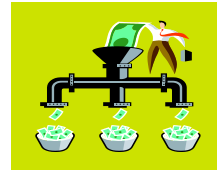


## Funding Restrictions for Smith-Lever Federal Funds

Funds originating from the Smith-Lever Federal budget can be used for a broad variety of expenses but there are some restrictions that must be followed to avoid penalties. Please take the following restrictions into account!

### General issues

1. Purchase, erection, preservation or repair of any building
2. Rental of college-owned buildings
3. Purchase of land
4. Negotiated overhead or indirect cost rate are construed to be part of the State's contribution to Extension programs and can therefore not be budgeted
5. Costs for equipment and services have to be accepted as being reasonable and necessary in relation to the utility value to Extension work.
6. Federal funds may not be used in payment of the employer's share of a State employee's group insurance program for cooperative employees who are eligible for coverage under the Federal Employees Group Life Insurance Act of 1954
7. Expenses of entertainment given in connection with demonstrations, meetings, or conferences.
8. Any losses, whether actual or estimated, arising from uncollectible accounts and other claims, related collection costs and related legal costs
9. Contributions to a contingency reserve or any similar provision.
10. Any excess of costs over income
11. Costs incurred for patenting or copyrighting materials
12. Subcontracting of programmatic matters to state agencies



### College courses and /or personnel

13. Salaries or expenses relating to conducting college courses of instruction for credit
14. Financing of correspondence courses
15. Printing or distributing of College announcements
16. Payment of any portion of the salary of college or university staff

### 4-H Clubs

17. Travel, subsistence, tuition, or other expenses of 4-H clubs, farm organization or individuals attending Club Camps or courses of instructions in schools, or for making tours of observation or purchasing livestock or other materials
18. Expenses of 4-H Club Camp help
19. Feeding and caring for animals belonging to individuals



### Affiliated professional organizations

20. Printing announcements of contests that carry names of commercial firms offering prizes
21. Purchase of uniforms, prizes, badges of merit, pennants or other insignia used by participants in connection with Extension programs
22. Individual membership fees to any professional organization
23. Printing and distributing reports of proceedings of any professional organization
24. Purchase of any materials for distribution to farmers or others for use in field demonstrations
25. Costs affiliated with donor solicitations for Extension programs

Exemptions may apply, but specific cases and requests should be discussed with your financial administrator.