

Denver Metro WIRED Initiative Workforce Innovations Grant II Program

Budget Instructions

Budget Overview

WIRED funds can only be used for job training and related activities to assist workers, both employed and unemployed, in gaining skills and competencies needed to obtain or upgrade their employment positions in high growth industries. WIRED funds may assist in the development and implementation of model activities, such as adapting curricula to build core competencies and train workers, identify and disseminate career and skill information, and increase the integration of community and technical college activities with activities of business and the public workforce investment system.

A WIRED grant is a grant that is paid to the recipient as **100% reimbursable for services and goods that have been provided** after the expenses have been incurred. The grantee must submit expenses and accruals to the WIRED program on or before the tenth (10th) for the previous month's activity. Grant funds are dispersed after the expenditure is made by the grantee and full and complete documentation is required for reimbursement. All receipts, timesheets, invoices paid, etc. must be submitted to the WIRED staff to be reimbursed.

Budget Worksheets.

The Excel Budget Worksheets provided are for you to prepare the Budget Plan for your grant proposal including both costs that will be funded through the WIRED grant and any leveraged funds that may be brought to the grant program from your organization or your partner agencies or organizations.

Budget Narrative.

In addition to the Excel worksheets, you are required to submit a Budget Narrative that describes how the funds will be used and the calculations and assumptions that were needed to complete the line item detail of the worksheets.

It is important to identify the leveraged funds in the Budget Narrative and Worksheets; addressing where these funds are originating, whether the leveraged funds are "Cash" or "In-Kind", and how these funds will be spent or used in the grant program. Please address the apportioning of grant funds among the partners in your budget narrative, along with responsibilities and match of each and any unique spending activity or funding requirements of partners.

Tab One: Program Budget Summary

Lead Organization: Fill in the name of the Lead Grantee and Institution or Agency for the grant project.

Project Dates: Enter the proposed start and finish dates of the project.

Project Name: Enter the name of the proposed grant program at the originating organization under which the project will be executed. This could also be an umbrella name for a wide area program responsibility shared among partners.

Date Prepared: The initial date of preparation of the budget.

Tab Two: Staff Salaries and Fringe Benefits

Enter the position title, name of person, if known, of each staff person to be partially or wholly funded under this proposal in the budget worksheet. Include the total calculated fringe benefit for each position on the line immediately below the position title. For each position listed, provide the detailed information requested in the budget narrative.

It is important to provide the details of the fringe calculations in the budget narrative. Provide the detail calculation of the Health/Life/Dental plan, FICA, Social Security, and any retirement benefits that a new employee would be eligible to receive. For example: Health/Life Dental Plan for Joe Smith is \$5,000 annually paid by employer, employer paid FICA is $0.045 \times \$50,000$ salary (\$2,250), and employer paid retirement plan is $\$50,000$ salary $\times 10.5\%$ (\$5,250) for total Fringe Benefit costs of \$12,500.

Salary costs paid by the agency, rather than charged to the WIRED grant, should be entered in the fields labeled 'Cash' for cash leveraging of funds and/or 'In-Kind Non-Cash' for donated time by a partner.

Tab Three: Operating Costs (or Non-Personnel Costs)

List each operating cost by line item. Show the percentage that is planned to be charged to WIRED grant funds.

Definitions: Please rely on the following Budget definitions to complete the requested line item amounts.

FTE: Full-Time Equivalent Employee numbers are needed to understand how much of a person's time will be needed to implement the grant program. For example, 0.5 FTE means that person will spend 50% of their time on the project.

Consumable Supplies: May include routine office supplies, lab materials, food and meal costs, copying costs, printing costs, etc.

Communication: May include phone bills, cell phone bills, fax machine costs, postage, or other related costs.

Insurance: Any additional insurance costs needed to insure clients, employees, buildings, equipment, and automobiles. Costs may include personal and real property insurance and additional unemployment or worker compensation insurance.

Professional Services: List all proposed contracts with vendors to provide any needed service to the client. For example, include planned contracts for curriculum development, instructor/teacher services if your employees are not directly providing the service, program outreach contracts, etc.

Travel/Staff: Include calculated costs for mileage reimbursement for staff not to exceed IRS travel reimbursement rates (48.5 cents/mile for 2007 Tax Year), airfare, hotel, bus rentals, airport shuttles, etc. for staff. Excludes first class air travel, car rentals, or mileage starting from home, rather than the office location.

Travel/Client: Same as above, but for costs attributed to grant clients.

Equipment: May include equipment purchases under \$5,000 and equipment rentals, i.e. personal computers and the needed software, printers, fax machines, lab equipment, office furniture, etc.

Facilities: May include rent for additional office space to run the grant program or room rentals for client training or functions. Leased space or rent for facilities may be a match provided by a partner for services, i.e. laboratory services. Leased space may be a match or leveraged funds by the grantee for space provided to grant employees.

Education Materials: This may include such items as text books, student lab supplies, software or testing materials to assess student progress, books, pamphlets, or other printed material.

Other Expenses: Other expenses are those not covered by the above line items. Expenses could include items such as conferences or workshops for teachers or students.

Indirect Costs: Indirect costs can be a difficult term to understand if organizations are not accustomed to calculating their overhead costs. U.S. Department of Labor defines “indirect costs” as:

“Costs incurred for common or joint objectives and cannot be readily identified with a particular grant, contract or other activity of the organization. “

Generally, indirect costs are associated with a large organization’s overhead costs which can include the costs for management, human resources, accounting, budget, contracts, procurement, and technology or IT support departments.

EXAMPLE: A Science program located at a State College applies and receives a federal grant. The grant will also pay for a small portion of the college's overhead costs. This would include such costs as the Office of the College President, a portion of the accounting and budgeting office, and other indirect costs like assistance provided by the Human Resources Office in hiring grant staff. They will apply their federal indirect cost rate to the grant award.

Indirect cost rates are attributed to large organizations. For large organizations that routinely receive federal funds, the federal government will provide for an indirect cost rate that is determined by reviewing the agency or department's overhead costs compared to the program costs. Therefore, the federal government will allow a percentage of all grant or federal fund awards to be used for these indirect administrative expenses based on the number and salary of the personnel in the federally funded program.

EXAMPLE: In the case of the Colorado Department of Labor and Employment, Unemployment Insurance Program, an agreed upon rate between the state and federal government might be 18% of all Personnel costs (i.e., salary and fringe benefits). This means 18% of all federal funds received by the state unemployment insurance program used for program personnel costs will be used to offset their share of the total department costs. This 18% can be used to pay the program's share of the Executive Director's Office, HR, Accounting, Budget, IT, Procurement, Purchasing, and Contracts offices.

[**Note:** No matter what an organization's negotiated federal indirect cost rate is, WIRED grants limit indirect costs to 20% of salary and fringe costs. This limitation is true also for subcontractors of the grantee. Customary federally negotiated indirect rates above or outside this limitation may be noted as leveraged funds in a grant proposal budget.]

Smaller organizations or organizations that do not routinely use federal funds will have two choices to get reimbursed for their overhead administrative costs (Please note that administrative overhead costs can also be used as part of the grant's leveraged resources).

OPTION 1. The grantee can compute the actual or direct cost of their agency's administration, and they will not use an indirect cost rate;

EXAMPLE: If the Executive Director of a small, non-profit spends 10% of her time working directly on behalf of a grant project, then 10% of her time can be directly charged to the grant program. This also applies to an accounting technician or IT support person within the organization that spends a certain defined percentage of their time working directly on the WIRED grant. If an Accounting Technician spends 15% of their actual time processing work directly for the WIRED grant program, include this position and salary with fringe benefits on the appropriate grant request budget tables. This will be a direct charge, not an indirect charge.

or

OPTION 2. The grantee can use an indirect cost rate of no more than 20% of the cost of grant-funded salaries and fringe benefits. Any indirect cost that is over the allowed 20% can be used as match or leveraged funds by the agency or institution to go toward the grant program.

Grantees must choose either Option 1 or Option 2. They can not use both methods of claiming reimbursement for administrative costs.

However, if the WIRED grantee has a negotiated indirect cost rate from the federal government, this rate will be used up to 20% of WIRED personnel costs.

Leveraged Funds: WIRED grant funds must be leveraged by an organization's or partner's own resources. It is recommended that WIRED grantees provide at least a 50% leveraged amount of resources to be used for WIRED grant activities either directly from the agency applying for the grant or from a partner agency or institution.

In-Kind Leverage: is an agency's base resources that will be dedicated to the WIRED grant program. Examples may include: rent or building space, employee or management staff time spent working on the grant project that will not be reimbursed by grant funds, agency administrative costs, utility expenses, phones, copying, and office supply costs.

Cash Leverage: is a match that brings in new resources to the WIRED grant program and to the agency. Examples may include: private industry donation to enhance the WIRED grant program, partner resources that would not otherwise be available to the agency, or other new resources available to clients such as student financial aid that is made available due to the WIRED grant program.

Allowed and Disallowed WIRED Expenditures

WIRED funds can only be used for job training and related activities to assist workers or youth, both employed and unemployed, in school or out of school, in gaining skills and competencies needed to obtain or upgrade their employment positions in high growth industries. A WIRED grant is a grant that is paid to the recipient as 100% reimbursable for services and goods that have been provided after the expenses have been incurred.

The following expenditure items are **disallowed** under the WIRED grant.

WIRED funds may not be used for capital construction purposes or for equipment purchases over \$5,000 for each unit of equipment. WIRED funds cannot be used for product Research and Development, public infrastructure improvements, or inventory acquisition.

WIRED funds may not be used for agency or program advertising. However, funds may be used for the purpose of program and employer outreach and recruitment for public relations purposes related to the grant activity.

WIRED funds must be spent within the nine county WIRED region.

WIRED funds may not be expended for event lunches, dinners, receptions and funds may not be used to purchase alcohol.

An agency may not supplant their program costs with WIRED funding. That is, an agency may not use WIRED funds to run a program that was previously planned by an agency relying on using their own resources. However, WIRED funds may be used to expand an agency's program beyond what was originally planned because of the additional grant funding.

No foreign travel is permitted.

WIRED funds may not be used to provide "seed money" or loan accounts to entrepreneurs or to private sector partners.

WIRED funds may not be used to pay the wages of employees for the time they are receiving training. No funds can be used to pay federal or state income taxes if the grantee is a taxable organization, nor will WIRED funds be allowed to pay a taxable organization for profit.

IMPORTANT NOTE: WIRED staff reserves the right to disallow any costs that are deemed inappropriate or excessive. If your agency has been selected for a WIRED grant, your budget will be reviewed for completeness and appropriateness and will be negotiated during the contract process.

