, required for all grant agreements	\$1,000,000 per occurrence, \$2,000,000 aggregate
Automobile liability, required for all grant agreements	\$1,000,000 combined single limit
Directors, Officers & Organization Liability, required for all grant agreements	\$1,000,000 per claim.
Crime Protection Coverage: Employee Dishonesty or Fidelity Bond, required for all grant agreements.	\$1,000,000 per claim.
Worker’s Compensation Insurance	If grantee is an employer

Specialized Insurance Coverage

Some projects carry a greater risk to the organization, organization’s employees, volunteers, and the community. On these more complex projects, grantees often contract the technical work out to experienced contractors. When contracting out the technical work, the grantee will only be required to meet the minimum OWEB insurance requirements, described in [Table 4](#). Contractors must carry both the minimum insurance requirements plus any required specialized insurance.

The specialized insurance types listed below are for guidance only in discussions with your insurance provider, developing your application budget and working with contractors. This is not an exhaustive list.

TABLE 4: Insurance Types and Coverage Amounts

Insurance/Project Type	When Required
Herbicide & Pesticide Application Liability (stand alone or endorsement)	All projects that involve applying pesticide and/or herbicide.
Physical Abuse and molestation Liability coverage (stand alone or endorsement)	All projects when grantee’s employees or volunteers for the grantee are working with children or people with special needs.
Construction and Pollution liability (stand alone or endorsement)	Projects when grantee employees are performing earthmoving work (e.g. excavation, embankment, fill) near wetlands, water, or ESA species or when transporting hazardous materials.
Marine Liability and Marine Passenger Liability (Should be explicitly called out as covered under the commercial general liability policy.)	Projects when the grantee transports partners or volunteers on the water.
Professional liability	All projects when grantee’s employees have a professional license and are doing work that falls under that license.
Aircraft Liability and Aircraft aerial application liability	All projects that include aerial application of pesticides or herbicides.
Construction, Professional, and Pollution Liability	All projects that include earth moving work around the footprint of a well.
Construction, Professional, and Pollution Liability	All projects that involve removal or alteration of structures that hold back water on land or instream including dams, levees, dikes, tide gates, and other water control devices. This does not include temporary diversion dams used solely to divert water for irrigation.

Prescribed/Cultural Burns	Oregon Department of Forestry manages the Prescribed Fire Liability Program . OWEB may require grantees to enroll the project in the prescribed fire liability program and/or use a certified burn manager through special conditions in grant agreements. Oregon State Extension has a Prescribed Fire Basics: Liability in Oregon page that may provide additional information.
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Chapter 16: Equipment Usage Rates

- ✓ Documenting actual costs
- ✓ Calculating usage

OWEB will reimburse grantees for actual equipment costs incurred on grants. Grantees can submit receipts for actual costs of the equipment used on the grant (e.g. gas used, repairs required, parts utilized.) In some cases, grantees may wish to charge OWEB an equipment usage rate; this is a complicated process that may yield a small additional reimbursement.

Procedure and Calculation

Applicant/grantees who wish to charge OWEB an equipment usage rate must develop a procedure for calculating this rate. The procedure must be compliant with Generally Accepted Accounting Principles (GAAP) and be applied consistently to all grants.

TABLE 5: Eligibility of Equipment Costs

Eligible for Calculating the Equipment Usage Rate	Ineligible for Calculating the Equipment Usage Rate
Fuel	Operator costs (belong in Chapter 4: Salaries, Wages, and Benefits)
Repair, maintenance, storage	Donated items (no funds were expended to use the equipment)
Taxes, insurance, fees, licenses, depreciation	Interest expense (unallowable in any budget category)

OWEB Review

Applicants should indicate their intention to charge an equipment usage rate on the application budget. If the application is selected for funding, the grantee will submit documentation of the equipment usage rate procedure, and OWEB fiscal staff will review prior to the release of the

Footnote Symbols (OC, SG, LW, ★, C) -see page 3

grant agreement. Once approved, a copy of the procedure will be kept in the grant file. Once per year, OWEB will request a copy of some or all of the documentation that is being used to support the actual costs used to calculate the rate.

Exceptions

OWEB's Small Grant and Weed Grant programs are exempt from the requirement of documenting equipment usage rates. This aligns with OWEB's current approach of not implementing federal indirect cost requirements within these programs. OWEB reserves the right to question costs and request further information about requested reimbursements.

Chapter 17: Budget Amendments

- ✓ **When to talk to your project manager**
- ✓ **When a formal budget amendment is necessary**

The Application Budget and Exhibit A of the grant agreement are the grantee's statement of how OWEB funds will be spent on the project. The Application Budget shows budget categories and the various line items under each budget category; Exhibit A shows only the budget categories, which mirror those in the final, approved Application Budget.

OWEB recognizes that projects can undergo changes during implementation, which might impact the budget. Grantees must receive prior permission from OWEB to change either line items or budget categories.^C

Budget Amendment Thresholds

Grantees must inform their OWEB project manager of any project changes that impact the budget, regardless of amount.

Budget Amendment request forms must be submitted to and approved by the OWEB project manager in advance whenever a grantee seeks to:

1. Shift 10% (cumulative) of the overall grant award among budget categories; and/or
2. Add funds to a budget category that did not contain funds in Exhibit A of the grant agreement.

The Budget Amendment Form can be found on the [Manage Your Grant/Forms page](#) of the OWEB website and must be submitted to the OWEB Project Manager. If approved the Budget Amendment and the change will be logged into OWEB's Grant Management System (OGMS).

Minor line-item changes (less than 10% of the overall project budget) still require prior approval from the OWEB Project Manager but may be in the form of a written justification (email will suffice). An example might be a grantee choosing to use in-house staff rather than hire a contractor for an overall change of a few hundred dollars. OWEB Project Managers may

request additional information, even if a formal Budget Amendment is not required. When making any change to a grant, grantees must be sure to copy their payee (if the payee is different from the grantee) about the changes.

For the Small Grant program, Budget Amendments are only required when adding funds to a budget category that did not contain funds in Exhibit A of the grant agreement.

Chapter 18 Drones ^{SG}

- ✓ **Buy a drone or contract for services?**
- ✓ **Flight paths: Know the rules**
- ✓ **Rules and permits**

A “**drone**” is as an unmanned aerial vehicle (UAV) and all equipment attached to it for safe and efficient operation. The combination of UAV and equipment is also known as an unmanned aerial system (UAS). Drones are a recognized method for surveying restoration project locations, planning restoration projects, tracking progress during implementation, and monitoring results post-implementation. OWEB funds are eligible for drone-related expenses based on the guidelines outlined in this document.

Applicants must include a justification for drone-related expenses when applying for a grant. This includes explaining why the applicant needs drone-related expenses to enhance the project and the reason why purchasing or contracting drone expenses was chosen. ^C

Drone Expense Budgeting

Before including drone-related expenses in an application budget, applicants should balance the cost of drone equipment purchases and other drone-related expenses against the cost of hiring a contractor to do the work. The grant application should explain the rationale behind contracting drone services or grantee performance. Be mindful of factoring in the cost of drone-related software, staff technical expertise, time required for post-flight image analysis, and the time required to go through the FAA Remote Pilot Certification process to be legally allowed to fly a drone.

Agreements, Notifications and Rules

Language must be included in landowner agreements or public land agreements for projects involving drones. Landowner agreements are required for any landowner or public land whose property is being directly flown over and/or recorded. The agreement shall demonstrate that the landowner/public land manager and grantee mutually agree when a drone may be flown over the property and record images; shall include a description of where resulting photos, videos, or other products will be stored; and shall include how this data will be used.

Flight Path Notification

Grantees should consider notifying landowners who may be able to see the drone while in flight. This consideration is different from a landowner agreement. This refers to notifying landowners who will likely be able to see the drone at times during its flight path, although their property will not be directly flown over and/or recorded during the flight. For example, a notification may include, but is not limited to, speaking to landowners, distributing handouts/postcards, and/or posting information on a website or in a newspaper.

Federal Aviation Administration Rules

Grantees using OWEB funds to purchase a drone are required to follow the [Federal Aviation Administration \(FAA\) Part 107 rules and regulations](#). Grantees must also comply with any state, county, local, or tribal laws and regulations related to the use of drones.

Expensing Drone Costs

The following guidelines indicate to which budget categories applicants and grantees should assign various drone-related expenses when developing an application budget or submitting payment requests.

- [Chapter 4: Salaries, Wages, and Benefits](#): Grantee staff time required for drone set-up, flight, and/or post-flight image analysis.
- [Chapter 5: Contracted Services](#): Contractors that are paid for drone flights, post-flight image analysis, and/or technical assistance. Contractors need to furnish their own drone equipment.
- [Chapter 6: Materials and Supplies](#): Any drone accessories and peripherals under \$5,000 purchased by the grantee (the cost should be included as part of the drone system).
- [Chapter 7: Travel & Training](#): Travel related to the use of a drone. In general, training for a drone pilot certificate (including time, workshops and conferences) would go in the indirect category because it could be used for multiple grants.
- [Chapter 8: Equipment](#): Any drone system (combination of UAV and all equipment to operate it) \$5,000 or more purchased by the grantee. This includes all accessories necessary to run the drone system as designed.
- For drones not purchased with OWEB funds, grantees/applicants should consult [Chapter 16: Equipment Usage Rates](#) for information about reimbursement policies.
- [Chapter 9: Other](#): Software related to drone use or analysis of drone products (photography, thermal imaging, etc.) or FAA drone registration fee (see above).
- [Chapter 11: Indirect Costs](#): May include drone training including staff time, workshops, and/or conferences. May also include drone certification, including a drone pilot's certificate through FAA.

Ineligible drone costs

- ✘ OWEB funds cannot be used to pay for any fines or penalties imposed for not following FAA rules and regulations.

Chapter 19: Guidance for Online Payment Requests

In most grant programs, once a grant is awarded, a grantee will be expected to use the Online Payment Request system available through [OWEB's Online Grant Management Software \(OGMS\)](#) for billing expenses incurred in the project.

Guidance for payment requests is available under "Payments" on the [Video Help Library page](#) on the OWEB website.

Some grant programs may have specific guidance on payment requests and those will be included in the grant agreement.

If you have questions about payment requests, contact OWEB's fiscal staff at fiscal.oweb@oweb.oregon.gov or your OWEB project manager.