notification of travel may result in disallowance of the expenses related to the travel.

§ 1484.38 Can a Cooperator keep proceeds generated from an activity?

Any income or refunds generated from an activity, i.e., participation fees, proceeds of sales, refunds of value added taxes (VAT), the expenditures for which have been wholly or partially reimbursed, shall be repaid by submitting a check payable to Commodity Credit Corporation or by offsetting the Cooperator’s next reimbursement claim.


Subpart D—Contributions and Reimbursements

§ 1484.50 What cost share contributions are eligible?

(a) The Cooperator shall pay all costs necessary for the operation of the Cooperator’s U.S. office.

(b) In calculating the amount of contributions that it will make, and the contributions it will receive from a U.S. industry or a State agency, a Cooperator program applicant may include the costs (or such prorated costs) listed under paragraph (c) of this section if:

1. Expenditures will be made in furtherance of the Cooperator’s overall foreign market development program;
2. The contributor has not been or will not be reimbursed by any other source for such costs; and
3. The contribution is made during the period covered by the project agreement.

(c) Subject to paragraph (b) of this section, eligible contributions are:

1. Cash;
2. Compensation paid to personnel;
3. The cost of acquiring materials, supplies, or services;
4. The cost of office space;
5. A reasonable and justifiable proportion of general administrative costs and overhead;
6. Payments for indemnity and fidelity bond expenses;
7. The cost of business cards;
8. The cost of seasonal greeting cards;
9. Fees for office parking;
10. The cost of subscriptions to publications;
11. The cost of activities conducted overseas;
12. Credit card fees;
13. The cost of any independent evaluation or audit that is not required by FAS to ensure compliance with program requirements;
14. The cost of giveaways, awards, prizes and gifts;
15. The cost of product samples;
16. Fees for participating in U.S. government activities;
17. The cost of air and local travel in the United States related to a foreign market development effort;
18. Transportation and shipping costs;
19. The cost of displays and promotional materials;
20. Advertising costs;
21. Reasonable travel costs and expenses related to undertaking a foreign market development activity;
22. Payment of employee’s or contractor’s share of personal taxes;
23. The cost associated with trade shows, seminars, entertainment and STRE conducted in the United States;
24. Product research that is undertaken to benefit an industry and has a specific export application; and
25. Consumer promotions.

§ 1484.51 What are ineligible contributions?

(a) The following are not eligible contributions:

1. Any portion of salary or compensation of an individual who is the target of a promotional activity;
2. Any land costs other than allowable costs for office space;
3. Depreciation;
4. The cost of refreshments and related equipment provided to office staff;
5. The cost of insuring articles owned by private individuals;
6. The cost of any arrangement which has the effect of reducing the selling price of an agricultural commodity;
7. The cost of product development or product modifications;
8. Slotting fees or similar sales expenditures;
§ 1484.52 What are the guidelines for computing the value of non-cash contributions?

(a) Computing the value of an individual’s time. If an individual’s salary is known, allocate the individual’s salary on the basis of time spent on foreign market development activities. If the individual’s salary is unknown, claim up to the equivalent of a step 10, GS–15 for professional personnel and up to the current estimated industry rate at the person’s level of employment for non-professional personnel.

(b) Computing the value of indirect expenditures. Allocate value on the basis of sound management and accounting procedures when considering indirect expenditures, such as overhead and facilities, which are furnished by the industry.

§ 1484.53 What are the requirements for documenting and reporting contributions?

(a) Each claimed contribution must be documented by the Cooperator, showing the method of computing non-cash contributions, salaries, and travel expenses.

(b) Each Cooperator must keep records of the methods used to compute the value of non-cash contributions, and

1. Copies of invoices or receipts for expenses paid by the U.S. industry and not reimbursed by the Cooperator for the joint activity; or
2. If invoices are not available, an itemized statement from the U.S. industry as to what costs it incurred pursuant to the joint activity; or
3. If neither of the foregoing is available, a statement from the U.S. industry as to what goods and services it provided; or
4. If none of the foregoing are available, a memo to the files of the U.S. Cooperator’s estimate of what contributions were made by the U.S. industry, item by item, and the method used to assign a value to each.

(c) Each Cooperator must report its contributions as described in §1550.70 (a).

§ 1484.54 What expenditures may FAS reimburse under the Cooperator program?

(a) A Cooperator may seek reimbursement for an expenditure if:

1. The expenditure is reasonable and has been made in furtherance of a market development activity; and
2. The Cooperator has not been or will not be reimbursed for such expenditure by any other source.

(b) Subject to paragraph (a) of this section, FAS will reimburse, in whole or in part, the cost of:

1. Production and placement of advertising in print or electronic media or on billboards or posters;
2. Production and distribution of banners, recipe cards, table tents, shelf talkers, and similar point of sale materials;
3. Direct mail advertising;
4. Food service promotions, product demonstrations to the trade, and distribution of promotional samples;
5. Temporary displays and rental of space for temporary displays;
6. Fees for participation in retail and trade exhibits and shows, and booth construction and transportation of related materials to such exhibits and shows;
7. Trade seminars, including space rental, equipment rental, and duplication of seminar materials;
8. Production and distribution of publications;
(9) Part-time contractors, such as interpreters, translators, and receptionists, to help with the implementation of promotional activities, such as trade shows, food service promotions, and trade seminars;
(10) Giveaways, awards, prizes, gifts, and other similar promotional materials, subject to the limitation that FAS will not reimburse more than $1.00 per item;
(11) Compensation and allowances for housing, educational tuition, and cost of living adjustments paid to U.S. citizen employees or U.S. citizen contractors stationed overseas, subject to the limitation that FAS shall not reimburse that portion of:
(i) The total of compensation and allowances that exceed 125 percent of the level of a GS-15, Step 10 salary for U.S. Government employees, and
(ii) Allowances that exceed the rate authorized for U.S. Embassy personnel;
(12) Foreign transfer, temporary lodging, and post hardship differential allowances for U.S. citizen employees;
(13) Approved salaries or compensation for non-U.S. citizens and non-U.S. contractors. Generally, FAS will not reimburse any portion of a non-U.S. citizen employee’s compensation that exceeds the compensation prescribed for the most comparable position in the Foreign Service National (FSN) salary plan applicable to the country in which the employee works. However, if the local FSN salary plan is inappropriate, a Cooperator may request a higher level of reimbursement for a non-U.S. citizen in accordance with §1550.20 (b)(8);
(14) A retroactive salary adjustment that conforms to a change in FSN salary plans, effective as of the date of such change;
(15) Accrued annual leave at such time when employment is terminated or when required by local law;
(16) Overtime paid to clerical staff;
(17) Fees for professional and consultant services;
(18) Air travel, plus passports, visas, and inoculations, subject to the limitation that FAS will not reimburse any portion of air travel in excess of the full fare economy rate or when the Cooperator fails to notify the Attaché/Counselor in the destination country in advance of the travel, unless the Deputy Administrator determines it was impractical to provide such notification;
(19) Per diem, subject to the limitation that FAS will not reimburse per diem in excess of the rates allowed under the U.S. Federal Travel Regulation (41 CFR Chapters 300 through 304);
(20) Automobile mileage at the local U.S. Embassy rate, or rental cars while in travel status;
(21) Other allowable expenditures while in travel status as authorized by the U.S. Federal Travel Regulation (41 CFR Chapters 300 through 304);
(22) An overseas office, including rent, utilities, communications originating overseas, office supplies, accident liability insurance premiums, and legal and accounting services;
(23) The purchase, lease, or repair of, or insurance premiums for, property that has an expected useful life of at least one year, such as furniture, equipment, machinery, removable fixtures, floor coverings, and computer hardware and software;
(24) Office decor, such as draperies or blinds;
(25) Premiums for health or accident insurance or other benefits for foreign national employees that the employer is required by law to pay;
(26) Accident liability insurance premiums for facilities used jointly with third party participants for Cooperator program activities, or such insurance premiums for travel of non-Cooperator personnel;
(27) Market research;
(28) Evaluations, if not required by FAS to ensure compliance with program requirements;
(29) Legal fees to obtain advice on the host country’s labor laws;
(30) Employment agency fees;
(31) STRE, including breakfast, lunch, dinner, receptions, and refreshments at activities; miscellaneous courtesies such as checkroom fees, taxi fares, and tips; and decorations for a special promotional occasion;
(32) Educational travel of dependent children, visitation travel, rest and recuperation travel, home leave travel, and emergency visitation travel for U.S. overseas employees as allowed under the Foreign Affairs Manual;