

Instructions for Nonpoint Source Program Grants

Budget

The Environmental Science and Services Division (ESSD) is requiring all applicants to use the Grant Application Budget Information form, available electronically on our Web site:

<http://www.deq.state.mi.us/documents/deq-swq-nps-budget.xls>. Use of the electronic form will ensure that calculations are correct and that match and indirect amounts are appropriate. The shaded portions of the budget sheet should be blue when viewed on your computer.

- The form will round off to the nearest dollar.
- The Project Total from the budget page must be the same as the Project Total on the cover sheet of your application.
- Under each Budget Category (column 1), enter the activities that will be charged against the grant or counted as local match (see Local Match, below). Include enough detail that the Nonpoint Source (NPS) Program Project Administrator knows who or what is being paid for. For example, under Staffing Cost, each employee of the grant applicant charging time to the grant or counting time as match should be listed by name and title, followed by the projected number of hours they will be working on the project and their hourly rate.
- The form will calculate the total and attribute all the funds to the match column. Enter the amount you wish to be grant funded in column 4. The form automatically adjusts the match amount.
- Provide the same level of detail for all other budget categories, whether it is to be charged against the grant or counted as match. Each line requires a description, a quantity, and a rate or unit cost.

Before you work on your budget:

- NPS Program funding cannot be used to purchase computers or vehicles; nor can these items count as match.
- The Department of Environmental Quality (DEQ) offers the use of digital cameras and Global Positioning System (GPS) units during the contract. Under this Request for Proposal (RFP), digital cameras and GPS units may be purchased or used as match under the following conditions:
 - The project includes several sites or otherwise requires extended use of the equipment.
 - The DEQ will suggest specific brands and models based on program needs.
 - The equipment can be purchased only after written approval by the DEQ Project Administrator.
 - Ownership of this equipment will revert to the DEQ at the end of the grant.
- NPS Program funds cannot be used for audits, unless the grantee has to undergo a single audit, in which case the DEQ will reimburse the grantee for the prorated portion of that audit. Single audits are only required if the grantee receives \$500,000 or more in federal funds in any year.
- Federal funds can be used for conferences, workshops, other types of training as well as related food and lodging if justified by the applicant and **approved prior to attendance by the DEQ**. Such costs will be evaluated on a case-by-case basis. These are not eligible activities under Clean Michigan Initiative (CMI) funding.

- Only actual costs can be claimed as match or for grant funding. Cost allocation is not allowed.

Local Match Amount

Local match is a financial commitment made by the grant recipient and other local agencies to help implement the project. Local match is required on all applications. Labor, in-kind services, and materials can count as match.

- No federal funds can be used to match federally funded grants offered by the NPS Program.
- For a description of eligible match activities, contact staff in Appendix E.
- The rate of match you include in your application will become part of your contractual obligation if your project is selected for full funding. Be sure your match commitment is realistic.
- Match activities will be held to the same standards as grant-funded activities.
- Match cannot be earned until the starting date in a contract is signed by **both** parties.
- Local match beyond the minimum required in the Grant Description is encouraged. Note that the auditing requirements in Appendix B require grantees to document match earned by providing letters from matching agencies, verifying the work completed, and the value of that work. Again, make sure your match commitment is realistic.

Note: The minimum required local match is 10 percent for planning projects, 25 percent for implementation projects, and 50 percent for storm water projects. Minimum match required is estimated by multiplying the grant request by 0.333 (for implementation grants) or 0.1112 (for planning grants). The minimum match amount is equal to the grant request for storm water grants.

Grant Request X 0.333 or 0.1112 ≈ Local Match Amount

For example, if you are requesting \$135,000 for a planning project the minimum local match is determined by multiplying the grant request by 0.1112.

Example: \$135,000 X .1112 ≈ \$15,000 Local Match Amount
 The budget form will calculate the actual match amount

Completing the budget sheet. (Download the electronic version first).

1. Staffing Costs. These costs may be grant funds or local match.
 - In the first column, list each staff person by title (project manager, senior analyst, clerical, etc.) and name, the estimated number of hours each person will work on the project and their hourly rate. The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the hours or rate, adjust the match amount by changing the grant amount.
 - Each staff person listed under staffing cost should also be included in the work plan.
 - Staffing costs for volunteers, unpaid Board members, and staff in agencies other than the grant recipient should be budgeted under Contractual Services.
2. Fringe Benefits. This can include insurance, FICA, federal, state and local taxes, vacation and sick time, and workers compensation.
 - The form automatically enters the staff information from the previous section.

- Most agencies have set fringe benefit rates. Use your agency's fringe benefit rate, up to 40 percent maximum. Enter the rate for each person in the third column of this section.
 - The form will automatically apportion fringe benefits in the same grant/match ratio used for staffing costs.
 - The ESSD reserves the right to request applicants to supply information indicating how their fringe benefits were calculated.
3. Contractual Services. Contractual services are services provided by staff or agencies other than the grant recipient. Any services not provided by the grant recipient should be listed here, including engineering and printing services. Your work plan must include a description of all work to be subcontracted. The state reserves the right to approve all subcontractors for this project and reserves the right to require the Grant recipient to replace subcontractors found to be unacceptable.
- In the first column, list all contractual services. Include a quantity (this can be by hours or contract unit) and rate for each. The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the hours/units or rate, adjust the match amount by changing the grant amount.
 - All contractual services included here must also be included in the work plan.
 - Each contractor should be included on a [Contractors Qualification Form](#).
4. Project Supplies, Materials, and Equipment
- 4a. Supplies and Materials.
- Supplies and materials are general office items or equipment less than \$1,000 per unit, not included in the indirect.
 - For supplies and materials, specify the type of supplies and materials. Itemize copying, postage, and other supplies and materials. Explain any cost that may appear out of the ordinary.
 - The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the quantity or rate; adjust the match amount by changing the grant amount.
 - Food and beverages are not eligible for grant reimbursement, but reasonable costs necessary for volunteer functions or tours may be counted as match upon prior approval by the DEQ Project Administrator.
- 4b. Equipment. NPS Program funding cannot be used to purchase computers or vehicles; nor can these items count as match.
- Equipment is defined as an article of non-expendable, tangible personal property having a useful life of more than one year and a unit cost greater than \$1,000. Equipment with a unit cost of less than \$1,000 should be listed under supplies and materials.
 - Equipment cannot be purchased using grant funds, but can be purchased using match funds.
 - Itemize equipment on the budget form and explain any cost that may appear out of the ordinary.
5. Travel Costs. This category applies only to organization staff – **not** contractors.
- Show mileage separate from meals.
 - Meals are for organization staff on travel status only.

- Enter the number of miles and the mileage rate (\$0.585 per mile is the highest allowable rate).
- The total and match amount are calculated automatically and cannot be changed directly. Adjust the total by changing the miles or rate; adjust the match amount by changing the grant amount.
- Conferences and other training, and related lodging, may be funded with federal funds on a case by case basis, for situations where the grantee's attendance or participation will directly benefit the project or the NPS Program. **Approval must be in writing and prior to travel.**

6. Indirect Costs

Indirect costs are intended to cover those reasonable costs associated with carrying out the projects for which the grant is being issued, but which are not included as direct charges. Typical indirect costs include, but are not limited to, office space, telephones, office equipment rental and usage, and general office supplies. The DEQ limits the indirect cost rate to no more than 20 percent of staffing and fringe. The inclusion of indirect costs in your grant application is not required.

The reasonableness of an indirect rate often is dependent on what is included in the direct charge portion of the grant. No cost can be included as both a direct charge and as part of what is covered in your indirect rate.

Most agencies have a set indirect rate. Use your agency's indirect rate, up to 20 percent, which is the DEQ's maximum allowable amount.

The electronic budget form will calculate and automatically split the indirect costs in accordance with DEQ guidance.

7. Total Grant and Match Budget. *Note that the Totals at the bottom of the budget sheet should be the same as those on Page 1 of your proposal.*

Indirect Costs

At the bottom of the second page of the budget sheet, following the Sources of Match, list the components of your organization's indirect costs.

Sources of Operation and Maintenance (O&M)

For implementation grants installing BMPs: At the bottom of the second page of the budget sheet, indicate the method for insuring operation and maintenance of the BMPs.

Sources of Match and Dollar Value Committed

At the bottom of the second page of the budget sheet, indicate the source(s) of local match and the corresponding dollar value, provided by the applicant or other local sources. For a description of eligible match items, contact the ESSD staff in [Appendix E](#).