

BUDGET INSTRUCTIONS

The budget is intended to indicate to DEED where you expect to obtain the revenue to finance the project and how you expect to expend those revenues. Following are the guidelines for allowed costs and instructions for completing the budget forms.

Allowable Costs:

- A. **Allowable Uses of DEED Grant Funds.** DEED requires a detailed budget breakdown that describes and differentiates between DEED, contributing business, and grantee institutional/linkage funds. In preparing the budget document, please note the following definitions of costs as well as the distinction between costs for which DEED grant funds can and cannot be used.
1. **Training Personnel:** DEED grant funds may be used to pay for actual staff time associated with those individuals directly involved in curriculum development and delivery of training who are employed by the grantee organization. Contracted services with other organizations should be included in the “Contracted Services & Other” budget category.
 2. **Non-training Personnel:** DEED grant funds may be used to pay for actual staff time associated with those individuals involved directly in program administration, coordination, recruiting, assessment, orientation, job development activities, supervision of faculty and/or trainees, program marketing and outreach, and clerical activities.
 3. **Training Equipment:** DEED grant funds may be used to purchase, lease or rent equipment that will be used directly for training program participants. Equipment purchased with grant funds must remain under the ownership of the educational institution.
 4. **Training Space:** DEED prefers that education and training institutions utilize their own facilities for training or those of the contributing business at no cost to DEED. However, under special circumstances DEED will consider covering training space related costs including the cost to lease or rent additional space based on competitive rates for the area in which the program will operate or costs associated with necessary renovations to training space.
 5. **Training Materials and Supplies:** DEED grant funds may be used for materials and supplies required to directly support training activities, competitively procured at fair market value. Materials and supplies may include textbooks and other expendable items.
 6. **Communications and Utilities:** Costs of utilities and/or rental and installation of communications equipment directly related to training are allowable. This may include items such as telephone lines, computer networking, or utility costs for operating electrical equipment. Generally, DEED will not allow communication and utility costs related to administrative functions.
 7. **Travel:** Cost of staff travel directly related to training is allowable. Travel costs of trainees are generally not allowable, although group travel of trainees as part of the training project may be considered.
 8. **Contracted Services & Other:** DEED grant funds may be used for contracted services provided by other organizations related to program activities such as curriculum development, instruction, program administration, coordination, recruiting, assessment, orientation, and job counseling or development activities. DEED grant funds may also be used for trainee support services, training wages, and certification costs. Aside from training wages, DEED grant funds may not be used to pay employees of the partnering businesses. Other costs allowed in this category will be determined on an item-by-item basis.

9. **Indirect Costs:** DEED will allow grant applicants to use a federally approved indirect cost rate or up to 10% of the total direct costs covered by the grant. Applicants that wish to charge indirect costs at a federally negotiated rate must provide a copy of their Negotiated Indirect Cost Rate Agreement.

B. **Contributing Business Allowed Costs.** DEED requires that proposals demonstrate a business match that is at least equal to DEED funds being requested. The contributions may be in the form of cash or in-kind contributions. Only resources provided by the contributing business(es) may be used as match. DEED believes that private sector contribution of loaned personnel to be used for curriculum design, recruitment of trainees, instruction, and actual job placement as well as contributions of equipment, materials, and cash will result in a positive program design. Costs detailed in this section constitute the basis for all matching contributions.

1. **Training Personnel:** Business matching contributions may include payment for actual staff time associated with those individuals directly involved in curriculum development, providing instruction, and screening and testing of trainees based on their actual rate of pay with reasonable fringe benefits.
2. **Non-Training Personnel:** Business matching contributions may include payment for actual staff time associated with those individuals involved directly in program administration, coordination, recruiting, assessment, orientation, job development activities, supervision of faculty and/or trainees, and administrative activities based on actual rate of pay with reasonable fringe benefits.
3. **Training Equipment:** Business matching contributions may include the current fair market value of equipment that is being donated to the educational institution and that is permanent and classified as contributed capital or the current fair market value or rental value of the equipment to be used during the project period, pro-rated for the percentage of time the equipment is used by trainees during the program.
4. **Training Space:** Business matching contributions may include the cost or value of training facilities/space provided by the contributing business for the project. Contributing business facilities must be valued at the actual cost to the business and should be prorated for the time it is being used for purposes directly related to the project.
5. **Training Materials and Supplies:** Current fair market value of contributed materials and supplies that have been competitively procured may be counted as a match. Materials and supplies may include textbooks and other expendable items.
6. **Communication/Utilities:** Costs of communications/utilities are allowable matching contributions when directly attributable to training. They could include such things as computer network connections, electricity cost for operating equipment, heating, and lighting costs for training facilities/space, etc.
7. **Travel:** Costs paid by the contributing business for staff directly related to training, whether provided by cash or in-kind, is allowable. Also, cost of travel incurred by the contributing business for trainees during training, but not to and from training, is allowable.
8. **Contracted Services & Other:** Items not fitting into other line items should be included here. Actual dollars donated in direct support of the project, stipends, or trainee wages, can be counted as match. All private sector match items must be documented as specific support for the project, and not as a general, regular donation made to the institution.
9. **Indirect/Administrative Overhead:** Administrative overhead and indirect costs are not an allowable matching contribution.

Note: Cash paid by the contributing business(es) as tuition for trainees can be counted as a match. However, the tuition revenue must be applied towards the program costs and therefore must be assigned to specific program costs within the budget (i.e., Training Personnel). Cash paid directly to the educational institution by the business for tuition is considered a cash contribution. If the trainees pay their own tuition and are then reimbursed by the business, it is considered an in-kind contribution.

- C. **Grantee/Linkages Allowed Costs.** DEED encourages proposals that include financial participation by the grantee institution or other organizations with which the institution has formed linkages. In preparing the budget document, please include those items of cost in the above categories that are necessary for project operation that the grantee institution or a linking organization will pay for with either a cash donation or by an in-kind contribution. Please note, grantee institution/linkage contributions are not considered matching contributions.

Budget Instructions:

It is essential that these forms be completed fully and accurately. Failure to do so can affect the funding of the project. If you need assistance in completing this section, please contact DEED staff at deed.mjsp@state.mn.us or 651-259-7514.

Budget Explanation of Revenue Form

This form provides DEED with detailed information on the sources of the revenue being used to pay for the proposed project. Amounts listed in B and C of this form should be reasonably assured prior to proposal submission. It may work best to complete the detailed Supporting Budget Schedule before completing this form.

DEED Grant Revenue

This section will self-populate once the detailed budget pages are completed.

Partnering Business Matching Revenue

Source: List the name of the business(es) contributing match to the program. List each business and their contributions separately.

Purpose Column: List in short, descriptive words the purpose(s) for which the contributing businesses' funds will be used. Listing the name of the budget category for which the contribution falls under is generally acceptable.

Cash Column and In-Kind Columns: For each line item, list the portion of the contribution that is cash and the portion that is in-kind match.

Non-Matching Revenue (Grantee/Linkage)

List the contributions provided by the Grantee and Linkage organizations under the appropriate Source section. See instructions above for the Purpose, Cash and In-Kind columns.

Budget Summary

This form summarizes by funding source and cost category the costs to be incurred for this project. No information needs to be entered on this form as it will self-populate once the detailed budget pages are completed.

Supporting Budget Schedule

This form provides detailed information on the project costs. It is the formal worksheet that tells DEED the methodology the project is using in arriving at cost figures for each line item. You may add additional lines to the Supporting Budget Schedule form as needed.

Training Personnel and Non-Training Personnel: List each position by the title that will be involved in the project. List the hourly rate, fringe benefit rate if applicable to the position, the number of hours to be worked each week, and the number of weeks the person will be working on the specified project activity. The cost is determined by multiplying the hourly rate by the fringe rate, hours per week and number of weeks. The spreadsheet will calculate the total under each funding source (DEED, Contributing Business, Grantee/Linkages). Delete or split the amounts under the appropriate funding source columns to reflect whether DEED, Contributing Business or Grantee/Linkage funds will be used for the activity. If the Training Personnel costs are not determined based on an hourly rate, you are not required to use the provided budget format. Instead, you should enter the budgeted cost for each position or training topic/course and provide an attachment that indicates how the costs were determined and the deliverables.

Training Equipment: List each item of training equipment to be used in the project under the appropriate sub-category. When applicable, include the model number. Indicate the number of units to be used and the cost or value per unit. The cost is determined by multiplying the units by the value. The spreadsheet will calculate the total under each funding source (DEED, Contributing Business, Grantee/Linkages). Delete or split the amounts under the appropriate funding source columns to reflect whether DEED, Contributing Business or Grantee/Linkage funds will be used for the equipment. The value of equipment belonging to the contributing business that will be used for training should be listed under "Donated/Other" and should be pro-rated base on its useful life and the amount of time it will be used for training under the project.

Training Space: Under description, indicate the location of the training space (e.g. business name or educational institution name), the square feet of training space to be utilized, the monthly rate per square foot and the number of months it is to be used for training. If differing rooms of buildings are to be used, list each separately. Multiply the square footage by the monthly rate per square foot and the number of months it is to be used and enter the cost under the appropriate funding source. If the space is also being used for purposes other than training, pro-rate the total by the percentage of time it will be used for training. If training space related costs include leasing, renting, construction or renovation of space, provide the appropriate information used to determine the cost.

Training Materials and Supplies: Describe in short, descriptive words the materials/supplies to be used in the program. List each item and the cost per item. Multiply each item by its cost and distribute the total to each column as appropriate.

Communications/Utilities: Describe in short, descriptive words the communication and utilities to be used for the project. List each item separately. Multiply the number of items by their cost and distribute

them to the appropriate column. Sum each column and indicate the total in the Total Communications/Utilities line. Ensure that all items indicated pertain to actual training and not to administrative functions.

Travel: Describe in short, descriptive words the position(s) and/or purpose of proposed travel. Indicate the total expected miles to be traveled and multiply by the rate per mile. Distribute the total to the appropriate column. If travel costs include items other than mileage, such as meals, parking or hotel costs, please indicate separately and include the cost per day and number of days. Travel costs to be paid for with DEED grant funds should use the IRS standard mileage rate. Travel costs paid for by the contributing business(es) or grantee may be charged at their own rates. Multiply the number of items by their cost and distribute them to the appropriate funding source column.

Contracted Services and Other: Each item of cost must be listed separately using short, descriptive words, along with the basis for valuation in determining the cost. Distribute each item total to the appropriate funding source column.

Indirect Cost Allowance: DEED will allow grant applicants to use a federally approved indirect cost rate or up to 10% of the total direct costs covered by the grant. The table provided will help determine the indirect cost allowance. If the grant applicant organization has a federally negotiated indirect cost rate they would like to use, enter the total exclusions to determine the cost base as per your federally negotiated agreement. A table is provided for calculating your total exclusions. The spreadsheet will calculate the Modified Total Direct Costs. Next, enter your federally negotiated indirect cost rate. Based on this information, the spreadsheet will then calculate the indirect cost allowance. If the grant applicant organization does not have a federally negotiated indirect cost rate or chooses not to use it, you may enter up to 10% for the Indirect Cost rate.

Additional Instructions: In cases where there is not enough space for a description or explanation on the Supporting Budget Schedule, additional explanation may be provided on an attachment to the budget. These additional sheets should immediately follow the Supporting Budget Schedule.