

## **GUIDE TO ELIGIBLE AND INELIGIBLE PROJECT COSTS**

### **FOR THE BUSINESS GROWTH PROGRAMME 2 (BGP2)**

#### **ELIGIBLE PROJECT COSTS**

Business Growth Programme 2 (BGP2) grants are awarded to projects where applications are able to demonstrate viability, need, sustainability and new investment. Eligible expenditure has to be linked directly to the growth of the business and a BGP2 project has to create new jobs.

Eligible expenditure is as follows:

#### **For Existing SMEs/Start-Ups:**

- **Capital Expenditure** - the purchase of capital equipment, improvements in systems or processes and the application of innovative advanced technology.
- **Market Development** - assistance for carrying out studies, product branding and logo, business stationery, marketing materials and attendance at exhibitions and trade fairs.
- **Building Information Modelling (BIM)** – [View the BIS guide to BIM here.](#)
- **New Product Development\*** - assistance towards concept development, testing, prototyping and product launch.
- **Relocation/Expansion** - relocation costs, internal refurbishment of current or new/additional premises.

#### **Additional expenditure items for Start-Ups to aid business set up only:**

- Small consumable items with a minimum value of £100 each (ex VAT), providing that these can be directly related to delivering your BGP2 project
- Professional fees to aid business set up, i.e. Legal and notarial fees, technical and financial expertise.

*\*New Product Development excludes R & D SMEs.*

It is recommended that before completing an application form, you contact your local partner who can offer free advice and support to discuss your project and the expenditure in more detail.

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## **INELIGIBLE PROJECT COSTS**

### **Travel Expenses / Subsistence**

- Accommodation
- Car parking
- Company vehicles
- Courier services
- Flights
- Food and drink
- Mileage
- Petrol, diesel or other fuel
- Refreshments
- Travel abroad

### **General Business Expenses**

- Adverts
- Forwarding of post for a change of address as part of relocation
- Ink/toner cartridges or printer ink
- Internal employee wages/time
- Monthly bills/annual charges (ie telephone, internet, utilities, servicing of equipment, computer packages or web hosting)
- Newspapers/journals
- Printing of current promotional material
- Postage of current promotional material
- Service/maintenance charges on office equipment
- Stock items
- Subscriptions to magazines, etc

### **Property Expenses**

- Conversion of a building into offices for rental purposes
- Building a new building or extension, etc
- Demolition
- External costs (ie landscape gardening, driveways, exterior furniture)
- Planning permission/building regulation fees
- Rent & rates for current or new premises
- Rent deposit on new premises
- Roofing
- Service charges
- Solar Panels

### **Professional Fees**

- Accountancy fees
- Coaching and mentoring
- Consultancy fees relating to completing the application
- Recruitment
- Training (excluding training on a new piece of equipment purchased as part of a BGP project)
- Writing of a generic business plan, generic marketing strategy, etc.,

**Please note: this list is not exhaustive and may be subject to amendments**