

Budget Instructions and Match Requirements

The standard grant budget period is one year. Funds awarded for a project may be used only as described in the approved budget work plan and within the budget period as awarded. Any changes to the approved budget must have prior written approval from NJCDD.

Below are instructions for completing the required budget for the NJCDD grant application and continuation applications, as applicable, for each section of the budget.

Proposals that do not have **complete** budget information and budget narrative will not be considered for the grant application.

****Remember, the budget should be completed for one year only. When a Request for Funding Proposals (RFP) includes multiple years, the budget for each year must be broken out separately. In order to accomplish this, the applicant must use separate budget files for each year of a multi-year request. Only one narrative proposal is required. Once awarded, based off of the initial proposal, the applicant will submit a new narrative and budget for any remaining years after the initial period.**

Budget Detail:

In each category of the Budget Detail Section, list costs by general type or purpose. All project costs must be in line with competitive market rates in your area. Round all numbers below five (5) down and all numbers five (5) or above will be rounded up to the next whole number. Indicate how much match will be provided (minimum match for entire budget/per year is 25%) and note the source of all match on the third tab of the budget worksheet.

Personnel Services:

Staff Salaries, Wages, and Benefits:

Any staff working on the NJCDD project can be paid with NJCDD funding, match or a combination of NJCDD and match funds.

The personnel section should include each position for project staff by job title and include salaries for all staff, e.g. salaried and hourly staff, that will be working on the NJCDD project. Provide the amount that will be paid by NJCDD and reported as match in the budget detail. The **total** amount should be based on the amount of time in which the individual will work on the NJCDD project. Resumes of staff already employed by the organization and working on the proposed project can be included in the proposal. Job descriptions should also be included.

Hourly Employees:

For individuals that will be paid hourly to perform specific job duties for the project, the number of hours should reflect the total number of hours each individual will perform on the NJCDD project for the specific budget period. The organization is required to provide a rate of pay commensurate with the job duties for like jobs in the specific area in which the project will be held.

Fringe Benefits:

Fringe benefits are only for salaried and hourly staff working on the project. Some examples of fringe benefits are FICA, Unemployment, Worker's Comp, Health Insurance and/or other Retirement Benefits, just to name a few. NJCDD will fund **up to 20%** of Fringe Benefit costs. Match Funds can be used to cover additional Fringe Benefit costs.

Operating Costs

Cost categories (e.g., supplies, equipment or facility rental, utilities, etc.) must be adequately supported with the methodology and justification (i.e. facility rental charge is based on the percentage of square feet of building used by the NJCDD project to the total building square footage). This information will be provided in the Budget Narrative and Justification section of the proposal. Costs for NJCDD and match funds will be reported in the budget detail under "Operating Costs."

Purchased Services:

Purchased Services will be costs that include essential services that cannot be met by the organization. These services must be specifically related to the work of the project. Examples of purchased services may include consultants/contractors, which will include all areas covered in the required consultant agreement; printing/copying; and postage to name a few.

Consultant/contract agreements must be executed and approved by NJCDD prior to any services being rendered. A copy of the signed/executed contract must be submitted to NJCDD before party(s) begin any services.

All allowable cost for printing/copying, postage, consultant services, project advisory committee expenses should be included under operating costs in the specified line item.

Staff Travel:

Travel related expenses should include costs for all mileage, transportation, per diem, lodging, meals, conference registration fees, etc.

Travel costs should be included for all staff that will be traveling to conduct project activities. Only reasonable and necessary travel expenses are allowable. Current IRS travel rates apply to mileage, lodging, per diem, etc. for all travel by the grantee staff and consultants/contractors.

Equipment, Supplies and Publications:

Equipment is defined as non-expendable items that exceed \$1000 having a useful life of more than two years. This may include new or updated equipment essential to the project.

Supplies may include consumable items that are essential to the project such as office supplies, medical supplies, subscriptions, directories to name a few.

Space Occupancy

The cost of the rental or lease of office space (including utilities, if included in the rent or lease) and meeting or conference room space must be specifically related to the project and project activities. If the project will be paying for office space for employees, the cost of this space is based on the percentage of time each employee is working on the project and the amount of space for each employee. Example of other rental or lease options include media and audio-visual equipment, copier machine, etc. The cost of rental or leasing space or equipment can be paid for with NJCDD funds, reported as match or a combination of NJCDD and match funds in the budget detail.

Budget Justification:

This section of the narrative proposal supports the figures entered in the Budget Detail forms. The organization is required to explain why each item listed in the budget detail is necessary and how it is related to the project goal, objective and activity. The organization is also required to provide explanation on whether the amount allocated for each line item is reasonable and necessary in relation to the goal, objective and activity for the project. The organization is required to provide this information for all NJCDD and all match funds reported in the budget detail.

Definitions of terminology as related to the NJCDD budget justification:

- **Methodology:** the specific calculations that the organization used to determine the amount of funds entered in the budget detail.
- **Justification:** a specific, acceptable reason why the organization feels that the requested salary(s), operating costs, etc. are required to carry out the activities for the NJCDD project.

Detail methodology and calculations are required for all funds listed in the budget detail, salaries, fringe benefits, and operating costs.

Salary and Fringe Benefits:

When providing the methodology for staff, provide the methodology for each staff person based on the amount of time they will work on the project. If there will be an increase in the salary for any of the staff on the NJCDD project, changes in fringe benefits or other expected changes in the staff's total salary package during the budget period, please provide methodology for the expected changes and date(s) in which the changes will take effect. Show calculations for all fringe benefits for all personnel receiving fringe benefits. Provide the rationale and formulas used to calculate figures for all fringe benefits. If only a portion of the salary is used, please provide calculations for the amount of NJCDD or match funds that will be used for the fringe benefits. If benefits will be paid for only certain positions, please provide the specific positions for which benefits will be paid. Fringe benefits are limited to 20% of NJCDD funding. The organization can provide matching funds to cover fringe cost in excess of 20% of salaries.

Operating Costs

Purchase Services:

All line items require the methodology and justification for funds requested from NJCDD and match funds. For example, if the organization is purchasing brochures, the specific methodology (based on definition above) is required and the justification for the reason the brochures are required, *30 brochures x .15 (cost of each brochure) = \$4.50 total amount. Justification – brochures are required to promote the project to 30 different organizations based on objective Bin the work plan.* This information is required for each line item.

Travel:

State how, when and where project staff will travel and which objective/activity(s) in the work plan the travel is based on. Be specific for all travel requested. Mileage rates cannot exceed IRS mileage reimbursement rates in effect when submitting a proposal.

Equipment, Supplies and Publications:

Explain what equipment and supplies are required to achieve the project goal, objective and activity(s). NJCDD will reimburse no more than \$500 for the cost of a computer. The purchase of any equipment and/or supplies must be directly related to the goal, objective and activity(s) of the NJCDD project. As a reminder, all equipment purchased with NJCDD funds are the property of NJCDD.

Space Occupancy:

Office space is allocated based on the number of FTE's and the percentage of time that the staff is working on the NJCDD project. If there are three staff allocated for the NJCDD project and their percentage of time on the project is 25%, 100% and 20%, the total FTE in which office space is reimbursed is based on 1.45 FTE. The organization will need to provide the rate of per square foot and the number of square feet for all staff. If the organization lease a copier machine, the organization will use the same 1.45 FTE for reimbursement for the use of the copier machine.

****NOTE:** All costs to be reimbursed by federal funds must be used for the implementation of the project. The above list is a summary of costs considered allowable, but it is not all inclusive. Exclusion of an item from this list does not necessarily mean it is unallowable.

Match Requirements:

The basic rule of matching is there must be a **25% match** for those necessary costs of all projects that may be supported by an allotment.

What does Public Law 106-402 say?

The non-federal share of the costs may be provided in cash or in-kind, fairly evaluated, including plant, equipment or services [§126(c) (1)].

The non-federal share required of each recipient of a grant from a DD Council may vary [§126(c) (3)].

Match Requirements – In-Kind

45 CFR 92.3

Definition of Third Party In-Kind Contributions indicates Property or services which benefit a federally assisted project or program and which are contributed by non-federal third parties without charge to the grantee or a cost-type contractor under the grant agreement.

45 CFR 74.2

Definition of Third Party In-Kind Contribution indicates Value of non-cash contributions provided by non-Federal third parties. They may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program

45 CFR 92.24 Matching or Cost Sharing

Cannot be used as match for another Federal program, procurement contract, or other award of Federal funds.

Allowable only where, if the grantee receiving the contributions were to pay for them, the payments would be allowable costs.

Match must be verifiable from the grantee's records. The records must show how the value placed on 3rd party in-kind contributions was derived.

45 CFR 92.24 Valuation of Donated Services

Unpaid services will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or sub-grantee's organization or the labor market.

A reasonable amount for fringe may be included in the valuation.

45 CFR 92.24 Valuation of Donated Supplies or Loaned Equipment and Space

Supplies: Contribution will be valued at the market value of the supplies at the time of donation.

Use of Equipment/Space (Title Retained). Contribution will be valued at the fair rental rate of the equipment or space.

45 CFR 92.24 Valuation of Donated Equipment, Buildings and Land (Title Passes)

Review regulations and contact AIDD

Common Examples of Match

- Volunteer Hours
- Donated space
- Donated materials, supplies and equipment
- Donated professional services

Common Sources of Non-Cash Match

| Type of Non-Cash Match | Value |
|--|---------------------------------------|
| Donated Time for bookkeeping, accounting, audit | Standard Rate |
| Donated Time for Project Advisory Committee members | Various |
| Conference/Training registration fees (Program Income) | |
| Discounted Fees from Presenters, Consultants, Volunteers /Volunteer | Rate Schedule |
| Donated Time from Local Coordinators | Current Salary and Benefit Rates |
| Donated local mileage | IRS rate or local organization policy |
| Donated supplies, materials | Market Value |
| Office space | Rent vs. Lease |
| Occupancy costs | Actual pro-rated |
| Previously purchased equipment | Market value depreciated |
| Indirect Cost Rate | Per approved rate |

Unallowable Match

Unallowable match cannot be used as match for the Federal allotment. Examples of unallowable match are as follows:

- Matching funds that come from federal funds, unless specifically allowable by Federal statute; most of the time, federal funds cannot be matched with federal funds.
- Match that is claimed as match for another Federal matching program; match can only be used once, duplicating match is not allowed.
- Match that represents expenses not allowed under applicable OMB Circulars.
- Match not representing expenses associated with the DD Council funded project.
- Match that reflects a capital real estate acquisition.

Match Documentation

45 CFR 92.24 and 72.23

Match must be verifiable from the grantee's (DD Council's) records. The records must show how the value placed on 3rd party in-kind contributions was derived.

Suggestions for Documenting Match

DD Councils may want to consider asking sub-grantees to provide the following when documenting match:

- Full description of the item or service
- The area, expressed value per square foot
- Rationale for determination of match value
- Name of contributor
- Dates when donations were made

- In cases of discounts – an acknowledgement by the provider that the discount is based on the nature of the Program Activity and is not available to the general public.

Match versus Leveraged Funds

Match funds must meet specific requirements as previously outlined.

Leveraged funds are funds secured as a result of Council (sub-grantee) activities. These funds are not subject to the requirements of match (e.g. can be Federal funds; can be for items that would not be allowable for Federal funds).

*Note: Leveraged funds are not reported on federal financial forms; however, are reported on the DD Council Annual Program Performance Report (APPR).

Program Income

Program income is funds earned by a grant recipient from activities which are supported by the direct costs of an award.

Example:

Funds generated from the sale of commodities (book sales); fees received to attend conferences or workshops