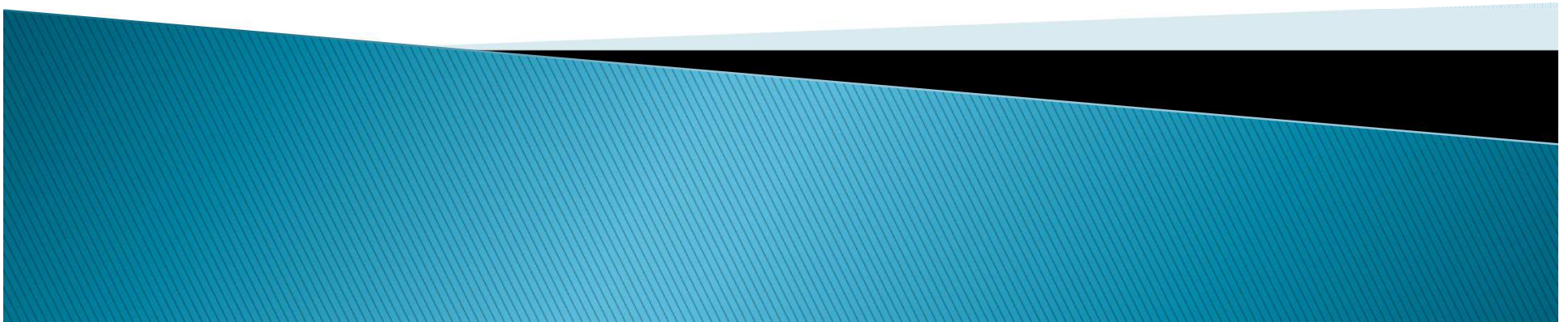


# Uniform Budget Template FY18

GATU Webinar – Part 2  
March 2017

Presented by Carol Kraus & Sean Berberet



# Presentation Objectives

- ▶ GATU/Workgroups, State Agency and Grantee – Roles and Responsibilities
- ▶ Modifications for the FY18 Uniform Budget
- ▶ Reminder of “Cost Principles” – Subpart E
- ▶ Review of the most common budget issues from FY17



# Grant Application and Budget Agency & Grantee Responsibilities

- ▶ GATU/Workgroups
  - Develop uniform application (based on SF424) and uniform budget template (based on SF424A)
  - Maintain application links from centralized NOFO site
  - Provide budget instruction and training
- ▶ State Agency
  - Set award-specific timelines for application process
  - Prepare applications including agency and grant-specific requirements
  - Customize budget template for required line items



# Grant Application and Budget Agency & Grantee Responsibilities

- ▶ State Agency (continued)
  - Assist applicant in application of indirect cost rate, providing indirect cost rate limitations
  - Provide support during application process
  - Receive, review and approve applications including proposed budget (both program and fiscal review of budget)
- ▶ Grantee
  - Complete and submit application and budget
  - Consider allowability parameters
  - Understand Indirect or Administrative Restrictions
  - Apply the correct indirect cost rate for the budget
  - Certify the budget requested



# Modifications: FY18 Uniform Budget Template

- ▶ Only “one” modification from FY17 agreed upon by State Agencies and Grantee Community in subcommittee recommendations:
  - Remove “multi-year” budget function
  - Show 1 year availability compared to 3 years in FY17 Uniform Budget Template



# Modifications: FY18 Uniform Budget Template



## State of Illinois UNIFORM GRANT BUDGET TEMPLATE

State Agency:

Grantee:  Notice of Funding Opportunity (NOFO) Number:

Data Universal Number System (DUNS) Number (enter numbers only):

Catalog of State Financial Assistance (CSFA) Number:  CSFA Short Description:

All applicants must complete Section A and provide a break-down by the applicable budget categories shown in lines 1-17. Eligible applicants requesting funding for only one year should complete the column under "Year 1." Eligible applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

### Section A: State of Illinois Funds

REVENUES	Year 1	Year 2	Year 3	Total
State of Illinois Grant Requested	\$	\$	\$	\$
<b>Budget Expenditure Categories</b>				
1. Personnel (200.430)	\$	\$	\$	\$
2. Fringe Benefits (200.431)	\$	\$	\$	\$
3. Travel (200.474)	\$	\$	\$	\$
4. Equipment (200.439)	\$	\$	\$	\$
5. Supplies (200.94)	\$	\$	\$	\$
6. Contractual/Subawards (200.318 and .92)	\$	\$	\$	\$
7. Consultant (200.459)	\$	\$	\$	\$
8. Construction	\$	\$	\$	\$
9. Occupancy (200.465)	\$	\$	\$	\$
10. Research and Development (200.87)	\$	\$	\$	\$
11. Telecommunications	\$	\$	\$	\$
12. Training and Education (200.472)	\$	\$	\$	\$
13. Direct Administrative Costs (200.413)	\$	\$	\$	\$
14. Miscellaneous Costs	\$	\$	\$	\$
15. Grant Exclusive Line Item(s)	\$	\$	\$	\$
16. Total Direct Costs (add lines 1-15)	\$	\$	\$	\$
17. Total Indirect Costs (200.414)	\$	\$	\$	\$
Rate %: <input type="text"/>				
Base: <input type="text"/>				
18. Total Costs State Grant Funds (Lines 16 and 17) <b>MUST EQUAL REVENUE TOTALS ABOVE</b>	\$	\$	\$	\$



# Modifications to FY18 Uniform Budget Template



## State of Illinois UNIFORM GRANT BUDGET TEMPLATE

State Agency:

Organization Name:  Notice of Funding Opportunity (NOFO) Number:

Data Universal Number System (DUNS) Number (enter numbers only) :

Catalog of State Financial Assistance (CSFA) Number:  CSFA Short Description:

**Section A: State of Illinois Funds** Fiscal Year:

<b>REVENUES</b>			<b>Total Revenue</b>
State of Illinois Grant Requested			\$
<b>Budget Expenditure Categories</b>		<b>OMB Uniform Guidance Federal Awards Reference 2 CFR 200</b>	<b>Total Expenditures</b>
1. Personnel (Salary and Wages)		200.430	\$
2. Fringe Benefits		200.431	\$
3. Travel		200.474	\$
4. Equipment		200.439	\$
5. Supplies		200.94	\$
6. Contractual Services and Subawards		200.318 & 200.92	\$
7. Consultant (Professional Service)		200.459	\$
8. Construction			\$
9. Occupancy (Rent and Utilities)		200.465	\$
10. Research and Development (R&D)		200.87	\$
11. Telecommunications			\$
12. Training and Education		200.472	\$
13. Direct Administrative Costs		200.413 (c)	\$
14. Miscellaneous Costs			\$
15. A. Grant Exclusive Line Item(s)			\$
15. B. Grant Exclusive Line Item(s)			\$
16. Total Direct Costs (add lines 1-15)		200.413	\$
17. Total Indirect Costs		200.414	\$
Rate %:	<input type="text"/>		
Base:	<input type="text"/>		
18. Total Costs State Grant Funds (Lines 16 and 17)			\$
<b>MUST EQUAL REVENUE TOTALS ABOVE</b>			

# Reminder of “Cost Principles” & “Selected Items of Cost” Training

[www.grants.Illinois.gov](http://www.grants.Illinois.gov) Webinars



## Cost Principles - Basic Considerations

This presentation provides an overview of basic considerations that must be applied when establishing and/or approving a budget and when managing expenditures.



## Cost Principles - Items of Selected Cost

This presentation provides an overview of selected items of cost contained in the cost principles in 2 CFR Part 200, Subpart E.



# Reminder: “Cost Principles” & “Selected Items of Cost” Training

- ▶ Subpart E – Cost Principles, General Provisions
  - 2 CFR 200.400 – .415
- ▶ Selected Items of Cost
  - 2 CFR 200.420 – .475
  - EXAMPLES:
    - Compensation– Personal Services –200.430
    - Compensation– Fringe Benefits– 200.431
    - Interest Expense –200.449
    - Direct Administrative – Refer to training for new highlights **WHAT TRAINING?**
- ▶ Compliance Section – Chart of Selected Items of Cost (See handout)

# Common Budget Issues

- ▶ Separation of Revenue: State Revenue Section A; Other Funding Section B
- ▶ State Revenue is funding from the state agency



## State of Illinois UNIFORM GRANT BUDGET TEMPLATE

State Agency: \_\_\_\_\_

Organization Name: \_\_\_\_\_ Notice of Funding Opportunity (NOFO) Number: \_\_\_\_\_

Data Universal Number System (DUNS) Number (enter numbers only): \_\_\_\_\_

Catalog of State Financial Assistance (CSFA) Number: \_\_\_\_\_ CSFA Short Description: \_\_\_\_\_

**Section A: State of Illinois Funds** Fiscal Year: \_\_\_\_\_

<u>REVENUES</u>			Total Revenue
State of Illinois Grant Requested		\$	
<u>Budget Expenditure Categories</u>	OMB Uniform Guidance Federal Awards Reference 2 CFR 200		Total Expenditures

# Common Budget Issues

- ▶ Use Section B *if* the program includes funding from another source (not the awarding agency)



## State of Illinois UNIFORM GRANT BUDGET TEMPLATE

Organization Name:		NOFO Number:	
<b>Section B: Non-State of Illinois Funds</b>		Fiscal Year:	
<b>REVENUES</b>			<b>Total Revenue</b>
Grantee Match Requirement %:	(Agency to Populate)		
b) Cash		\$	
c) Non-Cash		\$	
d) other Funding and Contributions		\$	
Total Non-State Funds (lined b through d)		\$	

# Common Budget Issues

## ▶ Grant Exclusive Line Items

- Designed for items of cost that are “unique” to a specific program
- Allows for flexibility within the budget template
- Designed for “ease of roll-up” to federal reporting
- Must be designated by state awarding agency
- State agency provides explanation for Grant Exclusive Cost to be included in the grant budget



# Common Budget Issues

## ▶ Grant Exclusive Line Items – Budget/Narrative

15. A. Grant Exclusive Line Item(s)		\$	
15. B. Grant Exclusive Line Item(s)		\$	
16. Total Direct Costs (add lines 1-15)	200.413	\$	
17. Total indirect Costs	200.414	\$	
Rate %:	<input type="text"/>		
Base:	<input type="text"/>		
18. Total Costs State Grant Funds (Lines 16 and 17)		\$	
<b>MUST EQUAL REVENUE TOTALS ABOVE</b>			



### State of Illinois UNIFORM GRANT BUDGET TEMPLATE

#### 15). GRANT EXCLUSIVE LINE ITEM

Grant Exclusive Line Item Description:

Costs directly related to the service or activity of the program that is an integral line item for budgetary purposes. To use this budgetary line item, an applicant must have Program approval. (Please cite reference per statute for unique costs directly related to the service or activity of the program). (Note: Use columns within table as needed for the item being reported. Leave blank those columns that are not applicable. This table does NOT auto-calculate each line. You must enter the line totals. The table will auto-calculate the State, Non-State, and Total Grant Exclusive Line Item amounts based on your line entries. The State, Non-State and Total Grant Exclusive Line Item amounts will NOT carry forward to the Budget Narrative Summary table. You will have to enter the State and Non-State Totals for ALL Grant Exclusive Line Items in the Budget Narrative Summary table. Use the "Add New Grant Exclusive Line Item" button below to add additional tables as needed.)

Description	Quantity	Basis	Cost	Length of Time	Grant Exclusive Line Item Cost	Add/Delete Row
						Add
						Delete



# Common Budget Issues

## ▶ Indirect Cost Rate

- Selecting the correct rate on the budget template
- Applying the approved rate and base to the budget
- Estimating Indirect Cost Reimbursement when the total award amount is known



# Common Budget Issues

## ▶ Make the correct selection (p.2)

Select ONLY One:

- 1. Our Organization receives direct Federal funding and currently has a Negotiated Indirect Cost Rate Agreement (NICRA) with our federal Cognizant Agency. A copy of this agreement will be provided to the State of Illinois' Indirect Cost Unit for review and documentation before reimbursement is allowed. This NICRA will be accepted by all State of Illinois agencies up to any statutory, rule-based or programmatic restrictions or limitations.
- 2. Our Organizations currently has a Negotiated Indirect Cost Rate Agreement (NICRA) with the State of Illinois that will be accepted by all State of Illinois agencies up to any statutory, rule-based or programmatic restrictions or limitations. Our Organization is required to submit a new Indirect Cost Rate Proposal to the Indirect Cost Unit within 6 months after the close of each fiscal year pursuant to 2 CFR 200, Appendix IV(C)(2)(c).
- 3. Our Organization currently does not have a Negotiated Indirect Cost Rate Agreement (NICRA) with the State of Illinois. Our organization will submit our initial Indirect Cost Rate Proposal (ICRP) immediately after our Organization is advised that the State award will be made no later than 3 months after the effective date of the State award pursuant to 2 CFR 200 Appendix (C)(2)(b). The initial ICRP will be sent to the State of Illinois Indirect Cost unit.
- 4. Our Organization has never received a Negotiated Indirect Cost Rate Agreement from either the federal government or the State or Illinois and elects to charge the de minimis rate of 10% modified total direct cost (MTDC) which may be used indefinitely on State of Illinois awards pursuant to 2 CFR 200.414 (C)(4)(f) and 200.68.
- 5. For Restricted Rate Programs, our Organization is using a restricted indirect cost rate that:
  - is included as a "Special Indirect Cost Rate" in the NICRA, pursuant to 2 CFR 200 Appendix IV(5); or
  - complies with other statutory policies.Rate %:
- 6. No reimbursement of Indirect Cost is being requested

**Basic Negotiated Indirect Cost Rate Information (Use only if option 1 or 2(a), above is selected.)**

Period Covered by NICRA: From:  To:  Approving Federal or State Agency:

Indirect Cost Rate:  % The Distribution Base Is:

# Common Budget Issues

- ▶ Application of the Indirect Cost Rate to the budget
- ▶ 3 Examples
  - 15% Indirect Cost Rate; base = salaries, wages and fringe benefits
  - 10% De Minimis Rate of Modified Total Direct Costs (MTDC) as base
  - 10% De Minimis Rate of MTDC as base where program includes a subaward



# EXAMPLE 1 – 15% Indirect Cost Rate; Base = S,W+F

<b>REVENUES</b>			<b>Total Revenue</b>
State of Illinois Grant Requested		\$	100,000.00
<b>Budget Expenditure Categories</b>	<b>OMB Uniform Guidance Federal Awards Reference 2 CFR 200</b>		<b>Total Expenditures</b>
1. Personnel (Salary and Wages)	200.430	\$	50,000.00
2. Fringe Benefits	200.431	\$	15,000.00
3. Travel	200.474	\$	
4. Equipment	200.439	\$	5,000.00
5. Supplies	200.94	\$	5,250.00
6. Contractual Services and Subawards	200.318 & 200.92	\$	
7. Consultant (Professional Service)	200.459	\$	5,000.00
8. Construction		\$	
9. Occupancy (Rent and Utilities)	200.465	\$	10,000.00
10. Research and Development (R&D)	200.87	\$	
11. Telecommunications		\$	
12. Training and Education	200.472	\$	
13. Direct Administrative Costs	200.413 (c)	\$	
14. Miscellaneous Costs		\$	
15. A. Grant Exclusive Line Item(s)		\$	
15. B. Grant Exclusive Line Item(s)			
16. Total Direct Costs (add lines 1-15)	200.413	\$	90,250.00
17. Total Indirect Costs	200.414	\$	9,750.00
Rate %:	15		
Base:	Salaries & Wages + Fringe Benefits		
18. Total Costs State Grant Funds (Lines 16 and 17)		\$	100,000.00
<b>MUST EQUAL REVENUE TOTALS ABOVE</b>			

# EXAMPLE 1 – 15% Indirect Cost Rate; Base = S,W+F

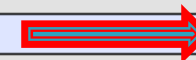
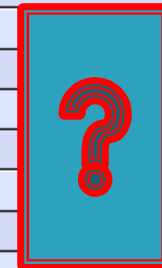
- ▶ Salaries and wages + fringe benefits = \$65,000
- ▶ 15% rate applied to \$65,000 = \$9,750 allowed for indirect cost reimbursement





# EXAMPLE 2 – 10% De Minimis Rate with MTDC as base

<b>REVENUES</b>			<b>Total Revenue</b>
State of Illinois Grant Requested		\$	100,000.00
<b>Budget Expenditure Categories</b>		<b>OMB Uniform Guidance Federal Awards Reference 2 CFR 200</b>	<b>Total Expenditures</b>
1. Personnel (Salary and Wages)	200.430	\$	50,000.00
2. Fringe Benefits	200.431	\$	15,000.00
3. Travel	200.474	\$	
4. Equipment	200.439	\$	4,772.00
5. Supplies	200.94	\$	7,480.00
6. Contractual Services and Subawards	200.318 & 200.92	\$	
7. Consultant (Professional Service)	200.459	\$	5,000.00
8. Construction		\$	
9. Occupancy (Rent and Utilities)	200.465	\$	10,000.00
10. Research and Development (R&D)	200.87	\$	
11. Telecommunications		\$	
12. Training and Education	200.472	\$	
13. Direct Administrative Costs	200.413 (c)	\$	
14. Miscellaneous Costs		\$	
15. A. Grant Exclusive Line Item(s)		\$	
15. B. Grant Exclusive Line Item(s)			
16. Total Direct Costs (add lines 1-15)	200.413	\$	92,252.00
17. Total Indirect Costs	200.414	\$	7,748.00
Rate %:	10		
Base:	MTDC		
18. Total Costs State Grant Funds (Lines 16 and 17)		\$	100,000.00
<b>MUST EQUAL REVENUE TOTALS ABOVE</b>			



# 200.68 Modified Total Direct Cost (MTDC)

## Includes

- ✓ Direct salaries / wages, applicable fringe benefits
- ✓ Materials and supplies
- ✓ Services
- ✓ Travel
- ✓ Up to the first \$25,000 of each subaward

## Excludes

- ✓ Equipment and capital expenditures
- ✓ Charges for patient care
- ✓ Rental costs
- ✓ Tuition remission, scholarships and fellowships
- ✓ Participant support costs
- ✓ Portion of each subaward in excess of \$25,000

# EXAMPLE 2 – 10% De Minimis Rate with MTDC as base

<u>Budget Expenditure Categories</u>		<u>Total Expenditures</u>
1. Personnel (Salary and Wages)	\$	50,000.00
2. Fringe Benefits	\$	15,000.00
3. Travel	\$	
4. Equipment	\$	4,772.00
5. Supplies	\$	7,480.00
6. Contractual Services and Subawards	\$	
7. Consultant (Professional Service)	\$	5,000.00
8. Construction	\$	
9. Occupancy (Rent and Utilities)	\$	10,000.00
10. Research and Development (R&D)	\$	
11. Telecommunications	\$	
12. Training and Education	\$	
13. Direct Administrative Costs	\$	
14. Miscellaneous Costs	\$	
15. A. Grant Exclusive Line Item(s)	\$	
15. B. Grant Exclusive Line Item(s)		
16. Total Direct Costs (add lines 1-15)	\$	92,252.00
17. Total Indirect Costs	\$	7,748.00

Equipment &  
Rent must be  
excluded per  
MTDC

# EXAMPLE 2 – 10% De Minimis Rate with MTDC as base

10% De Minimis (MTDC)	Expenditures
Salaries & Wages	\$50,000
Fringe Benefits	\$15,000
Supplies	\$7,480
Consultant	\$5,000
MTDC	\$77,480
10% De Minimis	\$7,748
<u>EXCLUDED ITEMS</u>	
Occupancy/Rent	\$10,000
Equipment	\$4,772
Total Award	\$100,000

# EXAMPLE 3 – 10% De Minimis with MTDC as base; includes Subaward

<u>Program A</u>	<u>Budget</u>
Salaries & Wages	\$100,000
Fringe Benefits	\$50,000
Travel	\$10,000
Materials & Supplies	\$20,000
Subaward (1)	\$100,000
Equipment	<u>\$10,000</u>
<b>Total Direct Costs</b>	<b>\$290,000</b>
Less (Subaward over \$25,000)	(\$75,000)
Less Equipment	(\$10,000)
<b>MTDC</b>	<b>\$205,000</b>
10% De Minimis	<b>\$20,500</b>



# Common Budget Issues

- ▶ Calculation of rate and base to state agency award when the total award amount is known
- ▶ REMINDER:  $\text{Indirect} / \text{Direct} = \text{Rate}$
- ▶ Example:
  - \$100,000 award amount
  - 15% rate and base
  - $\$100,000 \times 15\% = \$15,000$  for indirect reimbursement

# Common Budget Issues

- ▶ Award amount includes funding for indirect reimbursement
- ▶ \$100,000 award amount + \$15,000 indirect reimbursement – \$115,000
  - NO: Indirect costs are not in addition to the award amount
- ▶ \$100,000 award amount – \$15,000 indirect reimbursement = \$85,000 direct
  - More accurate, but still under stated

# Common Budget Issues

- ▶ \$100,000 award amount / 1.15 (the inverse of the 15% indirect cost rate) = \$86,957
  - Best estimate for direct
  - \$13,043 remains for indirect reimbursement
- ▶ Applying the correct base is critical to an accurate indirect cost rate calculation
- ▶ Statutory restrictions on indirect cost rate must also be known, understood and applied

# Common Budget Issues

- ▶ Waiving indirect cost reimbursement and meeting match requirement
- ▶ COFAR .414-8 (Also 2 CFR 200.331)  
Federally negotiated indirect cost rates -  
voluntary under-charging or waiving IDC \*



# Common Budget Issues

## \*Section 200.414(c)

- ▶ “If the subrecipient already has a negotiated F&A rate with the Federal government, the negotiated rate must be used.
- ▶ It also is not permissible for pass-through entities to force or entice a proposed subrecipient without a negotiated rate to accept less than the de minimis rate.”
- ▶ However, some non-Federal entities voluntarily choose to not charge indirect costs for certain Federal programs or choose to charge less than their full negotiated rate, to allow a greater share of the Federal program funds to be used for the direct program costs.

# Common Budget Issues

Can Federal awarding agencies and pass-through entities permit this practice when it is truly voluntary? “Yes.”

- ▶ If a non-Federal entity receiving a direct Federal award or a subrecipient voluntarily chooses to waive indirect costs or charge less than the full indirect cost rate, Federal/State awarding agencies and pass-through entities can allow this.
- ▶ The decision must be made solely by the non-Federal entity or subrecipient that is eligible for IDC reimbursement, and must not be encouraged or coerced in any way by the Federal awarding agency or pass-through entity.”
- ▶ Recommendation by GATU: Use unclaimed portion as match to more accurately quantify program cost



# Common Budget Issues

## Section C – Budget Worksheet and Narrative

- ▶ Budget Narrative is mandatory to provide detail behind the budgeted amounts
- ▶ Budget Narrative format will be prescribed by the awarding agency
  - The Budget Narrative tab in the Uniform Budget is a provide as a guide
  - State agencies have flexibility to set the narrative format

# Common Budget Issues



## State of Illinois UNIFORM GRANT BUDGET TEMPLATE

### 1). Personnel (2 CFR 200.430)

List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project and length of time working on the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization. Include a description of the responsibilities and duties of each position in relationship to fulfilling the project goals and objectives in the narrative space provided below.

Name	Position	Salary or Wage	Basis (Yr./Mo./Hr.)	% of Time	Length of Time	Personnel Cost	Add/Delete Row
			▼	%			Add Delete
State Total							
			▼	%			Add Delete
NON-State Total							
Total Personnel							
Personnel Narrative (State):							
Personnel Narrative (Non-State): (i.e. "Match" or "Other Funding")							

# Common Budget Issues

## Budget Revisions 2 CFR 200.308 (From Uniform Budget Instructions)

- ▶ The Federal/State awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for Federal/State awards in which the Federal/State share of the project exceeds 10 percent or \$1,000 per detail line item, whichever is greater of the total budget as last approved by the Federal/State awarding agency.
- ▶ The Federal/State awarding agency cannot permit a transfer that would cause any Federal/State appropriation to be used for purposes other than those consistent with the appropriation.

# Top Ten Reasons Budgets Are Returned

- 1) Budget template is incomplete and doesn't equal narrative amounts
- 2) Budget detail worksheet computations are incorrect
- 3) Required match percentage has not been met or source was not identified, if applicable
- 4) Unallowable costs are included
- 5) Required cost breakdown by categories has not been included

# Top Ten Reasons Budgets Are Returned

- 6) Incomplete budget narrative
- 7) Current approved indirect cost rate negotiated agreement (NICRA) has not been submitted
- 8) NICRA was submitted, but indirect calculation was incorrect
- 9) Statutory requirements were not represented (e.g., HHS salary cap, indirect cap or restrictions)
- 10) Responses to initial budget financial review memo were insufficient

# Resources are Available to Support the Budget Process

- ▶ Uniform Budget Template
  - Instructions
  - Section A – State Funding, Indirect Cost Rate Selection
  - Section B – Non–State Funding (Other Revenue)
  - Section C – Budget Worksheet & Narrative
- ▶ COFAR FAQs
- ▶ Cost Principles and Selected Items of Cost Training
- ▶ Selected Items of Cost handout from Compliance Supplement



# Working Together for Compliance

- ▶ Budget processing takes a coordinated effort between the awarding state agency and the grantee
- ▶ Budget template and instructions are responsive to grantee requests for uniformity
- ▶ FY18 fillable, ADA compliant budget template is available and ready for use!



# GATU Contacts for Additional Support

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