

# Eligible costs

**Eligible costs** are direct costs that are approved for funding, properly and reasonably incurred, and paid by the applicant to carry out eligible activities. Eligible costs can only be incurred from the date of application submission until the final report is submitted.

This table outlines the costs that may be partially reimbursed by LLCA for both feasibility studies and implementation projects.

LLCA eligible and ineligible costs		
Cost Category	Eligible Costs	Ineligible Costs
<b>Section A: Costs incurred prior to date application is received by FCM</b>		
<b>Pre-application</b>	<ul style="list-style-type: none"> <li>Costs to write the LLCA application up to \$5000 incurred up to 90 days prior to application receipt date.</li> </ul>	<ul style="list-style-type: none"> <li>All other costs incurred prior to application receipt date, including any stakeholder engagement or research that took place to support the writing of the full application or insertion of information into the Project Workbook.</li> </ul>
<b>Section B: Costs incurred after date application is received by FCM</b>		
<b>Administrative</b>	<ul style="list-style-type: none"> <li>Administrative costs that are directly linked to and have been incurred for the project, such as:               <ul style="list-style-type: none"> <li>communication costs (e.g., long-distance calls)</li> <li>permits or certifications (e.g., CaGBC, LEED, PIEVC, Passive House, Envision, SITES) required for the project</li> <li>printing or photocopying by outside suppliers</li> <li>acquisition of documents used exclusively for the project</li> <li>document translation</li> </ul> </li> <li>For <b>Operational Testing</b> projects only, utility costs associated with incremental testing of existing assets for climate adaptation purposes, with quantitative measurements of use/effect during set testing periods</li> </ul>	<ul style="list-style-type: none"> <li>Regular business office space supplies and general overhead costs</li> <li>Project-related fees payable to the applicant (e.g., municipal permit fees)</li> <li><b>Implementation Project only:</b> Routine or ongoing operating costs or activities (e.g., heating, cooling and lighting; security, software or service subscriptions) that do not demonstrate incremental testing of existing assets for climate adaptation purposes, with quantitative measurements of use/effect during set testing periods</li> </ul>
<b>Advertising</b>	Advertising costs essential to communicating the project to the public, as well as project evaluation, such as: <ul style="list-style-type: none"> <li>fees for advertising development</li> <li>fees for media distribution</li> <li>website development</li> </ul>	<ul style="list-style-type: none"> <li>Advertising costs for general education or publicity that is a result of ongoing or other business activity or promotional items</li> </ul>

	<ul style="list-style-type: none"> <li>public surveys</li> </ul>	
<b>Audit</b>	<ul style="list-style-type: none"> <li><b>Implementation Project only:</b> The cost of a third-party financial audit for implementation projects with eligible costs greater than \$500K as required by FCM for non-municipal applicants only</li> </ul>	
<b>Capital expenditures</b>	<ul style="list-style-type: none"> <li>Rental or purchase of equipment or assets that are essential for conducting the small-scale activity. This would include specialized system hardware and software, construction costs, materials, renovation and modernization costs, and installation costs</li> <li><b>Implementation Project only:</b> Capital costs as defined and determined in accordance with generally accepted accounting principles (GAAP), including: costs for acquiring, developing, constructing, modernizing or leasing systems (equipment, hardware, software, etc.).costs of construction, renovation or modernization of facilities and structures such as materials and installation costs</li> <li><b>Implementation Project only:</b> For <b>Operational Testing</b> projects only, the cost of operations of facilities and structures, to the extent necessary for a cumulative period of up to 18 months (e.g., maintenance and repair costs)</li> <li><b>Implementation Project only:</b> Tree planting costs &lt;\$50,000 are eligible as part of an Adaptation in Action Implementation Project. Tree planting costs must be related to the procurement, transportation, planting, and maintenance of trees over the project timeline, as well as associated infrastructure costs limited to set infrastructure categories that are solely deployed for tree planting</li> </ul>	<ul style="list-style-type: none"> <li>Purchase of equipment or assets that could be rented or leased to achieve the outcomes of the activity, or that are above and beyond what is required for the scale of the project</li> <li>Purchase or lease of real property</li> <li><b>Implementation Project only:</b> Expenditures related to emergency services infrastructure (e.g., purchase of public notification systems), save where consistent with eligible activities</li> <li><b>Implementation Project only:</b> Temporary risk mitigation equipment (e.g., flood barriers such as sandbags)</li> <li><b>Implementation Project only:</b> Relocation or raising of non-municipal assets</li> <li><b>Implementation Project only:</b> Projects that create an orphan structure for which ownership and/or maintenance responsibility does not remain with the local government</li> <li><b>Implementation Project only:</b> Routine operations and maintenance of existing asset (e.g., sediment or debris removal)</li> </ul>
<b>Equipment rental</b>	<ul style="list-style-type: none"> <li>Rental of tools and equipment related to the project</li> </ul>	<ul style="list-style-type: none"> <li>Rental of tools or equipment related to ongoing or other business activities</li> </ul>
<b>In-kind</b>	<ul style="list-style-type: none"> <li>Note: Lead applicants can include costs for staff time for time actually worked on the implementation of the project</li> </ul>	<ul style="list-style-type: none"> <li>Any goods and services that are received through donation or in-kind contribution (including</li> </ul>

	and list this as “staff remuneration.” See Staff Remuneration category below.	donations from Partner Organizations)
<b>Meetings and public gatherings</b>	<p>Costs related to meetings and public gatherings held to communicate the project to the public and collect feedback, such as:</p> <ul style="list-style-type: none"> <li>• facility rental</li> <li>• audiovisual equipment rental</li> <li>• services to support people with specific needs, where such services contribute to the equity and inclusion objectives of the project (e.g., simultaneous interpretation, shuttle service, babysitting service, etc.)</li> <li>• the provision of food and drinks, when it is part of a specific cultural protocol</li> <li>• Honoraria for cultural leaders, Elders, Indigenous knowledge keepers, and/or cultural keepers. (Note: these honoraria should reflect the role of Indigenous Peoples as subject matter experts)</li> <li>• Costs related to local cultural protocols (e.g., gifts, cultural ceremonies)</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Any hospitality expenses (e.g., food and drinks unless needed for cultural protocol, alcohol, music, decorations etc.)</li> </ul>
<b>Services</b>	<ul style="list-style-type: none"> <li>• Fees for professional or technical consultants and contractors</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Costs for engineering studies, audit studies or feasibility studies for which grants or contributions are provided by or committed to be provided by the Government of Canada</li> <li>• Any costs associated with persons(s) enrolled on your organization's payroll, except for those defined under the category listed as "in kind"</li> <li>•</li> </ul>
<b>Staff Remuneration</b>	<ul style="list-style-type: none"> <li>• Daily rates actually paid by the eligible recipient to its employees (including permanent and contract employees) in Canada for time actually worked on the implementation of the project (including participation in FCM-led capacity building activities related to the eligible initiative). The daily rate per employee shall include direct salaries, fringe benefits such as time-off and paid benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular salaries and/or benefits of applicant staff or partners (e.g., overtime pay, bonuses, fringe benefits such as sick days or leaves, staff training wages, membership fees etc.)</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Implementation Projects only:</b> Incremental staff and administration costs (e.g. creating a new position or adding new responsibilities to an existing position) to oversee activities, to a maximum value of \$250,000 (must be tied with other eligible activities). Note: this cost cap does not apply to Operational Testing projects</li> <li>• Note: Staff remuneration for local government or Indigenous Community partners is an eligible cost. Each partner will be required to invoice the lead applicant to report on time, tasks, and hourly rate of activities to receive reimbursement.</li> </ul>	
<b>Transportation, shipping and courier charges</b>	<ul style="list-style-type: none"> <li>• Transportation costs for delivery of materials and services essential for the Project</li> </ul>	<ul style="list-style-type: none"> <li>• Any transportation expense related to ongoing or other business activities</li> </ul>
<b>Travel and accommodation</b>	<ul style="list-style-type: none"> <li>• Travel and project-associated expenses for you and consultants to the extent that the travel and accommodation rates comply with Treasury Board of Canada guidelines and to the extent that such travel is necessary to complete the project and to the extent that such travel is necessary. This includes travel and accommodation costs to attend FCM-led capacity building activities related to the eligible initiative (up to a maximum of \$10,000 or 10% of eligible project costs, whichever is lower)</li> </ul>	<ul style="list-style-type: none"> <li>• Travel and associated expenses of a partner in the Project</li> <li>• Travel, accommodation and fees to attend conferences, missions, trade shows etc.</li> </ul>
<b>Taxes</b>	<ul style="list-style-type: none"> <li>• The portion of taxes for which your organization is not otherwise eligible for rebate</li> </ul>	<ul style="list-style-type: none"> <li>• The portion of taxes for which your organization is eligible for rebate (provincial, territorial or federal)</li> </ul>