Developing

The Budget

General Budget Infomation

- Total Project Costs
  - Federal Expenses
  - Match Expenses
- Budgeted items must be Reasonable, Eligible, Allocable, and Allowable
- Federal Object Class Categories

TOPICS

- Federal Budget Class Categories
- Budget Conversions
- Match and In-kind Sources

Budget Categories

- Salaries/Fringe
- Travel
- Supplies
- Other
- Contractual
- Equipment
- Indirect

SALARIES/FRINGE

Salaries must be broken down by position and translated into FTE (one Full Time Employee = 2080 hrs per year), hours planned to work, and rate of pay.

Example:

Clerical/ .75 FTE x $10.50 hr = $16,380

(2080 hrs x .75 x $10.50 = $16,380)

TRAVEL

Travel includes mileage, lodging, airfare, taxi, bus, train, parking, and meals while traveling.

Provide the purpose and justification for any out-of-state travel.

Registration for conferences or training while in travel status are to be budgeted as “Other”. (Professional Development)

SUPPLIES

Tangible, expendable items other than equipment with a per unit cost of <u>less than</u> $5,000.

Examples are:

seed	fertilizer	office supplies
film	copy paper	paint
stencils	gloves	test kits
postage	software	publications
educational supplies		

Exception:

Any items less than $5,000 purchased separately to be assembled as part of one or more large piece of equipment that totals more than $5,000 is considered Equipment and budgeted as such.

Example: Irrigation Equipment

Suction Line	$	185.00
Pump Unit		19,250.00
Hose Assembly		275.00
Slurry Gauge Fitting		75.00
Heavy Duty Agitator		5,000.00
Trailer Raindrop		2,750.00
Raindrop 2970 w/hyd drive		17,500.00
Total Cost:	$	43,035.00

OTHER

Examples are:

- utilities
- agency provided food
- insurance
- training registration
- room rentals
- prizes/awards
- phone charges
- internet connections
- vehicle rental
- equipment rentals
- professional development
- equipment usage charge (usually used as match also see speaker notes on this item)

EQUIPMENT

Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

Property of Federal Government

Adequate Safeguards

CONTRACTUAL

- Contracting with another entity to do work.

Examples are:

legal services accounting/audit services

printing mailing services

professional speaker services

repair and maintenance

- Other non-traditional contracts included in this category are cost-share and incentives.

INDIRECT

Indirect Cost Rate: **A device for determining, in a reasonable manner, the proportion of the indirect costs a project or program should bear. A ratio (expressed as a percentage) of indirect cost to a direct cost base.**

Costs incurred for a common or joint purpose benefiting more than one cost objective and not readily assignable to one activity benefited.

BUDGET CONVERSIONS

Budget Conversions

Activity Budget → **Category Budget**

Field Day

Tent Rentals

Fliers Printed

Food - soda and snacks

Bus Rentals

Signs

Staff

Salary/Fringe

- Staff

Travel

Supplies

- Soda/Snacks

Other

- Tent Rentals
- Bus Rentals

Equipment

Contractual

- Event Fliers
- Signs

PROGRAM INCOME

Program Income Must Be Identified In The Project Proposal

Recipient Must Provide a Recommendation On Use of Program Income

319 Funding Ratio

Section 319	Nonfederal Match	Project Total
60%	40%	100%

To compute:

Requested 319 x 66.67% = Required Match

Example: $142,000 X .6667 = $94,671 (rounded)

Do not include other federal sources in match calculations.

MATCH

- **If an incurred expense is an eligible cost it can be reimbursed or reported as match.**

- **Expenses can be split between federal and nonfederal by specific dollar amounts or by the funding ratio -- 60% / 40%**

In-Kind MATCH

(categorize as "Other" match)

- More appropriately used for third-party non-cash contributions.
- If a cost is related to two or more grants, it needs to be prorated among all the grants.
- Must be verified by the grantee's records.
- Must be an allowable cost in accordance with the cost principles.
- Must be necessary to accomplish project activities.
- Inclusion of reasonable and allowable fringe benefits are negotiable.
- Can not use attendance of the general public as in-kind by assessing a dollar value on their time to participate in a project sponsored event for the purpose of gaining information and education. (*see note)

This is important!

Incentives and Cost-share payments can be used as match as long as...

It is not being used to meet cost-sharing or matching requirements of any other federal-assisted project or program (*e.g.* EQIP) in either the current or a prior period.

(categorize as "Contractual" match)

Question #11 Budget

- Make sure the budget numbers calculate correctly on the detailed budget, Attachment C
- Insert totals from the detailed budget, Attachment C, into question #11 budget table
- Again, make sure the numbers in question #11 calculate correctly

Helpful Internet Sites

http://www.epa.gov

EPA Grants Policy Information on What's New, Funding Opportunities, How to apply, and Administrative Regulations and Policies.

http://www.gsa.gov/fdac

Catalog of Federal Domestic Assistance (# 66-460 for 319 grants)

http://www.whitehouse.gov/WH/EOP/OMB/html/circulars/ (pick which circular you want to view)

Federal OMB Circulars

http://www.SBA.gov

Small Business Association (for Minority Vendor info)

http://www.independentsector.org/programs/research/volunteer_time.html

Updates on value of volunteer time