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(c) Subject to paragraph (b) of this section, as well as the cost principles in 2 CFR part 200, to the extent these principles do not directly conflict with the provisions of this part, the following are eligible contribution:

- (1) Cash;
- (2) Compensation paid to personnel;
- (3) The cost of acquiring materials, supplies, or services;
- (4) The cost of office space, including legal fees;
- (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 that target a foreign audience;
- (8) Fees for office parking;
- (9) The cost of subscriptions to publications that are of a technical, economic, or marketing nature and that are relevant to the approved activities of the Cooperator's program;
- (10) The cost of activities conducted overseas;
- (11) Credit card fees;
- (12) The cost of any independent evaluation or audit that is not required by CCC to ensure compliance with agreement or regulatory requirements;
- (13) The cost of giveaways, awards, prizes, and gifts;
- (14) The cost of product samples;
- (15) Fees for participating in U.S. Government sponsored or endorsed export promotion activities;
- (16) The cost of air and local travel in the United States related to a foreign market development effort;
- (17) Transportation and shipping costs;
- (18) The cost of displays and promotional materials;
- (19) Advertising costs;
- (20) Reasonable travel costs and expenses related to undertaking a foreign market development activity;
- (21) The costs associated with trade shows, seminars, and STRE conducted in the United States, and costs associated with entertainment conducted in the United States where such entertainment costs have a programmatic purpose and are authorized in the agreement and/or approval letter or are authorized by prior written approval of CCC;

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(22) Product research that is undertaken to benefit an industry and has a specific export application;

(23) Consumer promotions; and

(24) The cost of any activity expressly listed as reimbursable in this part.

§ 1484.51 Ineligible contribution.

(a) The following are not eligible contribution:

(1) Any portion of salary or compensation of an individual who is the target of a promotional activity;

(2) Any expenditure, including that portion of salary and time spent, related to promoting membership in the Cooperator's organization;

(3) Any land costs other than allowable costs for office space;

(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 that has the effect of reducing the selling price of a U.S. agricultural commodity;

(7) The cost of product development or product modifications;

(8) Slotting fees or similar sales expenditures;

(9) Funds, services, capital goods, or personnel provided by any U.S. Government agency;

(10) The value of any services generated by a Cooperator or third party that involve no expenditure by the Cooperator or third party, *e.g.*, free publicity;

(11) Membership fees in clubs and social organizations; and

(12) Any expenditure for an activity prior to CCC's approval of that activity.

(b) CCC shall determine, at CCC's discretion, whether any cost not expressly listed in this section may be included by the Cooperator as eligible contribution.

§ 1484.52 Reimbursement rules.

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

(1) The expenditure was necessary and reasonable for the performance of an approved activity; and

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(2) The Cooperator has not been and will not be reimbursed for such expenditure by any other source.

(b) Subject to paragraph (a) of this section and §1484.53, as well as the cost principles in 2 CFR part 200 to the extent these principles do not directly conflict with the provisions of this part, CCC will reimburse, in whole or in part, the cost of:

(1) Production and placement of advertising, including in print, electronic media, billboards, or posters. Electronic media includes, but is not limited to, radio, television, electronic mail, internet, telephone, text messaging, and podcasting;

(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 product samples (but not the purchase of the product samples);

(5) Temporary displays and rental of space for temporary displays;

(6) Subject to paragraph (b)(7) of this section, non-travel expenditures, including participation fees, booth construction, transportation of related materials, rental of space and equipment, and duplication of related printed materials, associated with retail and trade exhibits and shows, whether held outside or inside the United States. However, non-travel expenditures associated with retail and trade exhibits and shows held inside the United States are reimbursable only if the exhibit or show is included on the list of approved U.S. exhibits and shows announced via a program notice issued on FAS' website and the exhibit or show is one that the Cooperator has not participated in within the last three calendar years using funds from a source other than FMD. Retail and trade exhibits and shows held inside the United States may be considered for inclusion on the list of approved exhibits and shows if they are:

(i) A food or agricultural exhibit or show with no less than 30% of exhibitors selling food or agricultural products; and

(ii) An international exhibit or show that targets buyers, distributors, and

the like from more than one foreign country and no less than 15% of its visitors are from countries other than the host country;

(7) Where USDA has sponsored or endorsed a U.S. pavilion at a retail or trade exhibit or show, whether held outside or inside the United States, project funds may be used to reimburse the travel and/or non-travel expenditures of only those Cooperators located within the U.S. pavilion. Such expenditures must also adhere to the standard terms and conditions of the U.S. pavilion organizer. Upon written request, CCC may temporarily waive this paragraph (b)(7), on a case by case basis, where the trade show is segregated into product pavilions, a company's distributor or importer is located outside the U.S. pavilion, or when a company can demonstrate that there is a benefit to being located outside the U.S. pavilion. Such waiver will be provided to the Cooperator in writing;

(8) Expenditures, other than travel expenditures, associated with seminars and educational training, whether conducted in the United States or outside the United States, including space rental, equipment rental, and duplication of seminar materials;

(9) Production and distribution of publications;

(10) Demonstrators, interpreters, translators, receptionists, and similar temporary workers who help with the implementation of individual promotional activities, such as trade shows, food service promotions, and trade seminars;

(11) Giveaways, awards, prizes, gifts, and other similar promotional materials, subject to such reimbursement limitation as CCC may determine and announce in writing to Cooperators via a program notice issued on FAS' website. Reimbursement is available only when:

(i) The items are described in detail with a per unit cost in an approved strategic plan; and

(ii) Distribution of the promotional item is not contingent upon the target audience purchasing a good or service to receive the promotional item;

(12) 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, provided such benefits are granted under established written policies, subject to the limitation that CCC 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; or

(ii) Allowances that exceed the rate authorized for U.S. Embassy personnel;

(13) Foreign transfer, temporary lodging, and post hardship differential allowances for U.S. citizen employees, provided such benefits are granted under established written policies;

(14) Approved salaries or compensation for non–U.S. citizen employees and non–U.S. contractors stationed overseas. Generally, CCC 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 the annual program announcement;

(15) Temporary contractor fees for contractors stationed overseas, except CCC will not reimburse any portion of any such fee that exceeds the daily gross GS–15, Step 10 salary for U.S. Government employees in effect on the date the fee is earned, unless a bidding process reveals that such a contractor is not available at or below that salary rate;

(16) A retroactive salary adjustment for non–U.S. citizen staff employees or non–U.S. contractors stationed overseas that conforms to a change in FSN salary plans, effective as of the date of such change;

(17) Accrued annual leave as of the time employment is terminated or as of such time as required by local law;

(18) Overtime paid to clerical staff of approved FMD–funded overseas offices;

(19) Fees for professional and consultant services;

(20) Subject to paragraph (b)(7) of this section, international travel ex-

penditures, including per diem and any fees for passports, visas, inoculations, and modifying the originally purchased airline ticket, for activities held outside the United States or in the United States, as allowed under the U.S. Federal Travel Regulations (41 CFR parts 300 through 304), except that if the activity is participation in a retail or trade exhibit or show held inside the United States, international travel expenditures are reimbursable only if the exhibit or show is included on the list of approved U.S. exhibits and shows announced via a program notice issued on FAS’ website and the exhibit or show is one that the Cooperator has not participated in within the last three calendar years using funds from a source other than FMD. Retail and trade exhibits and shows held inside the United States may be considered for inclusion on the list of approved exhibits and shows if they are: A food or agricultural exhibit or show with no less than 30% of exhibitors selling food or agricultural products, and an international exhibit or show that targets buyers, distributors, and the like from more than one foreign country and no less than 15% of its visitors are from countries other than the host country;

(i) CCC generally will not reimburse any portion of air travel, including any fees for modifying the originally purchased ticket, in excess of the full fare economy rate. If a traveler flies in business class or a different premium class, the basis for reimbursement will be the full fare economy class rate for the same flight and the Cooperator shall provide documentation establishing such full fare economy class rate to support its reimbursement claim. If economy class is not offered for the same flight or if the traveler flies on a charter flight, the basis for reimbursement will be the average of the full fare economy class rate for flights offered by three different airlines between the same points on the same date and the Cooperator shall provide documentation establishing such average of the full fare economy class rates to support its reimbursement claim;

(ii) In very limited circumstances, the Cooperator may be reimbursed for air travel up to the business class rate

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(i.e., a premium class rate other than the first-class rate). Such circumstances are:

(A) Regularly scheduled flights between origin and destination points do not offer economy class (or equivalent) airfare and the Cooperator receives written documentation to that effect at the time the tickets are purchased;

(B) Business class air travel is necessary to accommodate an eligible traveler's disability. Such disability must be substantiated in writing by a physician; or

(C) An eligible traveler's origin and/or destination are outside of the continental United States and the scheduled flight time, beginning with the scheduled departure time and ending with the scheduled arrival time, including stopovers and changes of planes, exceeds 14 hours. In such cases, per diem and other allowable expenses will also be reimbursable for the day of arrival. However, no expenses will be reimbursable for a rest period or for any non-work days (e.g., weekends, holidays, personal leave, etc.) immediately following the date of arrival. A stopover is the time a traveler spends at an airport, other than the originating or destination airport, which is a normally scheduled part of a flight. A change of planes is the time a traveler spends at an airport, other than the originating or destination airport, to disembark from one flight and embark on another. All travel should follow a direct or usually traveled route. Under no circumstances should a traveler select flights in a manner that extends the scheduled flight time to beyond 14 hours in part to secure eligibility for reimbursement of business class travel; and

(iii) Alternatively, in lieu of reimbursing up to the business class rate in such circumstances, CCC will reimburse economy class airfare plus per diem and other allowable travel expenses related to a rest period of up to 24 hours, either en route or upon arrival at the destination. For a trip with multiple destinations, each origin/destination combination will be considered separately when applying the 14-hour rule for eligibility of reimbursement of business class travel or rest period expenses;

(21) Automobile mileage at the local U.S. Embassy rate, or rental cars while in travel status;

(22) Subject to §1484.37 and paragraph (b)(7) of this section, other allowable expenditures while in travel status;

(23) Organization costs for overseas offices approved in agreements. Such costs include incorporation fees, brokers' fees, fees to attorneys, accountants, or investment counselors, whether or not employees of the organization, incurred in connection with the establishment or reorganization of the overseas office, and rent, utilities, communications originating overseas, office supplies, accident liability insurance premiums (provided the types and extent and cost of coverage are in accordance with the Cooperator's policy and sound business practice), and routine accounting and legal services required to maintain the overseas office;

(24) With prior CCC approval, the purchase, lease, or repair of, or insurance premiums for capital goods that have an expected useful life of at least one year, such as furniture, equipment, machinery, removable fixtures, draperies, blinds, floor coverings, computer hardware and software, and portable electronic communications devices (including mobile phones, wireless email devices, and personal digital assistants);

(25) Premiums for health or accident insurance or other benefits for foreign national employees that the employer is required by law to pay, provided that such benefits are granted under established written policies;

(26) Accident liability insurance premiums for facilities used jointly with third party participants for Cooperator program activities, or such insurance premiums for Cooperator program-funded travel of non-Cooperator personnel, provided the types and extent and cost of coverage are in accordance with the Cooperator's policy and sound business practice;

(27) Market research, including research to determine the types of products that are desired in a market;

(28) Independent evaluations and audits, if not otherwise required by CCC, 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 incurred outside of the United States, and STRE incurred in conjunction with an approved activity taking place within the United States with prior written approval from CCC. Cooperators are required to use the appropriate American Embassy representational funding guidelines for breakfasts, lunches, dinners, and receptions. Cooperators may exceed Embassy guidelines only when they have received written authorization from the FAS Attaché/Counselor at the Embassy. The amount of unauthorized STRE expenses that exceed the guidelines will not be reimbursed. Cooperators must pay the difference between the total cost of STRE events and the appropriate amount as determined by the guidelines. For STRE incurred in the United States, the Cooperator should provide, in its request for approval, the basis for determining its proposed expenses;
- (32) Travel costs for dependents as allowed in 2 CFR part 200 (*e.g.*, for travel of duration of six months or more with prior approval of CCC);
- (33) Evacuation payments (safe haven) and shipment and storage of household goods and motor vehicles for relocations lasting at least 12 months;
- (34) Approved demonstration projects;
- (35) Purchase of trade and business periodicals containing material related to market development activities for use by overseas staffs;
- (36) Training expenses in the United States for FSNs;
- (37) Language training for U.S. citizen employees at the foreign post of assignment;
- (38) Forward year financial obligations required by local law or custom, such as severance pay, attributable to employment of foreign nationals, or forfeiture of rent or deposits, attributable to the closure of an office;
- (39) Rental or lease expenditures for storage space for program-related materials;
- (40) Shipment of samples or other program materials;
- (41) That portion of airtime for wireless phones that is devoted to program activities and monthly service fees pro-rated at the proportion of program-related airtime to total airtime;
- (42) Non-travel expenditures associated with conducting international staff conferences held either in or outside the United States;
- (43) An audit of a Cooperator as required by 2 CFR part 200, subpart F, if the Cooperator program is the Cooperator's largest source of Federal funding;
- (44) The translation of written materials as necessary to carry out approved activities;
- (45) Business cards that target a foreign audience;
- (46) Expenditures associated with developing, updating, and servicing websites on the internet that: Contain a message related to exporting or international trade, include a discernible "link" to the FAS/Washington homepage or an FAS overseas homepage, and have been specifically approved by FAS. Expenditures related to websites or portions of websites that are accessible only to an organization's members are not reimbursable. Reimbursement claims for websites that include any sort of "members only" sections must be prorated to exclude the costs associated with those areas subject to restricted access;
- (47) Expenditures related to copyright, trademark, or patent registration, including attorney fees;
- (48) Expenditures not otherwise prohibited from reimbursement that are associated with activities held in the United States or abroad designed to improve market access by specifically addressing temporary, permanent, or impending technical barriers to trade that prohibit or threaten U.S. exports of agricultural commodities;
- (49) Membership fees in professional, industry-related organizations; and
- (50) Contracts with U.S.-based organizations when the only contracted service such organizations provide to a Cooperator is carrying out a specific market promotion activity in the United States directed to a foreign audience (*e.g.*, a trade mission of foreign buyers coming to the United States to visit U.S. exporters). Such contracts may be reimbursable as a direct promotional expense. If a U.S.-based organization provides administrative services to the Cooperator's domestic home

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office during a program year, any direct promotional services such organization provides to the Cooperator, whether for the Cooperator's domestic or overseas offices, during the same program year are not reimbursable.

[85 FR 1084, Jan. 9, 2020, as amended at 86 FR 68882, Dec. 6, 2021]

§ 1484.53 Expenditures not reimbursed under the Cooperator program.

(a) CCC will not reimburse unreasonable expenditures or any cost of:

(1) Expenses, fines, settlements, judgements, or payments relating to legal suits, challenges, or disputes, except as otherwise allowed in 2 CFR part 200;

(2) Product development, product modification, or product research;

(3) Product samples;

(4) Slotting fees or similar sales expenditures;

(5) The purchase, construction, or lease of space for permanent, non-mobile displays, *i.e.*, displays that are constructed to remain permanently in the same location beyond one program year. However, CCC may, at its discretion, reimburse the construction or purchase of permanent displays on a case-by-case, if the Cooperator sought and received prior written approval from CCC of such construction or purchase;

(6) Rental, lease, or purchase of warehouse space, except for storage space for program-related materials;

(7) Office parking fees;

(8) Coupon redemption or price discounts;

(9) Refundable deposits or advances;

(10) Giveaways, awards, prizes, gifts, and other similar promotional materials in excess of the limitation that CCC will determine. Such determination will be announced in writing via a program notice issued on FAS' website;

(11) Alcoholic beverages that are not a promoted commodity and part of an approved promotional activity;

(12) The purchase, lease (except for use in authorized travel status), or repair of motor vehicles;

(13) Travel of applicants for employment interviews;

(14) Unused non-refundable airline tickets or associated penalty fees, ex-

cept where travel was restricted by U.S. Government action or advisory;

(15) Independent evaluations or audits, including evaluations or audits of the activities of a subcontractor, if CCC determines that such a review is needed in order to confirm past or to ensure future agreement or regulatory compliance;

(16) Any arrangement that has the effect of reducing the selling price of an agricultural commodity;

(17) Any expenditure on an activity that includes any derogatory reference or comparison to other U.S. agricultural commodities;

(18) Goods, services, and salaries of personnel provided by a third party;

(19) Membership fees in clubs and social organizations;

(20) Indemnity and fidelity bonds, except as otherwise allowed in 2 CFR part 200;

(21) Fees for participating in U.S. Government sponsored activities, other than trade fairs, shows, and exhibits;

(22) Business cards that target a U.S. domestic audience;

(23) Seasonal greeting cards;

(24) Subscriptions to publications that are not of a technical, economic, or marketing nature or that are not relevant to the approved activities of the Cooperator;

(25) Credit card fees;

(26) Refreshments, or related equipment, for office staff;

(27) Insurance on household goods and personal effects, including privately-owned automobiles, whether overseas or stored in the United States, belonging to U.S. citizen employees;

(28) Home office domestic administrative expenses, including communication costs;

(29) Payment of a U.S. or foreign employee's or contractor's share of personal taxes, except where a foreign country's laws require the Cooperator to pay such employee's or contractor's share;

(30) STRE expenses incurred in the United States, except as otherwise provided in § 1484.52(b)(31);

(31) Entertainment (*e.g.*, amusements, diversions, cover charges, personal gifts, or tickets to theatrical or sporting events);