



OREGON
WATERSHED
ENHANCEMENT BOARD

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Guidance on Budgeting in Grants

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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

^A [Acquisition Grants](#) only

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

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

TABLE 1: Websites

Websites Referenced in this Document	
OWEB	https://www.oregon.gov/OWEB/Pages/index.aspx
OGMS	https://apps.wrd.state.or.us/apps/oweb/fiscal/default.aspx
Oregon Administrative Rules (OWEB)	https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=167
Oregon Revised Statutes (OWEB)	https://www.oregonlegislature.gov/bills_laws/ors/ors541.html
Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
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

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 running 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 [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, 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 expense 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.

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. Federal Funds cannot be used to pay a federal agency.

Contingencies ^{§6}

OWEB will allow contingencies as a line item in Restoration grants under [Contracted Services](#) and [Materials and Supplies](#). The following conditions must be met:

- The contingency amount can be no more than 10% of the identified line item; 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.

Promotional Items and Stakeholder Engagement Activities

Websites, social media, tours, and giveaways to the general public are an important tool in getting the word out about restoration work. 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 in [Other](#) and explain the need for them in the budget. [Table 2: Promotional Item Eligibility](#) 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"> • Initial website development; • Highlighting ineligible project types; • Promotion of advocacy; and • General fundraising activities, such as adding a “donate here” button.
Social Media	<p>Highlighting completed, eligible project types to promote awareness and encourage future conservation actions.</p>	<p>Posts where the primary purpose is raising awareness of ineligible projects types (e.g., advocacy, general fundraising, classroom education, events targeting k-12 students, general DEI awareness.)</p>
Publications	<p>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.</p>	<p>Publications only focusing on membership recruitment, fundraising, or ineligible project types (e.g., k-12 students, general DEI awareness, advocacy, general fundraising.)</p>
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, acquisitions or easements where the primary purpose is not conservation.)</p> <p>Tours for purposes not tied to future conservation actions.</p>
Sponsorship	<p>Workshops or other events that is directly related to eligible project types (e.g., restoration conference or workshop.)</p>	<p>Workshops, trainings, or other events supporting ineligible project types (e.g., education-12 students, advocacy, general DEI topics.)</p>
Promotional Items	<p>Stickers</p> <p>Capacity grants only: t-shirts, hats</p>	<p>Moneymakers (e.g., logo item sales, donut fundraisers, project tours where participants are charged money.)</p>

Grant Types with Unusual Policies

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, 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 [Records Retention](#) requirements. Because these grants do not include [Indirect Costs](#), costs must be distributed among the available budget categories. Any expense eligible in Open Solicitation OWEB grants is also an eligible expense for Operating Capacity grants.

Acquisition Grants

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, Acquisition grants may bill for costs incurred up to 18 months before the application deadline. Water Acquisition grant funds 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 Land Acquisition and Water Acquisition program administrative rules and application guidance materials for more information. OAR 695-045 and 695-046 (see [Table 1: Websites.](#))

Chapter 2: Applicant and Grantee 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) (see [Table 1: Websites](#)) before receiving a grant agreement. Beginning in April 2022, the D-U-N-S® number will be replaced by a “new, non-proprietary identifier” requested in, and assigned by, SAM. This new identifier is being called the Unique Entity Identifier (UEI), or the Entity ID.

Per the General Services Administration (GSA):

Today, entities go first to Dun & Bradstreet (D&B) to request their D-U-N-S® number. Only after their D-U-N-S® number is assigned, can they go to the System for Award Management (SAM.gov) and register to do business with the government. Starting in April 2022, entities will go to a single place, SAM.gov, to both request their Entity ID and register their entity to do business with the U.S. Government.

Not having a registered UEI will delay the grant agreement. SAM registration must be updated annually.

Chapter 3: Receipts & Records

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](#). All expenses charged to an OWEB grant must be listed on an expense tracking spreadsheet or accounting software report.

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 expects applicant/grantees to adhere to standard procurement and contracting policies. OWEB will not reimburse grant expenses incurred (received) prior to the award date, except for those specified in [Acquisition Grants](#) and/or land-use form signature costs. OWEB will also not reimburse items received after the grant completion date.

Payment requests may be billed as an advance or reimbursement; receipts are required within 120 days of the date of the payment for all advances. Grantees not providing these receipts risk receiving a cut-off letter, which prevents any payments on any grant 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.

Chapter 4: Budget Categories

Salaries, Wages, and Benefits

The Salaries, Wages, and Benefits 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. Non-grantee project partners whose employees are also performing work on the proposed project should be included in Contracted Services.

Salary, Wages, and Benefits Billing

Applicants should include the estimated number of hours, cost per hour, and position title for all staff assigned to the project.

When billing OWEB for Salary, Wages, and Benefits, grantees must use actual costs incurred. OWEB accepts a list of expenses on a grantee's letterhead, with dates of work noted, or a detailed accounting software expense transaction sheet as the proof of expense. Timesheets and payroll records shall be maintained to provide documentation to support actual costs billed; these records should include position titles correlating to the staff listed in the application.

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 reimbursements

In general, OWEB expects items such as administrative staff, office space, and utilities to be covered under [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 narrative section of the budget.

Under no circumstances are applicants/grantees allowed to charge costs to [Salaries, Wages, and Benefits](#) at an enhanced rate that covers some or all local costs; all charges must be actual.

Contracted Services

Do NOT lump all contract costs into one row, except when a contractor bids a lump-sum amount for a discrete deliverable, such as an appraisal for an [Acquisition Grants](#) project. Instead, list contractor services, travel, and supplies on separate lines in the Contacted Services budget and on invoices submitted for reimbursement. Contract costs should be broken out and should match the scope of work described in the application.

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.

Federal funds cannot be used to pay a federal agency.

[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 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.

Eligible Costs

- Non-grantee employee labor and travel
- 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 5: Match Guidance](#))
- Contracted watershed council coordinator or project management
- Project-specific website development (see [Promotional Items](#))
- Contracted drone-related expenses (see [Chapter 11: Drones](#))
- Engineering and technical consulting

- Appraisal, environmental site assessment, transaction negotiation, or site stabilization [A](#)
- 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 \$2,500 for non-monitoring well that demonstrates clear ecological benefit (see [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](#)

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 category includes equipment costing less than \$2,500.

Eligible Materials and Supplies

- Culverts, fencing, mulch, electrical supplies, etc. purchased by the applicant/grantee (not a contractor)
- Rocks, logs, plants, etc. (see [Chapter 7: Natural Resource Supplies](#)) purchased by the applicant/grantee (not a contractor)
- Field gear or personal protective equipment (e.g., waders, rain gear, hard hat, safety vest, safety glasses)
- 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 in lieu of usage rate (see [Chapter 9: 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 11: Drones](#)) [SG](#)
- Monitoring supplies, hatch 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](#) *

Project-Specific Eligible Costs

There are materials and supplies that are more commonly accounted for as [Indirect Costs](#). When used exclusively for work on a single grant, these costs can be recorded as direct costs. Backup documentation regarding their usage should be kept by the applicant/grantee.

- Printing costs (e.g. toner, printers, paper) *
- Computers and software (e.g. computers, tablets, GIS, monitoring software) [SG](#) *
- Office supplies, direct mail, or postage purchased solely for the grant (e.g. write-in-the-rain paper) [SG](#)

- Remote meeting equipment and software to support skills development, stakeholder engagement, and partner collaboration to support eligible project types (e.g., video conferencing equipment, technology that supports online stakeholder engagement, and subscriptions) [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
- Prepaid or gift cards

Travel & Training

Travel refers to the applicant/grantee expenses incurred getting to and from the project location. These include mileage, meals, per diem, and lodging. Contractor or project partner travel expenses should be charged to [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 for which the applicant/grantee intends to seek reimbursement must be pre-approved by OWEB's Project Manager.

Travel logs

Travel logs must be maintained for all travel expenses. Travel logs must document travel dates, times, destinations, miles, etc. 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. The DAS rate includes costs for insurance, gas, oil, and maintenance. An example travel log and current approved rates may be found on the OWEB website (see [Table 1: Websites](#).)

OWEB will not require travel log submission for line item costs less than \$250. Per the grant agreement, at any time OWEB can ask for additional information about requested reimbursement, including at payment request or after the grant has closed.

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. This allows OWEB to be flexible and does not require that someone own a car. In line with this policy, travel costs may be charged on an actual cost basis and 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 (see [Table 1: Websites](#))) or (ii) the jurisdiction in which the vehicle is being operated, whichever is greater.

Per diem and lodging rates

Grantees are encouraged to use the current DAS *per diem* rates for meal and lodging costs. Grantees should keep receipts for actual meal and lodging costs. These receipts are not required to be presented to OWEB when using *per diem* rates. Even if actual meal or lodging costs exceed DAS rates, OWEB cannot pay more than the published *per diem* rates at time of travel.

Eligible Travel & Training Costs

- Vehicle mileage reimbursement
- Commercial rental car charges for vehicle rental and gas; charges must be less than vehicle mileage reimbursement for same trip [§6](#)
- Motor pool/fleet charges for vehicle rental and gas [§6](#)
- Rideshares (e.g., Uber, Lyft, and Zip cars)
- Parking [§6](#)
- Lodging and lodging taxes [§6](#)
- *Per diem* costs (meals and lodging) [§6](#)
- Conference and workshop registration [§6](#)
- Project-specific training or education seminar fees [§6](#)

Ineligible Travel & Training Costs

- Use of motorcycles or mopeds
- Tips/Gratuity
- Lunch not reimbursed on one-day travel
- Out-of-state travel (allowed only with OWEB Project Manager's prior approval)
- Airfare (allowed only if cheaper than mileage reimbursement plus staff travel time)
- Gas, prepaid, or gift cards
- General training [OC](#)

Equipment

Equipment is defined as moveable, nonexpendable items with a useful life of generally two years or more and a per-unit cost of \$2,500 or more (items less than \$2,500 belong in [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.

When planning on purchasing equipment with OWEB funds, follow OAR 695-005-0050 (6) (see [Table 1: Websites](#)) 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. On

the other hand, 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, UTV, and ATV
- 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 originally proposed ecological purpose in the same location.

Other

This category refers to items that do not fit in the other budget categories, including the price of property for Acquisition Grants.

Eligible Other Costs

- Land-use form signature costs (may be incurred prior to the award date of the grant agreement)
- Storage facility rental required for the project
- Purchase price of a conservation easement [A](#)
- Purchase price of fee simple interest in land [A](#)
- Grantee-owned equipment repair (chainsaws, weed eaters, augers, mowers, spray equipment, etc.)
- Grantee-owned equipment usage rate (uncommon). Hourly rate includes all operating costs. OWEB reserves the right to question usage rates and request documentation proving usage rates do not exceed actual costs (see [Chapter 9: Equipment Usage Rates](#))
- Project permit costs and regulatory agency fees
- Insurance costs specifically required for the project (see [Chapter 8: Insurance](#))
- Project onsite rent and utilities (if project requires separate office space and utilities at the project site) [SG](#)
- Rental for meeting rooms [SG](#)
- Commercial equipment rental and insurance (for equipment rented by grantee)
- Software or software subscription, fee, or lease (such as for a GIS license) [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. For expenses totaling less than \$250, OWEB will not ask for submission of these materials at payment request, but may ask for additional documentation at a later date.
 - Per state policy, tips for food or other meeting 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) (payroll cost that belongs in Salaries, Wages, and Benefits)
- Banking fees, payroll service fees, business license fees, dues [OC](#)

Post-Grant

This 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 post-implementation status reporting are not eligible for reimbursement in Weed Board grants.

Effectiveness Monitoring in Restoration Grants

Effectiveness monitoring involves gathering data to determine whether the project is achieving the expected biological or physical goals. Effectiveness monitoring involves more rigorous data gathering and specific hypothesis testing that looks beyond PISR to the effect in the ecosystem and should be clearly explained in the application. Effectiveness monitoring is not available in Small Grants.

OWEB covers costs associated with effectiveness monitoring up to \$3,500.

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.

Indirect Costs

Indirect costs are overhead or administrative costs incurred by an organization that cannot be easily allocated to a specific project or function. OWEB allows grantees to charge indirect costs on all grant types except Operating Capacity Grants. Indirect cost rate options are determined by OWEB staff based on the fund source for the grant type.

TABLE 3: Indirect Cost Rate Options

	Federally Negotiated Indirect Cost Rate Agreement (NICRA)	10% or less <i>de minimis</i> indirect rate	OWEB Negotiated Indirect Cost Rate up to 15%	NO Indirect Costs Allowed
Restoration Grants	X	X	X	
Technical Assistance Grants	X	X	X	
Monitoring Grants	X	X	X	
Effectiveness Monitoring Grants	X	X	X	
Stakeholder Engagement Grants	X	X	X	
Acquisition Grants (calculated on the modified direct costs less capital assets costs such as land and water rights)	X	X	X	
Small Grants		X		
Weed Grants		X		
Operating Capacity Grants				X

Federal Negotiated Indirect Cost Rate Agreement (NICRA)

The Federal Uniform Administrative Requirements (FUAR) (see [Table 1: Websites](#)) require OWEB to accept all approved federal NICRAs. If NICRA is selected as the indirect cost method, then a plan approved as of the grant application due date or later must be included with the application; a current NICRA must be on file with OWEB before funds for indirect costs will be released.

An approved and valid NICRA is one in which the rate has been authorized by a cognizant agency and the effective period has not expired. Valid provisional, final or fixed NICRAs will be accepted.

10% or Less *de Minimis* Rates

FUAR establish a 10% or less *de minimis* indirect rate on Modified Total Direct Costs (MTDC) that applicant/grantees may select if they have never received a federally negotiated indirect cost rate. 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 (0-10%).

OWEB Negotiated Indirect Cost Rate: 10% to 15%

FUAR also allow OWEB to negotiate an indirect cost rate with applicant/grantees. ⁵ OWEB will negotiate a 10-15% indirect cost rate on MTDC. If this option is chosen, the applicant/grantee will use a cost allocation system to charge a fair and equitable percentage of indirect costs to each project. Most agencies divide indirect costs based on time worked or as a percentage of their MTDC.

Examples of Eligible Indirect Costs (Operating Capacity Grants do not have this spending category)

- 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
- Occupancy, rent, property insurance (see [Chapter 8: Insurance](#))
- 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
- General liability insurance (e.g. risk, bonding, liability, director & officer (D/O), and other) (see [Chapter 8: Insurance](#))
- 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 9: 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/tablets required for project implementation (these should be included in Materials and Supplies)
- Vehicle insurance (covered by mileage reimbursement rate)

Chapter 5: Match Guidance

All OWEB grants have match requirements; read 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 (see [Table 1: Websites](#).) Records must be maintained that support the cash match costs within the applicant/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 U.S. 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 applicant/grantee for a service or product. This includes any cash funds that were donated to the applicant/grantee to offset the costs of a specific item.

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

Leverage: Cash or in-kind contributions the applicant/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

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

At Application

Applicant/grantees must document that the required match has been sought, though funding does not have to be secured, at 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.

First Fund 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 (see [Table 1: Websites.](#)) Documentation of secured match must be signed and dated by authorized representatives.

At Project Completion

At the time of project completion reporting, the grantee must document the actual match. 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 6: Grant Activity Guidance

Education (ineligible)

Projects whose primary purpose is education are not eligible. OAR 695-015-0040 (2) (see [Table 1: Websites.](#))

Fish Screening (conditions may apply) ~~SG~~

Fish screening components eligible for funding through the Oregon Department of Fish and Wildlife's fish screening program are not eligible for OWEB funds. OAR 695-010-004 (see [Table 1: Websites.](#))

For Open Solicitation (OS) grant applications that include fish screens as a component, OWEB requires Applicant/Grantees to consult with ODFW about eligibility and design before applying to OWEB. OWEB will not release funds from OS grant awards for fish screening components until the OWEB Project Manager has received a letter from ODFW confirming the project is not eligible for ODFW funds.

The exception are fish screens that are proposed and approved as part of a Focused Investment Partnership. For Focused Investment Partnerships, applicant/grantees must coordinate with ODFW and explain in the application how funding will be coordinated between the two agencies' funding sources.

Levees and Dikes (conditions may apply)

If a project proposes to build or repair a levee or dike (a levee or dike is defined as a structure intended to contain a body of water including a river, lake, stream, or wetland), OWEB will not consider funding the levee or dike project components unless it is 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 applicant/grantees 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 for the project.

Permit Compliance (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. OAR 695-010-0040 (3) (see [Table 1: Websites.](#))

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) (see [Table 1: Websites.](#))

Water Conservation (ineligible)

Any costs related to a water conservation project, unless there is a measurable in-stream flow benefit, groundwater benefit, or water quality improvement are not eligible. OAR 695-010-0040 (5) (see [Table 1: Websites.](#))

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) (see [Table 1: Websites.](#))

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 for constructing wells.

Ineligible well costs

Wells will not be paid for independent of other components within a restoration project.

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 the costs of a well that meet the water needs of the project.

Eligible well costs

OWEB will reimburse up to \$2,500 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 \$2,500 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 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 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 Water Resources Department regulations. Current monitoring rules are at OAR 695-025-0100 (see [Table 1: Websites.](#))

Chapter 7: Natural Resource Supplies

OWEB may reimburse grantee for natural resource supplies (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 supplies 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.
- 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.

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 5: Match Guidance](#).)

Chapter 8: Insurance

OWEB requires the grantee to have insurance commensurate with the grantee’s activities. Insurance requirements are split into two categories: general and specialized.

- General insurance refers to coverage considered best practices for organizations conducting activities often implemented by grantees.
- Specialized insurance refers to coverage types and amounts which fall outside the normal operations of an organization conducting activities normally funded by OWEB.

In general, the premiums for general insurance types should be charged to [Indirect Costs](#); [Operating Capacity Grants](#) should charge these costs to [Other](#). If additional insurance coverage is required for a project, the costs may be charged to [Other](#).

General Insurance Requirements

General insurance requirements apply to all grantees receiving construction, restoration, technical design, assessment, or monitoring project funds from OWEB. Grantees must ensure all contractors and consultants hired under these projects to complete construction, restoration, technical design, assessment, or monitoring activities will also carry the minimum insurance types and amounts described below. The minimum insurance requirements do not apply to contractors engaged in facilitation, data analysis, or website design. Contractor insurance limits do not apply to landowners when the grantee is contracting with the landowner to perform work on the landowner’s property.

The insurance industry offers many types of insurance that can be purchased as add-ons to an organization’s existing commercial general liability policy. Other types of coverage need to be purchased as stand-alone policies. Grantees may purchase specialized coverage as a stand-alone policy or as an existing policy rider.

TABLE 4: Insurance Required for OWEB Projects

Insurance Type	Minimum Amount
General liability	\$1,000,000 per occurrence, \$2,000,000 aggregate
Auto liability (maybe included as an endorsement on a commercial general liability policy)	\$1,000,000 combined single limit

Specialized Insurance Requirements

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: Insurance Required for OWEB Projects](#). The contractor must carry both the minimum insurance requirements plus any required specialized insurance. Specialized insurance requirements are described in [Table 5: Insurance Types and Coverage Amounts](#); the process for determining the insurance level is described below that.

TABLE 5: Insurance Types and Coverage Amounts

Insurance/Project Type	Minimum Amount	When Required
Pesticide or herbicide applicator coverage*	\$250,000 per occurrence, \$500,000 aggregate	All projects that involve applying pesticide and/or herbicide.
Abuse or molestation coverage*	\$100,000 per occurrence, \$300,000 aggregate	All projects when grantee’s employees or volunteers for the grantee are working with children.
Transporting volunteers on water*	Should be explicitly called out as covered under the commercial general liability policy.	When the grantee transports stakeholders on the water as a part of the grant.
Professional liability	\$500,000 per occurrence, \$1,000,000 aggregate	All projects when grantee’s employees have a professional license and are doing work that falls under that license.
Aircraft aerial application liability	\$1,000,000 combined single limit	All projects that include aerial application of pesticides or herbicides.
Earth moving work around the footprint of a well	◆	■
Working with hazardous materials (not including materials used in the normal operation of equipment such as hydraulic fluid)	◆	■
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)	◆	■

* Insurance coverage that may be purchased as a stand-alone policy or included as an endorsement on a commercial general liability policy.

◆ See “Process to Determining the Insurance Amount” for more information.

■ DAS Risk Assessment required.

Process to Determine Insurance Amount

If applying for a project type from [Table 5: Insurance Types and Coverage Amounts](#), an applicant will have to upload a completed Risk Assessment Tool (see [Table 1: Websites](#)) with the application. The questions raised in the tool will help applicant/grantees and OWEB determine the potential level of risk the project carries and any additional insurance requirements, though this tool is not a perfect fit for OWEB projects.

If the completed Risk Assessment Tool shows no additional insurance needed beyond standard insurance requirements, then no additional documentation or action is needed. If additional insurance types or coverage amounts are needed, then the grant agreement will reference the additionally required insurance if the application is awarded.

In either case, applicant/grantee will fill out and sign the Risk Assessment Tool to document their understanding of the insurance that may be necessary for the project. If the project is awarded, applicant/grantee must acquire any required additional insurance to comply with the grant agreement.

Chapter 9: Equipment Usage Rates

OWEB will reimburse grantees for actual equipment costs incurred on grants. Grantees can either submit receipts for actual costs of the equipment used on the grant (e.g. gas used, repairs required, parts utilized), or charge OWEB an equipment usage rate.

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 6: Eligibility of Equipment Costs

Eligible for Calculating the Equipment Usage Rate	Ineligible for Calculating the Equipment Usage Rate
Fuel	Operator costs (belong in Salaries, Wages, and Benefits)
Repair, maintenance, storage	Donated items (no funds were expended in acquisition.)
Depreciation	Interest expense (unallowable in any budget category)
Taxes, insurance, fees, licenses	

The equipment usage rate procedure must be provided to OWEB prior to release of a grant agreement, though applicants may estimate equipment usage rates in the application budget. The equipment usage rate procedure must provide sufficient information to demonstrate that it is accurate and not intended for gain.

OWEB Review

Applicant/grantees should indicate their intention to charge an equipment usage rate on the application budget. If the application is selected for funding, the applicant/grantee will submit documentation of the equipment usage rate procedure, and OWEB fiscal staff will review prior to the release of the 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 10: Budget Amendments

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 are required to communicate with their OWEB Project Manager by informing of any project changes that impact the budget, regardless of amount.

OREGON WATERSHED ENHANCEMENT BOARD						
FORM for BUDGET AMENDMENTS		GRANT NUMBER _____				
						
Grant Budget Categories	Original Budget	Change #1	Change #2	Change #3	Change #4	Revised Budget
Salary, Wages and Benefits	\$16,572.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,572.00
Contracted Services	\$204,500.00	-\$32,300.00	\$0.00	\$0.00	\$0.00	\$172,200.00
Travel	\$1,890.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,890.00
Materials and Supplies	\$1,500.00	\$32,300.00	\$0.00	\$0.00	\$0.00	\$33,800.00
Equipment and Software	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$130.00	\$0.00	\$0.00	\$0.00	\$0.00	\$130.00
** Grant Admin / Indirect Costs	\$22,459.00	\$0.00	\$0.00	\$0.00	\$0.00	\$22,459.00
Post-Grant	\$2,250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,250.00
GRANT TOTAL	\$249,301.00	\$0.00	\$0.00	\$0.00	\$0.00	\$249,301.00
JUSTIFICATION FOR CHANGE: Please provide a comprehensive justification below.						

Example 1 – Budget Amendment Form

Formal Budget Amendments must be requested via a form on OWEB’s website (see [Table 1: Websites](#)) 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.

If approved, the OWEB Project Manager will sign the form Budget Amendment Form and the change will be logged into OWEB’s Grant Management System (OGMS).

Line item changes that have no impact to the overall amount of their budget category require prior approval from the OWEB Project Manager in the form of a written justification (email will suffice.) 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 11: Drones ^{SG}

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/grantees must include a justification for drone-related expenses when applying. This includes explaining why the applicant/grantee 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, applicant/grantees 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 (see [Table 1: Websites.](#)) 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.

- **Salaries, Wages, and Benefits:** Grantee staff time required for drone set-up, flight, and/or post-flight image analysis.
- **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.
- **Materials and Supplies:** Any drone accessories and peripherals under \$2,500 purchased by the grantee (the cost should be included as part of the drone system.)
- **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.
- **Equipment:** Any drone system (combination of UAV and all equipment to operate it) \$2,500 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 9: Equipment Usage Rates for information about reimbursement policies.
- **Other:** Software related to drone use or analysis of drone products (photography, thermal imaging, etc.) or FAA drone registration fee (see above).
- **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.