

Eligible and ineligible cost examples

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For recent changes to this guidance, [please see the bottom of the page](#)

These examples do not cover every situation or provide exhaustive commentary. If you are unsure please contact us before incurring any costs.

Examples of eligible expenditure – Capital Costs:

The following items of expenditure (preliminary costs) can be incurred prior to notification of the outcome of your application:

- site purchase
- architects/consultants fees (except the fees relating to the completion of the application)
- obtaining planning permission/building warrants and other statutory consents

You must not start work on any aspect of your project, with the exception of the above preliminary costs, before receiving notification of grant award.

This will be a grant offer letter where your project has been successfully awarded funding.

Preliminary costs can be incurred before the notification of grant award, but will only be eligible for claims if incurred after the grant award notification date.

If other costs are incurred prior to notification your project will be ineligible and the offer of award will be withdrawn and any funding released will be recovered.

Purchase of secondhand equipment, under the following conditions:

- the seller of the equipment must provide a declaration stating its origin, and confirm that it has not previously been purchased with the aid of national or community grants
- the price of the equipment must not exceed its market value and must be less than the cost of similar new equipment
- the equipment must have the technical characteristics necessary for the operation and comply with applicable norms and standards
- purchase of secondhand equipment is only applicable to SMEs

Hire purchase or lease purchase:

- equipment or machinery on hire or lease purchase are eligible for funding. However, equipment is required to be owned by you at the end of the hire or lease agreement period
- funding will be restricted to capital cost (VAT, interest and arrangement fee etc. are ineligible)

Purchase of land not already built on, under the following conditions:

- there must be a direct link between the land purchase and the objectives of the project
- a certificate must be obtained from an independent qualified valuer confirming that the purchase price does not exceed the market value
- land purchase will be restricted to a maximum of 10 per cent of overall project costs

Examples of ineligible expenditure – Capital Costs:

The following items of expenditure are ineligible for grant aid.

Inclusion of any of these items in an application will not normally render the whole project ineligible, but their costs would not be included in the amount upon which grant is calculated:

- building works or equipment costs directly associated with retail elements
- working capital
- harvesting equipment
- vehicles for external transportation
- consumables (items normally written off within one year)
- repair and maintenance costs

- landscaping where it is considered ornamental work
- technical charges exceeding 12 per cent of the total capital cost of the project
- businesses normal operating costs such as labour.
- promotion of a region or brand
- contingencies

Examples of eligible expenditure – Non-Capital Costs:

- non-capital costs towards the wider development of new food and drink businesses (for example consultancy costs).
- co-operation activity between food and drink producers/manufacturers and third parties (e.g. retailers, research community, hospitality and food service sector) including Feasibility Studies and Business Plans
- marketing at National/International Trade Fairs/Shows
- innovation - including clusters, process and organisation
- training (not training to comply with national mandatory standards on training)

Recent changes

Section	Change
Examples of eligible expenditure	More information about preliminary costs
Examples of non-capital project costs	Information added

Previous versions

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