

# *The Latrobe Valley Energy and Growth Program Stage 2 (LVEGP-2)*

## **Appendices**



# Appendix A. Eligible expenditure

This section provides guidance on the eligibility of expenditure.

To be eligible, expenditure must:

- Be incurred by you within the project period;
- Be a direct cost of the project;
- Be incurred by you to undertake required project audit activities.

## A.1 Verifying Expenditure

If your application is successful, you will be asked verify the project budget that you provided in your application when we negotiate your funding agreement. You may need to provide evidence such as quotes for major costs.

The funding agreement will include details of the evidence you may need to provide when you achieve certain milestones in your project. This may include evidence related to eligible expenditure.

If requested, you will need to provide the agreed evidence along with your progress reports.

You must keep payment records of all eligible expenditure and be able to explain how the costs relate to the agreed project activities. At any time, we may ask you to provide records of the expenditure you have paid. If you do not provide these records when requested, the expense may not qualify as eligible expenditure.

At the end of the project, you will be required to provide an independent financial audit of all eligible expenditure from the project.

## Appendix B. Ineligible expenditure

This section provides guidance on what is considered ineligible expenditure. This guidance may be updated from time to time, so you should make sure you have the current version from the [DELWP New Energy technologies](#) website before preparing your application.

Examples of ineligible expenditure include:

- Research not directly supporting eligible activities;
- Costs incurred prior to us notifying you that your application has been successful;
- Financing costs, including interest;
- Capital expenditure for purchase of assets such as office furniture and equipment, motor vehicles, computers, printers or photocopiers and the construction, renovation or extension of facilities such as buildings and laboratories;
- Costs involved in the purchase or upgrade/hire of software (including user licences) and ICT hardware (unless it directly relates to the project);
- Costs such as rental, renovations and utilities;
- Insurance costs (the participants must effect and maintain adequate insurance or similar coverage for any liability arising as a result of its participation in funded activities);
- Debt financing;
- Costs related to obtaining resources used on the project, including interest on loans, job advertising and recruiting, and contract negotiations;
- Maintenance costs;
- Costs of purchasing, leasing, depreciation of, or development of land;
- Site preparation activities which are not directly related to, or for, the main purpose of the project;
- Opportunity costs relating to any production losses due to allocating resources to the agreed grant project;
- Routine operational expenses, including communications, accommodation, office computing facilities, printing and stationery, postage, legal and accounting fees and bank charges;
- Costs related to preparing the grant application, preparing any project reports (except costs of independent audit reports requested) and preparing any project variation requests.

This list is not exhaustive and applies only to the expenditure of the grant funds. Other costs may be ineligible where it is decided that they do not directly support the achievement of the planned outcomes for the project or that they are contrary to the objective of the program.

You must ensure you have adequate funds to meet the costs of any ineligible expenditure associated with the project.