

FEDERAL GRANTS

WEBINAR SERIES



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Federal Grants

OPR provides technical assistance to state agencies, local governments, institutions of higher learning, and nonprofit organizations, on how to find, apply and manage federal grants.

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Governor's Office of
Planning and Research

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Building a Compelling Federal Budget



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@AGSTraining

Learning Objectives

- The participant will:
 - The most common federal budget categories
 - How to fill out budget forms for the most common federal departments
 - The federal definitions of reasonable, allowable, and allocable
 - How to justify all of the federal categories using these definitions
 - How to ensure your post-award documentation continues to document these areas so expenditures are not rejected by local and federal auditors



GPCI Competencies and Skills

This training is applicable to GPCI Competency 4 with emphasis on the skills listed below:



- Competency 4: Knowledge of how to craft, construct, and submit and effective grant application.
 - Skill 4.8. Identify effective practices for developing realistic, accurate line-item and narrative budgets and for expressing the relationship between line-items and project activities in the budget narrative.
 - Skill 4.9. Identify sources of cash, in-kind, and/or leveraged matches for project budgets
 - Skill 4.10. Identify factors that limit how budgets are written
 - Skill 4.12. Identify methods for submitting proposals electronically and in hard-copy format

Grant Professional Certification Institute, www.grantcredential.org



2 CFR 200

- Title II: Code of Federal Regulations, Part 200
- www.ecfr.gov
- Subpart E: Cost Principles
- Key Takeaway: Your accounting practices must be consistent with these cost principles, support the accumulation of costs as required by the principles, **and** must provide for adequate documentation to support costs charged to the federal award.

200.400s – Subpart E: Cost Principles

- 200.403 – Factors affecting allowability of costs
- 200.404 – Reasonable costs
- 200.405 – Allocable costs
- 200.408 – Limitation on allowance of costs
- 200.409 – Special considerations
- 200.410 – Collection of unallowable costs
- 200.412 – Classification of costs

Allowability – Part I

- Necessary and reasonable for the activities
- Allocate the costs under these cost principles
- Conform to any limitations or exclusions listed in these cost principles
- Apply your policies and procedures exactly the same
- Treat costs consistently

Allowability – Part II

- Determined in accordance with generally accepted accounting principles.
- Not be used to meet cost sharing or matching requirements of other federal grants or programs.
- Adequately documented.
- Incurred during the approved budget year.

Reasonable

- Whether the cost is of a type generally recognized as ordinary and necessary for the proper and efficient performance of the grant.
- The requirements or restraints imposed by sound business practices; laws and regulations; and terms and conditions of the grant award.
- Market prices for comparable goods or services in the geographic area.
- Whether the individuals acted with prudence considering their responsibilities to the agency that was funded, its employees, the public at large, and the federal government.
- Whether the organization significantly deviated from its practices and policies, which then causes an unjustifiable increase in the cost.

First Contractual Example

- ABC Academy will execute a procurement contract with SSS+ for school threat assessments, a security operations manual, and intruder response training and recertification. This contract is below the sole source procurement limit of \$250,000.
- The physical security and risk assessment work and manual work is not expected to exceed \$650/day. If after award this changes, ABC Academy understands it will need to complete a written justification and receive COPS Office approval before drawing down award funds.
- The training cost is based on a per person cost instead of an hourly rate for services, so the \$650/day limit is not applicable.

Second Contractual Justification

- ABC Organization has budgeted threat assessment training and train-the-trainer model based on projected rates of Dr. Kishia Doe, a nationally-recognized expert in the field.
- It is expected that two consecutive full-day trainings will be delivered to cohort 1 plus travel (\$7,000) and, approximately 20 hours of service to conduct initial data analysis and assessments on schools at a cost of \$175/hr x 20 hours=\$3,500.
- To ensure cost effectiveness, ABC Organization will issue a bid process and select a contractor that provides the same level of expertise and quality training at the best cost. By incorporating a train-the-trainer model the Project Director and Trainer will be able to lead threat assessment trainings in the future ensuring cost-effectiveness and sustainability.
- Additionally, the 20 hours of initial assessment will provide comprehensive information to support effective trainings and strategies developed based on specific school needs.

Allocable

- Incurred specifically for the federal grant.
- Benefits both the federal grant award and other work of the organization and can be distributed in proportions that may be approximated using reasonable methods.
- Necessary to the overall operation of the organization and assignable in part to the federal grant.

Salary Expense Formulas

- 2 case managers at \$45,000/case manager = \$90,000
- 4 case managers equivalent to 3 FTE (1 FTE + 1 FTE + two 0.5 FTE) with the two part-time case managers working the extended shift from 5-9pm.
- 2.5 FTE Case Managers with the 0.5 FTE part of position split between two programs to facilitate hiring, plus 2 new positions.

Fringe Benefit Formulas

- Payroll Taxes: \$45,000/case manager x 2.5 case managers x 7.65% FICA = \$8,606.25
- Unemployment: 3 case managers x 3% unemployment x \$12,500 salary maximum = \$1,125.



Health Insurance Formulas

- \$5,100 annual health insurance x 2.5 FTE case managers = \$12,750
- \$5,100 annual health insurance x 1.5 FTE case managers (1 of the 2.5 FTE case managers is not electing to take insurance) = \$7,650
- Based on historical knowledge, we anticipate one position will have a health insurance tier of \$4,500 and the other two positions will be at \$5,100 for a total of \$14,700. ABC Organization offers multiple tiers of health insurance to ensure employees are able to select what is best of their families.
- While the exact cost of health insurance is not yet known for the new staff, ABC Organization anticipates it will be about \$5,100 per FTE based on the organization average.

Local Mileage Formulas

- The average case manager travels 20-30 miles per day as they meet clients in their homes or drives them to their appointments. This is 25 miles/day x 5 days/wk x 50 wks per year (accounting for vacation x \$0.51/miles (IRS mileage rate) x 2.5 case managers = \$7,968.75.
- The average case manager travels 20-30 miles per day as they meet clients in their homes or drives them to their appointments. This is 25 miles/day x 5 days/wk x 50 wks per year (accounting for vacation x \$0.51/miles (IRS mileage rate) x 2.5 case managers = about \$7,970.

GSA Per Diem Travel Rates

- 3 case managers will attend the three-day XYZ Conference in Chicago, IL. The travel costs will be Airfare (\$250 round trip); Conference hotel \$125/night x 4 nights = \$500; GSA per diem \$75/day x 3 full days and \$56.25 for 1 travel day = \$281.25; (\$250 + \$500 + \$281.25 = \$1,031.25).
- General Services Administration (GSA):
<https://www.gsa.gov/travel/plan-book/per-diem-rates>



Supplies Formulas

- Office Supplies: $\$100/\text{person per year} \times 2.5 \text{ case managers} = \250
- Client File Supplies (pens, paper, binders, file folders, printer ink, etc.): $\$10/\text{month} \times 12 \text{ months} \times 2.5 \text{ case managers} = \300
- Curriculum supplies (hand-on materials to support the math and science curriculum): $\$10/\text{child} \times 15 \text{ children/classroom} \times 3 \text{ classrooms} \times 9 \text{ months} = \$4,050$
- Classroom supplies (toilet paper, cleaning supplies, etc.): $\$2/\text{child} \times 15 \text{ children/classroom} \times 3 \text{ classrooms} \times 9 \text{ months} = \810
- Teacher office supplies (stapler, file folders, etc.): $\$100/\text{teacher} \times 3 \text{ classrooms} = \300



Post-Award Documentation

- Keep records about the award amount.
- Keep records stating who has the authority to make expenditures against those budget lines and who approves those expenditures.
- Keep records stating what the funds are being used for.

If you don't document it, it didn't happen!

Key Takeaways



- Collectively create the budget narrative with detail everyone understands and agrees upon.
- Expenditure documentation should be detailed enough to align with the proposal budget narrative.
- Develop policies and procedures for the ideal level of documentation for all types of expenditures.
 - time and effort sheets
 - mileage and event travel
 - credit card purchases, and
 - bid thresholds and procedures



Questions?

Contact Us and Connect



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