



## Grant Project—Budget Development Guidelines and Restrictions

EFFECTIVE JULY 2016

Applicants seeking grant funding from the Idaho Department of Lands (IDL) are required to submit a project budget prior to being awarded funding. The budget includes grant funded expenses and those necessary to meet the required match with IDL. To be reimbursed, all expenses must be allowable, allocable to specific project activities or costs, reasonable and necessary. Consult federal cost principles for additional requirements (<http://www.whitehouse.gov/omb> and <http://www.ecfr.gov>).

IDL will review your budget to determine whether proposed costs are allowable and reasonable. Estimated expenditure amounts should be comparable to or reflect regional market rates. When projects are evaluated and ranked, wise use of funds and anticipated return on investment in the form of meaningful, lasting, and measurable outcomes will be considered.

If the project is funded, IDL will enter into a binding Agreement (Memorandum of Understanding or Cooperative Agreement) with applicants. This agreement will dictate grant funding parameters— including those documented below, specify the project scope, budget, reimbursement process, and reporting requirements.

### REFER TO THE FOLLOWING WHEN DEVELOPING BUDGET DETAIL

<b>Contractor Expenses</b>	<i>Expenses incurred by grantee for work accomplished through contracts with other entities, usually specialized contractors or consultants (e.g., loggers, forester consultants, arborists, or irrigation installers)</i>
	<ul style="list-style-type: none"> <li>▪ Contracts must be awarded/solicited on a competitive basis and in accordance with associated procurement rules, procedures and internal controls. Recipients will need to ascertain that contractors have not been debarred from receiving federal funding.</li> </ul>
<b>Flat Fee</b>	<i>A method of establishing/negotiating a “standard rate” for service, product or project scope item on a project</i>
	<ul style="list-style-type: none"> <li>▪ The flat fee method for establishing project costs for grantee (e.g. for staff to administer the grant or to develop and conduct workshops) <i>will not be accepted</i></li> </ul>
<b>Hold-Back</b>	<i>The percent of the total awarded funding that is held back (retained) by IDL until the recipient fully and satisfactorily completes the project as stipulated in the Agreement. A holdback helps assure that all grant funds are not exhausted prior to completion of the project scope/deliverables.</i>
	<ul style="list-style-type: none"> <li>▪ Up to 15% of grant funds may be held back by IDL. In practice, this would likely only impact the last (or last few) reimbursement requests.</li> <li>▪ If the project is not completed satisfactorily, the held back funds may be permanently withheld</li> </ul>
<b>Ineligible Costs</b>	<i>Expenses or activities for which recipient cannot be reimbursed</i>
	<ul style="list-style-type: none"> <li>▪ <b>Equipment</b>—that costs \$5,000 or more and has a life expectancy of at least one year</li> <li>▪ <b>Other Activities</b>—Construction, research or activities on federal land</li> <li>▪ Note: Activities ineligible for grant funds can be used as project leverage</li> </ul>
<b>Indirect Costs</b>	<i>Costs that benefit common activities and, therefore, cannot be readily assigned to a specific direct cost objective or project. Examples of such costs include: accounting personnel services performed within the recipient organization, use allowances on buildings and equipment, and the costs of operating and maintaining facilities.</i>
	<ul style="list-style-type: none"> <li>▪ Indirect rate requests must not exceed your federal cognizant agency approved indirect rate. If applicant does not have such an approved rate, and they qualify per OMB Guidance 2 CFR Part 200, they can elect to charge a de minimis rate of 10% of <b>Modified Total Direct Costs (MTDC)</b> for indirect. (See §§200.68, 200.414 and associated appendices for details).             <ul style="list-style-type: none"> <li>○ MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel; and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission scholarships and fellowships, participant support costs; and the portion of each subaward and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.</li> </ul> </li> <li>▪ An applicant can choose to charge no indirect or a lower rate than allowed if you want more grant funds to be applied to on-the-ground costs or to the 10% required match.</li> <li>▪ Note: recipient personnel working on specific grant tasks, like project management or oversight, cannot be paid with indirect funds. Personnel, must positive time-record their activities and charge the</li> </ul>

	grant for their time under personnel expenses and be reimbursed as direct project costs.
<b>Match</b>	<i>Project costs that will be paid for or provided in-kind by applicant and will not be reimbursed with grant funds. This includes in-kind or cash donations of/for services, equipment, products, etc. that assist in the completion of the recipient's funded project or directly contributes to its purpose.</i>
	<ul style="list-style-type: none"> <li>▪ A 10% match will be required and must be documented at time of reimbursement (i.e., 10% of the total amount reimbursed for the grant)</li> <li>▪ As IDL will not be using recipient match to meet their federal grant match requirement, match will not need to be tracked to auditable standards by recipient</li> <li>▪ Recipient match is preferred. However, if this is not possible, in-kind or cash contributions made by other entities can count toward the match, but must be tracked and reported by recipient.</li> </ul>
<b>Operating Expenses</b>	<i>Purchases of materials, goods/products or travel needed to accomplish the intent and purpose of the specific project. Examples include: supplies, tools, trees and related planting materials, irrigation parts, and equipment rental fees.</i>
	<ul style="list-style-type: none"> <li>▪ All operating expenses should be necessary and specific to this project</li> <li>▪ Ensure operating expenses are not already included or factored into the applicant's indirect cost rate. If certain expenses are customarily categorized as indirect expenses, they cannot be counted as operating expenses.</li> </ul>
<b>Payment of Grant Expenses</b>	<i>Recipients will need to request funds by submitting an IDL Reimbursement Request Form, progress narrative/report, invoices/receipts, copies of deliverables, and other supporting documentation as specified within the Agreement.</i>
	<ul style="list-style-type: none"> <li>▪ All payments are made on a <b>reimbursement basis only</b>. These are expenses incurred and paid for by recipient prior to payment by IDL.</li> <li>▪ Submission of progress/accomplishment reports will be required with reimbursement requests. Depending on the project, additional reports may be requested.</li> </ul>
<b>Personnel Expenses</b>	<i>Only actual costs for wages &amp; benefits for grant recipient staff time worked on this specific grant project can be reimbursed with grant funds</i>
	<ul style="list-style-type: none"> <li>▪ Grant recipients must provide the actual hours (not estimated or a calculated percentage) for each staff person's work on this project whose time will be reimbursed with grant dollars. (Institutions of Higher Learning must follow OMB rules specific to their type of entity for accounting of personnel time.)</li> <li>▪ Additionally, recipients will also need to maintain records that account for 100% of all time of staff being reimbursed, including time spent on activities not associated with this project. For example, work on other Federal grant activities, non-grant work, etc. These must be documented in personnel activity reports, or equivalent, and submitted by the individual staff person to your fiscal office at least monthly. Certification of recipient having such a policy will be required.</li> <li>▪ Staff time (costs), when used only as grant match, does not have to be tracked in the above way, since IDL is not using this match to meet federal match requirements</li> </ul>
<b>Program Income</b>	<i>Any income recipient derives from the project such as for the sale of product (timber, waste wood, chips etc.), registration fees, etc. must be itemized, reported and deducted from any reimbursement requests made to IDL.</i>
	<ul style="list-style-type: none"> <li>▪ Procedures to track all project expenses (grant funded and not) as well as the income received makes documenting and reporting at reimbursement time easier</li> </ul>
<b>Program/Project Management Costs</b>	<i>The cost to the grantee to administer, manage and oversee the project. This may include project oversight and management activities, as well as fiscal management components.</i>
	<ul style="list-style-type: none"> <li>▪ Identify costs in the Personnel Expenses category if provided by staff, or in the Contractor Expenses category if the services are contracted out <ul style="list-style-type: none"> <li>○ For personnel expenses, time sheet tracking by funding source, or equivalent, is required. If personnel do not positive time record then project management costs should be recorded as match</li> </ul> </li> <li>▪ Note: only paid personnel and contractor expenses which are directly attributed and tracked to the project can be reimbursed</li> </ul>
<b>Travel &amp; Related Expenses</b>	<i>Costs directly associated with the project and approved in advance by IDL for travel, lodging and meals</i>
	<ul style="list-style-type: none"> <li>▪ These costs cannot exceed Idaho State and/or federal rates. If costs will be higher, prior justification to and approval by IDL is required before such expenses are incurred and allowed for reimbursement</li> </ul>