

# Budgeting & Staffing: How to Ensure the Project is Financially Viable

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## Things to know

Federal Money=Federal Procurement Requirements

If awarded, federal regulations will flow down to subrecipient

We are here to help!

- EPA Trainings
- RAE Staff

# Getting Started-Questions to Ask

Who do we need to hire to accomplish this project?

What do we need to purchase to accomplish this project?

How many organization staff will be involved in this project and how much of their time will be dedicated?

How many partners organizations will be involved and how will they contribute?

Realistically, how long do we need to complete this project?

Do we have systems in place for purchasing, invoicing, and time tracking?

- If the answer is no right now, don't worry!

# Examples

- Communication person will spend 5 hours per week on this project for two years (estimated)
- We will need to hire someone to design a website for the project
- We need to buy trees, gloves, and tools for plantings
- We need to hire an accountant to help us track the grant expenses
- We need to contract with someone to do water quality sampling
- We need to hire a contractor to help us facilitate public meetings
- We need to hire someone to pour concrete
- We need to hire an additional staff member and half of their time will go to this project.
- We need to give stipends to speakers at a conference we are planning
- We need to give money to our partners who will have staff helping run the project

# What's Next?



Estimate staff costs based on current salaries or known increases in salaries

You won't get more money if salaries increase in the future so plan ahead if possible!



For contracts or supply purchases, if you don't know what is reasonable, get some quotes

They don't have to be formal quotes for the LOI, but they will help you understand what is reasonable.

# Federal Cost Categories- Personnel

- Only applies to direct staff of the organization who receive a W2
- Does not include: contractors, consultants, volunteers, or partners
  - **Example:** Communication person for 5 hrs per week (52 weeks) for one year at current hourly rate of \$30 per hour=\$7,800
  - Project Manager-To be hired, ¼ time for two years at rate of \$35 an hrs=\$18,200

# Federal Cost Categories- Fringe

- The % included to cover things like retirement, insurance, and paid leave
- To calculate, divide the cost of the fringe benefits by the wages paid to the employee
- For help calculating fringe, visit: [https://www3.epa.gov/grants-training/how to develop a budget module 2 direct costs/story.html](https://www3.epa.gov/grants-training/how%20to%20develop%20a%20budget%20module%20direct%20costs/story.html)
- **Example:** Communications person at 20% fringe on \$7,800 is \$1,560
- Break out the fringe % so we can see how it was calculated

## Federal Cost Categories- Travel

- This category is only for travel of employees of the organization
- For mileage use the federal rate (.655 right now)
- Travel must be integral to the purpose of the project
- Include reason for travel, number of trips, miles, estimated airfare, overnight lodging and per diem
- **Example:** One trip per week to project site for staff sampling, 10 miles round trip, total of 52 trips @ 10 miles per trip= 520 miles at .655 per mile=\$340.60
- Travel to RAE Summit for one staff-\$500 airfare, \$200 per night for motel @ 3 nights, \$40 per diem for 3 days, \$1000 conference registration



## Federal Cost Categories- Equipment

- This only applies to an item with a cost of \$5,000 or more per item.
- Must have a useful life of more than one year
- Doesn't include renting or leasing equipment
- Must be tracked in an inventory and at the end of the subaward, RAE will need to work with EPA to decide what to do with it.
- **Example:** Purchase a trailer to haul oyster shells for oyster recycling program, 1 trailer at \$20,000

# Federal Cost Categories- Supplies

- Includes items with a cost less than \$5,000 per item.
  - Can include: laptops, plants, general office supplies, sampling equipment, tools, and so much more (must be used mostly for the project)
  - Does not include: printing, copies, and rental costs
- Please include some detail on the supplies and the cost per item for the total
- **Example:** Purchase 50 trees for habitat restoration @\$100 per tree=\$5,000

# Federal Cost Categories- Contractual

- Use this for all contractual services with for-profit companies that offer the same services to the general public
- If there will be multiple contracts, break them out
- Procurement requirements come into play (more on this later...)
- Include a brief description of work and how you came up with the cost estimate (quote, website listing, based on previous work)
- **Example:** Contract with someone to build a project website-Estimated 100 hrs @ \$50 an hr \$5,000, based on local bids

# Federal Cost Categories- Other

- If it's not included in any of the other categories, it probably goes here!
  - Examples
    - Subawards for partners
    - Stipends for speakers
    - Printing
    - Rentals
  - If in doubt, list it here!
- Example: Partner Org staff person for 100 hrs over one year at \$30 per hr
- \$500 stipend for speaker at local conference
- Printing flyers-500 flyers at .20 per flyer

# Federal Cost Categories- Indirect

Indirect costs are those that are incurred for a common or joint purpose benefiting more than one cost objective.

- Office space costs
  - Utilities
  - accounting services
  - human resource services
- You do not have to charge indirect or you can use indirect as match
  - If you do not have a federally approved indirect rate (NICRA) you can use 10% (de minimus).

You can't double dip!

# LISCIF Budget Template

- Let's take a look at the budget table you will fill out
- You don't have to have something in each category

<https://estuaries.sharepoint.com/:x:/g/ERX9MEJAFNhJoVNdHvohmu4BrHtXRBrVMExQNUMzWqmMAw?e=tOf3sH> :

# Resources

- <https://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance>
- <https://www.epa.gov/grants/how-develop-budget>
- Sara Smith, [ssmith@estuaries.org](mailto:ssmith@estuaries.org)

Q&A

