

Integrating Program Design and Budget

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Objectives - At the end of this session you will...

- ▶ Have a better understanding of best practices in budgeting for non-profits
- ▶ Know how to develop a really good program budget

Agenda

- ▶ **Introductions**
- ▶ **Review Best Practice Budgeting for Non-Profits**
- ▶ **Foundation Center Video**
- ▶ **Activity 1 –What makes for a really great program budget?**
- ▶ **Review Step by Step on how to develop a program budget**
- ▶ **Activity 2 – Budget Spreadsheet/Narrative Challenge**
- ▶ **Review Common budget mistakes**
- ▶ **Activity 3 – Fiscal Requirements Deciphered**

Best Practice Budgeting

Connecting the Mission with the Money



“If you don’t know where you are going, any road will get you there”

Lewis Carroll

Key Points about Budgets

- ▶ **A budget is a financial representation of an organization’s strategy**
- ▶ **Expenses are not good or bad**
- ▶ **Effectiveness first, then efficiency**
- ▶ **Don’t start with numbers – start with a rationale for investing**
 - ▶ How does this program/ department support the mission?
 - ▶ What outcomes do you expect to achieve and when?
 - ▶ Why are these expenses necessary?
 - ▶ How will these investments produce outcomes more effectively in the future than in the past?

3 Basic types of Budgets

Zero based & metric driven (best, but rare)

Last year +/- 5% (poor, but most common)

Funder determined (worst, but common)

BP 1: Zero-Based Budgeting

- ▶ This approach forces a reevaluation of all assumptions
 - Start with a blank budget
 - Identify specific results/ outcomes to be achieved
 - Identify each person and other expense required to achieve the desired results/ outcomes
 - Include operating support/ overhead
 - Identify funding sources available
 - Identify funding gaps
- ▶ What are the nuances of each individual program that impact costs, and are there new or creative opportunities to redesign cost structures and add to program efficiency?

BP 2: Assess Each Program

- ▶ Assess whether each program is covering its direct costs, and/ or contributing to overhead.
 - If a program is not a “core” mission program and it’s not covering its direct costs, has there been meaningful discussion about the value in continuing the program?
 - If a program is a “core” program, but not covering its direct costs, or not contributing to overhead, consider ways your organization may improve the financial results.

BP 3: Assess Other Important Factors and Risks

- ▶ Examples include:

Potential changes to fixed costs and obligations

Do you have a lease term set to expire which may result in a rent increase? Or, are you re-negotiating a labor contract, which may impact labor costs?

Revenue concentrations and related risks

Do you have one funder who provides a significant portion of the organization’s support, and a plan in the event that funding were to cease?

BP 4: Budget for a Surplus

- ▶ An annual unrestricted surplus should be sufficient to meet debt obligations & fund depreciation.
- ▶ A surplus generally contributes operating reserves, which are critical to long term health. Reserves can mean the difference between surviving a rough patch or being forced to wind down.

BP 5: Avoid the “Nonprofit Starvation Cycle”

- ▶ The goal is to plan to have enough to invest in infrastructure, or having overhead that is “too lean” to effectively run the organization.
- ▶ Look at your organization’s overhead and infrastructure costs, such as necessary IT upgrades (hardware and software) on the horizon.

BP 6: Build Budget Buy-In and Ownership

- ▶ The planning dialogue between finance, development and program managers is a great way to increase organization-wide accountability, expand financial understanding and enhance buy-in.
- ▶ Your Board's involvement in the budget process is a cornerstone of board financial oversight.
 - ❑ Sophisticated nonprofits proactively bring the board's knowledge and leadership into the budget process.

BP 7: Monitor the Budget Throughout the Year

- ▶ The staff of a well-managed nonprofit have a clear understanding of budgeted versus actual, and what caused the difference.
- ▶ When actual results are not in line with budget, you should look at "why," and the factors you can control or change.

Developing a Program Budget

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"This is a major project of utmost importance, but it has no budget, no guidelines, no support staff, and it's due in 15 minutes. At last, here's your chance to really impress everyone!"

VIDEO by Foundation Center on Project Budgets

Are you ready to start fundraising for your project or idea, but don't know what and how much to ask for? If preparing a budget for your foundation grant is holding you back, come learn the basic elements of how to draft a project budget with confidence.

<https://www.youtube.com/watch?v=YyUer7iR1SE>

Activity 1 QUESTION



What are some characteristics of a “competitive” program budget?

Step-by-Step Approach to Developing a Program Budget

1. Look at your **program outcomes and strategies**

- *“what resources (in a logic model these are often called “inputs”) do we need to accomplish these outcomes?”*

- *“what resources do we already have that we can build upon?”*

2. **Review the RFP guidelines**

3. Create a **rough estimate budget**

3. Calculate the **per unit or per outcome cost**

- *“is this reasonable?”*

4. **Collect information** on actual and estimated costs

5. Develop your program budget in an **excel spreadsheet**

- have a column that documents the assumptions or math used in developing your budget or the source of an estimate
- divide costs between grant request and in-kind/match.

6. **Cross reference** your budget with the program narrative

7. Double check the **RFP instructions**

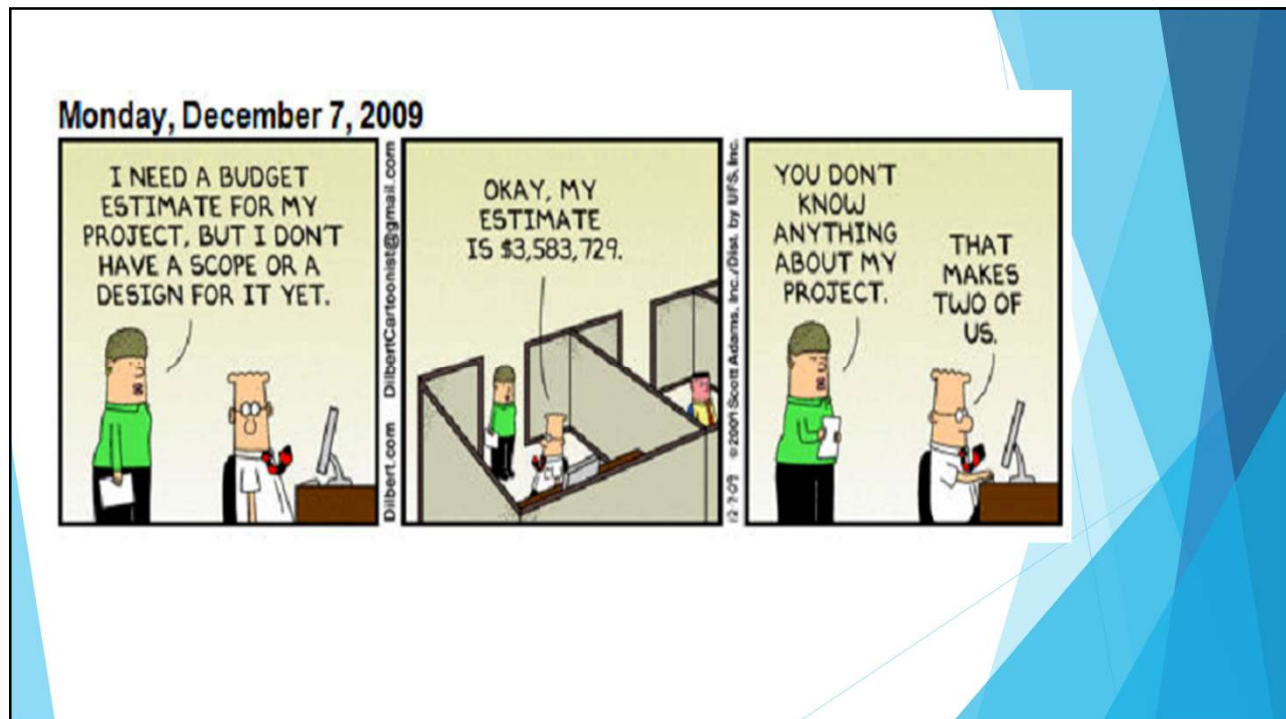
8. Double check your **math!**

Activity 2

- ▶ Review the example budget spreadsheet and budget narrative
- ▶ Work in pairs to complete the budget narrative worksheet

REVIEW - Most Common Budget Mistakes

- ▶ Budget doesn't align with the design
 - *Items are included in budget that are not mentioned in the narrative*
 - *Staff titles are different in the budget than in the design*
 - *Costs are missing from budget*
- ▶ Budget doesn't follow RFP instructions or restrictions
- ▶ Costs are too high... or too low
- ▶ In-kind line items and total program cost/value are not provided – or with insufficient detail
- ▶ Mathematical errors
- ▶ Poorly developed budget narratives



Activity 3

- ▶ Review the example of a fiscal section from a County RFP and underline at least three statements, or elements of this section that you do not fully understand.

References and Resources

https://nonprofitsassistancefund.org/sites/default/files/publications/nonprofit_operating_reserves_and_policy_examples_2014.pdf

<https://www.aafcpa.com/2017/07/03/best-practices-managing-nonprofit-operating-budget/>

<http://www.encorebusiness.com/app/uploads/2016/09/best-practices-for-planning-budgeting.pdf>

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<http://www.wallacefoundation.org/knowledge-center/resources-for-financial-management/Documents/A-Five-Step-Guide-to-Budget-Development.pdf>

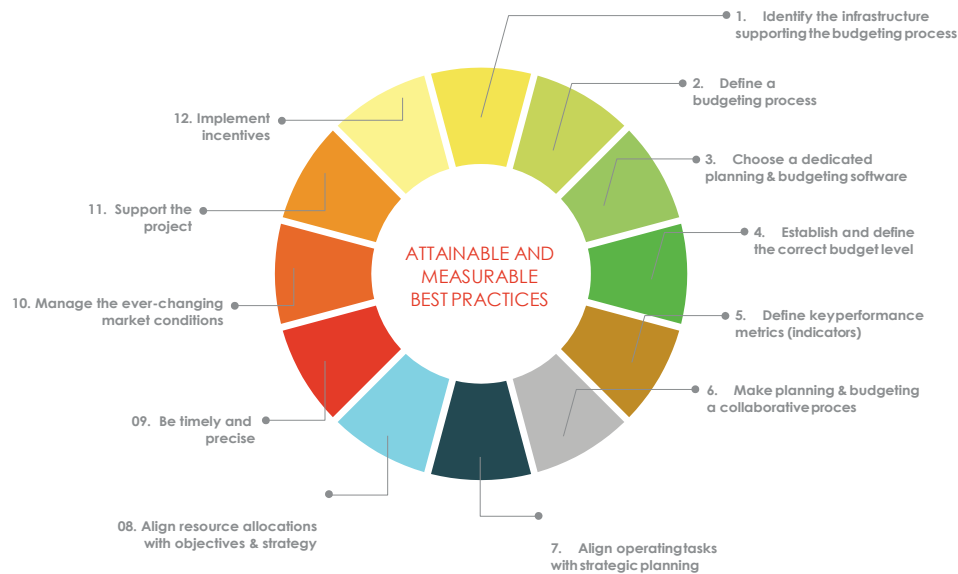
<https://www.councilofnonprofits.org/tools-resources/budgeting-nonprofits>

<https://www.rbpmethods.com/2015/12/budgeting-best-practices-specifically-for-nonprofits/>

<https://nonprofitquarterly.org/2016/09/08/fundraising-on-a-budget-and-understanding-the-fundraising-budget/>

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Identify the infrastructure supporting the budgeting process

1

Understanding the components that support your budget plan is crucial for effective budgeting. From employees and knowledge to processes and technology, know how these components affect the business. Begin by correctly assessing employees' skill levels and assign tasks and responsibilities accordingly. Employees who are trained (and cross-trained) in the appropriate tasks offer greater stability to the company and to items in the budget plan.

Once the individuals have been assigned tasks and responsibilities, the next crucial step is providing the correct tools and processes for them to complete these successfully. Subsequently, by ensuring the budgeting process has been well documented and communicated, the tool will allow flexibility and control throughout the process.

With the right resource allocation, knowledge transfer increases and dependability on key personnel decreases. Companies following this best practice are given more time to focus on the analysis of pertinent information rather than managing the process.

More than half of corporate financial officers say their biggest challenge in preparing accurate forecasts is the amount of time it takes to collect appropriate data, according to an Accenture survey of 200 finance, treasury and cash management executives in the United States and the United Kingdom.

—John Cummings, *Business Finance*

10 Step Annual Budgeting Checklist

A budget is a planning tool that reflects an organization's programs, mission, and strategic plan. Typically the budgeting process should begin at least three months before the end of the fiscal year to ensure that the budget is approved by the board of directors before the start of the new year.

1. Determine timeline

- Set target date for board approval
- Allow time for each step and for review and discussion
- Approve before beginning of fiscal year

2. Agree on goals

- Prioritize program delivery goals
- Set organizational financial goals
- Clarify annual goals from strategic plan

3. Understand current financial status

- Review current year income and expense compared to budget
- Forecast to the end of the year
- Analyze and understand any variances

4. Agree on budget approach

- Assign roles and responsibilities
- Agree on authority to make decisions
- Agree on how much uncertainty can be included (how many unknowns)

5. Develop draft expense budget

- Determine costs (expenses) to reach program goals
- Determine costs to reach organizational and strategic goals

6. Develop draft income budget

- Project income based on current fundraising and revenue activities
- Project new income based on new activities

7. Review draft budget

- Verify that the draft meets program and organizational goals
- Review and discuss all assumptions
- Make adjustments, based on goals and capacity, to match income and expenses
- Review final draft for all goals and objectives

8. Approve budget

- Present to any committees as needed
- Present to the board for approval

9. Document budget decisions

- Create a consolidated budget spreadsheet and file
- Write down all assumptions

10. Implement budget

- Assign management responsibilities
- Incorporate into accounting system
- Monitor and respond to changes as needed

Non-Profit Budget Best Practices

References and Resources

1. <https://www.aafcpa.com/2017/07/03/best-practices-managing-nonprofit-operating-budget/>
2. <http://www.encorebusiness.com/app/uploads/2016/09/best-practices-for-planning-budgeting.pdf>
3. http://deloitte.wsj.com/cfo/files/2013/04/rethink_planning_budgeting_for_ecasting.pdf
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5. <http://www.wallacefoundation.org/knowledge-center/resources-for-financial-management/Documents/A-Five-Step-Guide-to-Budget-Development.pdf>
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7. <https://www.rbpmethods.com/2015/12/budgeting-best-practices-specifically-for-nonprofits/>
8. <https://nonprofitquarterly.org/2016/09/08/fundraising-on-a-budget-and-understanding-the-fundraising-budget/>
9. https://nonprofitsassistancefund.org/sites/default/files/publications/nonprofit_operating_reserves_and_policy_examples_2014.pdf

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BUDGET TEMPLATE

Line Item	Amount Requested	Match/In-Kind	Total
Personnel			
Benefits			
A. Subtotal Personnel/Benefits			
Non-Personnel			
B. Subtotal Non-Personnel			
C. Subtotal Direct Costs (A+B)			
D. Indirect Costs @ 15% (C x 15%)			
E. Total Costs (C + D)			

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Writing a Budget Narrative

This article was originally published on the [Charity Channel](#).

Also known as a budget detail, budget description, or budget justification, the budget narrative explains what the numbers in the budget table or spreadsheet represent and how you arrived at them. The benefit of preparing a budget narrative is that it requires you to get down to your project's nitty-gritty details by laying out who will accomplish what and when, as well as how you arrived at costs.

Along with the budget, the budget narrative tells a funder exactly how a nonprofit will spend its investment, item by item. From a funder's perspective, the budget narrative ensures:

- You did your research and that your project costs are reasonable and well thought out.
- Your project is within the funder's giving range and/or it includes a plan to seek additional funding.

When to Start Writing

Since many of your budget's calculations must to be explained in the budget narrative, you can save time by writing your budget and budget narrative simultaneously. The sooner you start it, the better, is our advice to clients. Of course, some project planning work needs to happen first, but the sooner you start looking at the resources you will need and begin pricing them out, the faster your project will move from the realm of ideas into reality.

Basic Cost Categories

Most government agencies put constraints on what can be included in the budget and on maximum request amounts, indirect costs, etc. Some federal proposals ask for a very detailed budget narrative, requiring that you to break out the budget narrative by project activity, discuss cost-per participant, and explain such things as how administrative (indirect) costs support project goals. Foundations are typically less prescriptive. However, for both public and private sector grants, the budget narrative should state clearly and concisely where the amounts in each budget category will come from and what they will cover. All expenses should relate clearly to the project narrative. Additionally, the budget narrative should show clearly which budget items will be covered by matching funds or leveraged resources.

Your budget narrative should detail:

- *Personnel* – Include the hours, wages, and duties of each grant-related position.
- *Fringe benefits* – List all employment related costs, such as FICA, workers compensation, health insurance, and retirement benefits.
- *Travel* – Cover mileage, airline tickets, taxis, car rentals, mileage reimbursements, parking fees, tolls, tips, and per diems for lodging and meals.
- *Contracts* – Specify contract services, such as leases, consultants' fees, and trainings.

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- *Equipment* – List all purchases for items with a life span of (usually) three years or more, such as furniture, computers, copy/fax machines, lab equipment, telephones, and software.
- *Materials/Supplies* – Include short-lived items needed to run an office, such as paper, envelopes, pens and pencils, CDs, and staples, etc.
- *Capital Expenses* – Include the purchase and/or construction and renovation of land, buildings, and accompanying fixtures.

Unusual Expenditures

If the project is small, costs are straightforward, and the numbers tell the story clearly, you may not need a budget narrative. However, if your budget contains any unusual items, use your budget narrative to explain them to the funder. For example, a fire and safety proposal budget that includes a purchase of “Pluggie, the talking fire hydrant,” will benefit from a budget narrative that explains: “Pluggie is a tool for the Fire Prevention Team to use in teaching fire safety. Operated by remote control, Pluggie moves, speaks, and plays cassettes. Team members will use Pluggie in working in elementary school presentations.” This sort of thoroughness shows the funder that your project team has thought through all its proposed expenditures.

Budget Narrative Structure

Most federal proposals explain how to structure the budget narrative. However, private and corporate funders often leave this decision up to you. For simple projects, one option is to fold the budget narrative into the budget, inserting a brief explanation under each item. In this case, the budget narrative may be included on a spreadsheet.

Another option is to number items in the left margin or attach footnote-style numbers to each line and to follow the numeric budget with: “Notes to the Budget.” Regardless of the format, the categories in the narrative should use budget headings, follow the exact order in which the items are listed in the numerical budget, and include semi-totals.

A word about abbreviations: Don’t be afraid to use them, especially when it is important to conserve space. Mathematical symbols and equations can also be a part of a budget narrative. The guiding rule to follow is clarity.

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Sample Budget Narrative

A. Personnel – List each position that pertains to the proposal. The cost calculation should show the employee’s annual salary rate and the percentage of time devoted to the project.

Compensation paid for employees engaged in grant activities should be consistent with that paid for similar types of work within the organization.

1. Project Director: $\$35,000/\text{year} @ 100\% = \$35,000$. The Project Director currently oversees the program and will spend 100% of her time hiring, training, and supervising staff. This individual’s annual salary will be covered by grant funds for the 12 months of the contract.
2. Two School Safety Officers: $2 \times \$35.00/\text{hour} \times 3 \text{ hours}/\text{day} \times 5 \text{ days}/\text{month} \times 12 \text{ months}$. (Covered by matching funds.)

B. Fringe – Fringe benefits are based on the applicant’s established formula and are only for the percentage of time devoted to the project. It is important to explain what is included in the benefit package and at what percentage.

1. Director: $\$65,000 \times 18.55\% = \$11,115$. A request of \$6,493 will cover the fringe benefits for the Director at a rate of 18.55%. Benefits include FICA @ 6.2%, Health/Life insurance @ 8.9%, Workers comp @ 2.0%.
2. Assistant Director: $\$45,000 \times 18.55\% \times .25 = \2086.88 . (A breakdown of the fringe rate is included in the Budget Detail Worksheet.)

C. Staff Development – These may include required or desired trainings, workshops, or classes for staff. The project-related purpose should be noted and explained.

1. The Program Assistant will attend continuing education classes at the local community college in the area of social work and administration for two semesters to ensure state-of-the-art wraparound case management. $2 \text{ semesters} \times 2 \text{ classes} \times \$275.00/\text{class} = \$1,100.00$.

D. Travel – Explain the reason for travel expenses for project personnel (e.g., staff to training, field interviews, advisory group meeting, etc.) and show the number of trainees and unit costs involved. Identify the location of travel.

1. Regional/Statewide Meeting: Three people to funder-required three-day training in *Destination City*.
 - o $3 \text{ people} \times \$500 \text{ airfare} = \$1,500$
 - o $3 \text{ people} \times 3 \text{ days} \times \$40 \text{ per diem} = \$360$
 - o $3 \text{ people} \times 2 \text{ nights} \times \$100.00 \text{ hotel} = \$600$

E. Equipment - List non-expendable items to be purchased. Explain how the equipment is necessary for the success of the project and, if requested, the procurement method to be used. The organization’s own capitalization policy for equipment can be used unless the funder provides one of its own to follow.

- One computer package including laptop, printer, scanner, and Word Programs will be purchased. The computer will be housed in the administrative office and will be checked out by staff when they go out into the field.

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F. Supplies - List expendable items by type and show the basis for computation.

1. Meeting Supplies: For administrative meetings, workshops, etc. $\$75.00 \times 12 \text{ months} = \900.00 .
2. Office Supplies including binders, file folders, printer paper, toner, staples, etc. $\$100.00 \text{ per month} \times 12 \text{ months} = \$1,200.00$.
3. Phone and Internet Service: This service will be used to stay connected to parents, community collaborators and staff. $\$125.00 \text{ per month} \times 12 \text{ months} = \$1,500.00$.

G. Consultants - Provide a description of the product or services to be provided by the consultant and an estimate of or detailing of exact cost. Indicate the applicant's formal, written procurement policy unless asked to follow a different policy. Include: a) Consultant Fees (for each consultant enter the name, service, hourly or daily fee, and estimated time on the project) and b) Consultant Expenses (list all expenses to be paid from the grant to the individual consultant in addition to their fees, such as travel, meals, lodging, etc.).

1. The Computer Instructor will conduct four computer-training sessions weekly in the computer lab. The Community Outreach Trainer will develop a curriculum for Community Outreach and train neighborhood associations on the curriculum. The 2.5 FTE Tutors will tutor children at the after school.

- Computer Instructor: $\$11.10/\text{hour} \times 26 \text{ hours/week} \times 52 \text{ weeks} = \$15,000$

H. Other Costs – List items, such as rent, reproduction, telephone, Internet, janitorial or security services, by major type and show the basis of the computation. For example, provide the square footage and the cost per square foot for rent, and provide a monthly rental cost and the number of months rent will be needed.

1. Rent for Computer Lab: $\$2.50/\text{square foot} \times 650 = \$1,625/\text{month} \times 12 \text{ months} = \$19,500 \text{ (match)}$.
2. Space – Includes cost for monthly rent and utilities for the location that is the locus of services and activities. The cost is pro-rated at 50% because Funder X has awarded us a grant that covers the other 50% of the cost.
 - Rent: $\$600.00/\text{month} \text{ (pro-rated 50\% of usage)} \times 12 \text{ months} = \$3,600.00$.
 - Utilities: $\$300.00/\text{month} \text{ (pro-rated 50\% of usage)} \times 12 \text{ months} = \$1,800.00$.
 - Repair/Maintenance: $\$50/\text{month} \times 12 \text{ months} = \600.00 .

I. Administrative or Indirect Costs – Some funders allow for indirect costs, which represent the expenses of doing business that are not directly tied to a particular project function or activity. Indirect cost rates distribute those costs among all the work that the nonprofit engages in. Typically, a funder will specify the percentage of the request, which may be allocated toward indirect or administrative costs, usually somewhere around 12 or 13 percent.

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TEN TIPS FOR EFFECTIVE & EFFICIENT GRANT BUDGETS

1. Carefully review the Request for Proposal or Application guidelines and make note of any requirements regarding the budget – this will often include
 - **Formatting instructions (use of table, specific font, column headings) or a budget template/form**
 - **Expenses that are not allowable – i.e. equipment or construction**
 - **Expenses that are allowable – i.e. personnel expenses or start-up costs**
 - **Expenses that are required – i.e. amount to cover costs of a mandatory grant meeting is common**
 - **Budget categories**
2. Do a ball park budget as early on as possible – this helps you determine if your design aligns with the funding amount.
3. Make strategic and smart decisions about how specific to be with your numbers – you want to give enough detail to show that you are basing your budget on solid information but may not want to commit yourself to purchasing specific items.
4. Make sure all of your costs are (a) Necessary and Reasonable (b) Allowable & Allocable. This goes back to the OMB Regulations. You can't be spending the funder's money the wrong way– the funding agency and you are accountable.
5. Use of Tables for multiple year grants is highly recommended. They make your budget look more presentable and they help the reviewer have a bigger picture of your project.
6. If you are new to writing grants, get help from the Finance Office to make sure you get the most accurate information on personnel & fringe. Even, check with your accounts payable office to analyze past expenses that you are writing in your grant budget.
 - a. Request quotes from vendors if you are writing a big budgeted item such as Software. Include that in your budget narrative as well.
7. Think about sustainability as you are developing your budget and make a note of sustainability considerations in the budget narrative. For example one time expenses that won't require continued funding.
8. When using the budget category “supplies or materials” you don't want to be very specific. This will tie you to that item. Be generic so that you have the flexibility to buy from anywhere.
9. Write your budget narrative wisely. A reviewer should be able to match that with your project narrative.
10. Make sure your MATH is accurate. Numbers are beautiful when they balance. Oh and round off your numbers unless specifically told not to.

Local Education Agency:		State:		Project Title:
Detailed Budget				
Total Number of Military-Connected Students at Target School(s)		Total Funding Requested	\$ 1,250,000.00	
Budget Category	Description	Federal Amount Requested	Percentage of Federal Total	Non-Federal Funds
Total MCASP Budget: September 2018 - May 2023				
Personnel				
Project Manager CYT Department	0.1 FTE			\$ 62,928.50
Project Director	0.7 FTE to oversee project implementation yrs 1-5	\$ 284,960.00	22.8%	
Administrative Assistant	0.1FTE			\$ 31,366.00
District substitute teacher pay - to cover Special Need teacher participation in PLC during school time	24 substitutes per year @ \$160 per day for years 1-5	\$ 19,200.00	1.5%	
District teacher hourly pay - to cover Special Need teacher participation in PLC during non-school time	12 teachers for 16 hrs each @ \$24 (yr 1 only)	\$ 4,608.00	0.4%	
District teacher hourly pay - for teachers to attend PLTW launch summer training	23 teachers @ \$24 for 16hrs each year for 2 years (yrs 2-3)	\$ 17,664.00	1.4%	
District substitute teacher pay - for PLTW lead teachers to provide job embedded coaching	24 substitutes per year @160 each for site collab and coaching (years 2-3)	\$ 7,680.00	0.6%	
Distict substitute teacher pay - for Math teachers to attend SDSU Pathways training	24 substitutes @ \$160 per day for 1 day (yr 2 only)	\$ 3,840.00	0.3%	
Personnel Total		\$ 337,952.00	27.0%	\$ 94,294.50
Fringe Benefits				
Benefits for Project Manager	Benefits for 0.1 FTE Project Manager @ 0.21146% variable (workers comp, unemployment, life insurance, FICA, OASDI, retiree medical, STRS retirement) \$8,777.50 fixed (medical, dental, and vision)			\$ 22,084.36

Benefits for Project Director	Benefits for .7 FTE Project Director @ 0.21475% variable (workers comp, unemployment, life insurance, FICA, OASDI, retiree medical, STRS retirement) \$12,288.50 fixed (medical, dental, and vision)	\$ 122,640.00	9.8%	
Benefits for Administrative Assistant	Benefits for 0.1 FTE Administrative Assistant @ 0.28669% variable (workers comp, unemployment, life insurance, FICA, OASDI, retiree medical, STRS retirement) \$8,777.50 fixed (medical, dental, and vision)			\$ 17,769.81
District substitute teacher benefits - to cover Special Need teacher participation in PLC during school time	Benefits for 24 substitute teachers per year (years 1-5) @ .20390%	\$ 3,915.00	0.3%	
District teacher hourly benefits - to cover Special Need teacher participation in PLC during non-school time	Benefits for 12 district teachers for 16 hrs each @ .20390%	\$ 940.00	0.1%	
District teacher hourly benefits - for teachers to attend PLTW launch summer training	Benefits for 23 teachers for 16 hrs each @ .20390% per hour for 2 years	\$ 3,602.00	0.3%	
District substitute teacher benefits - for PLTW lead teachers to provide job embedded coaching	Benefits for 24 district substitute teachers per year for 2 years at .20390%	\$ 1,566.00	0.1%	
Distict substitute teacher benefits - for Math teachers to attend SDSU Pathways training	Benefits for 24 district substitute teachers @ .20390%	\$ 783.00	0.1%	
Fringe Benefit Total		\$ 133,446.00	10.7%	\$ 39,854.17
Travel				
Grant Post Award Meeting (Year 1 Only)	DoDEA-required meeting with external evaluator, project director, and other staff member (preferably business/finance LEA staff member)	\$ 4,500.00	0.4%	
Mileage	Mileage for project director between grant sites. \$.54 per mile @ 5,000 miles	\$ ₂ 2,700.00	0.2%	

Grant related conference	College and Career Readiness/STEM conf to support grant implementation in yrs 2-5 @1,500 per year (flight \$600, room \$200 per night for 3 nights, food \$46 per day for 4 days, luggage \$50, transportation \$66)	\$ 6,000.00	0.5%	
Travel Total		\$ 13,200.00	1.1%	
Equipment (any single item priced at 5,000 or more)				
			0.0%	
Total Equipment		\$ -	0.0%	\$ -
Supplies				
Project Lead the Way launch kits	Year 1: 11-5th grade kits @ \$6747 and 13-4th grade kits @ \$2671, totaling \$108,940 Year 2: 18-3rd grade kits @ \$2025 and 19-2nd grade kits @ \$1166, totaling \$58,604	\$ 167,544.00	13.4%	
3D Printers	3D Printers (3 yr protection, training, and filiiment included) to support Project Lead the Way curriculum implementation @ \$4,395 each for 6 sites	\$ 26,370.00	2.1%	
Curriculum and supplies	For instructional curriuulum and supplies to support students with moderate to severe special needs @ \$85,000 (yr 1: \$25,000, yr 2-5 \$15,000 each year)	\$ 85,000.00	6.8%	
Supplies Total		\$ 278,914.00	22.3%	\$ -
Contractual				
External Evaluator*	Grant Evaluation Services (University of San Diego) yrs 1-5	\$ 37,500.00	3.0%	
Valerie Nash	Planning & Sustainability Consultant (yrs 1-5) @ \$100 per hr for 250 hours	\$ 25,000.00	2.0%	

San Diego State University Math Pathways Tutoring	Small group and co-taught tutorial math sessions @ \$13 per hour @ 20 hours per week for 34 weeks per school site at 6 sites for years (yrs 2-4) and 24 weeks for year 5 and year 1 teacher training at 5,654.00	\$202,214.00	16.2%	
Ruben H. Fleet Science Center Summer STEM Camp	540 students @ \$250 per student (180 students per summer) for week long summer STEM program (yrs 2-4)	\$ 135,000.00	10.8%	
Autism Partnership Consultation	Autism consultant to guide on best practices and assist with professional development and professional learning community planning	\$ 6,300.00	0.5%	
Project Lead the Way	Summer Launch Teacher training at \$9,500 per year for 2 years and site fees for 6 sites @750 each per year for years (2-5)	\$ 37,000.00	3.0%	
Contractual Total		\$ 443,014.00	35.4%	\$ -
Other				
Community Based Instruction Program costs	\$425 x 6 elementary schools and \$1,675 for Whittier in years 2-5 for costs associated with CBI instruction such as bus passes, entry fees or cost for site visit by CBI partner	\$ 16,900.00	1.4%	
Other Total		\$ 16,900.00	1.4%	\$ -
Indirect Costs				
Indirects at 3.38%		\$ 26,574.00	2.1%	
Indirect Cost Total		\$ 26,574.00	2.1%	\$ -
Total 5 Year Budget		\$ 1,250,000.00	100.0%	

Budget Narrative Worksheet

1. Narrative = Story. What overarching messages or storylines can you find in this narrative

Example of a message that this narrative is aiming to convey: “We have based our budget on good knowledge of what things cost”

- a. _____
- b. _____
- c. _____

2. Find an example of each of the following in the example budget spreadsheet and narrative

- a. A cost category:
- b. A line item:
- c. An output:
- d. An outcome:
- e. A justification statement:
- f. A calculation statement:
- g. An in-kind contribution:
- h. Indirect cost rate:

3. Calculate the per unit cost for the PLTW and Summer Camp strategy, with the unit being each student who receives the intervention.

- a. PLTW:
- b. Summer Camp:

4. Find a statement in this budget narrative that addresses the challenge of sustainability.

5. The program that this budget supports includes multiple strategies with each strategy supporting a specific goal and outcome. There is a hidden column in the budget that was submitted that says which outcome each line item supports.

- a. Find three line items in three different cost categories that you think would have “all outcomes” in the hidden column.

- b. Find the line items that you think would specifically support an outcome of improved academic achievement of students with special needs.

Budget Narrative

The budget description provided below includes reason estimates of costs for implementing and maintaining strategies based upon knowledge of personnel costs (hourly rate, substitute costs, comparable salaries, and benefit rates), rates or quotes provided by contracted partners or prospective vendors or estimated based upon prior experience with similar projects and strategies. Letters of commitment are provided for all proposed contracted partners.

Goal 1: Increase the percentage of military-connected students at target elementary schools in grades 3 to 5 who are meeting or exceeding proficiency on California Smarter Balanced Summative Test in STEM will increase by at least 5 percentage points by 2023 compared to baseline established in 2019. – A total of 48.1% of grant funds are used to directly support this goal.

Strategy 2: Deliver PLTW Launch curricula within all six elementary schools in grades 2, 3, 4 and 5. (20.9% of total grant funds)

Grant resources will be used to build capacity with the six elementary schools to deliver PLTW curricula in all grade 2 through 5 classrooms. This involves hourly teacher pay for lead teachers from each school to complete PLTW Launch train the trainer program and use of substitutes to allow the lead teachers to provide job-embedded coaching to remaining teachers in their grade level **\$25,324** plus **\$5,168** benefits. In addition to teacher professional development funds will be used to purchase grade level kits for each classroom and a 3D printer for each school. Cost of grade level kits is based upon actual costs (including taxes) provided by PLTW and total number of grade 2 through 5 classrooms at the 6 elementary schools and totals **\$167,544** for 61 kits. Six 3D printers will be purchased at a cost of \$4,395 to include warranty, training and printer filaments and totals **\$26,370**. The District will contract with PLTW for Summer Launch training at \$9,500 per year in years two and three and annual site fees of \$750 per year which provides student and teacher access to the PLTW Learning Management System, ongoing professional development for teachers, and unlimited seats for all required software programs. The total contact with PLTW over the five-year grant period totals **\$37,000**.

A total of \$261,426 in grant resources are allocated to support this strategy representing 20.9% of the total budget. This strategy will benefit 6 schools, 61 teachers (including 23 lead teachers), and approximately 1,800 students of which 25% are anticipated to be military connected. In addition to the benefits offered with respect to student success in STEM, PLTW has proven to be a very sustainable program once the initial investment in professional development, kits and equipment has been made.

Strategy 3: Provide summer science camp to military-dependent students in grade 3 from the 6 elementary schools (10.6% of total grant funds)

SDUSD proposes to coordinate the engagement of and fund the cost of summer science camp in years 2, 3 and 4 for one grade level. A contract will be developed with Ruben H. Fleet Science Center to offer 6 STEM-focused full day camp sessions each summer, with each camp open to up to 30 students. A per camp cost of \$7,500 has been negotiated for a total contract amount of **\$135,000**. The aim of this strategy is to strengthen student engagement in STEM as well as to expose them to potential career options in various science and technology fields.

The only direct cost associated with this strategy is the RHFSC contract, parents will be responsible for transporting their children to the camp (based upon OCCR planning we anticipate that parents will car pool). This strategy will benefit 6 schools, 540 students.

Activity: Review this example of a fiscal section from a County RFP and underline at least three statements, or elements of this section that you do not fully understand

1. Fiscal

The County is requesting budgets and other information for either a fixed price contract with pay for performance elements as described in Exhibit C – Payment Schedule or a hybrid contract, including fixed price and cost reimbursement elements if Offeror is proposing for the optional start-up compensation. The County is committed to obtaining optimal cost efficiency for the County, i.e., lowest overall price for the highest overall performance. The County, therefore, reserves the right to award contracts based, among other factors of best value to the County, on the proposed pricing, only in the case or proposals including the optional start-up compensation.

1.1. Compensation. Contracts will be paid primarily on a fixed price basis and will also include pay for performance elements. Offeror shall submit a budget justification for Exhibit C1 as follows:

1.1.1. Budget Justification. Offeror shall submit a completed WPW Budget Workbook as follows:

1.1.1.1. Exhibit C1 – Payment Schedule. Complete the worksheet titled “Annual Operating Budget” and list all operating expenses for the first (1st) year of the proposed program. Provide a narrative, justifying the personnel, non-personnel and indirect expenses listed in the worksheet. Explain the functions that each employee listed in the personnel section of the worksheet will perform in relation to the proposed services. Explain how the non-personnel items listed will contribute to achieving the goals and objectives of the proposed services. This worksheet will be used for information purposes only, and will not be evaluated.

1.1.1.2. Start-up Funds (optional). If requesting start-up funds, complete the worksheet titled “Start-up” and list all expenses that will be paid with start-up funding. Explain how each item requested will contribute to achieving the goals and objectives of the proposed service. If start-up funds are included in Offeror’s proposal, the submission will be evaluated. Additional instructions are included in Exhibit C2 – Start-up Funds Instructions.

1.2. Fiscal Management Process. Offeror shall submit documentation demonstrating fiscal solvency and how the entity will maintain solvency throughout the contract period. Briefly outline the internal fiscal management process the organization will use to monitor and ensure that County funding and other revenues are adequate to meet WPW pilot project costs.

1.3. Offeror shall provide, as applicable, the following information for the last three (3) fiscal years:

1.3.1. Audited financial statements of the entire organization with the applicable notes;

1.3.2. Independent Auditor’s Report on Compliance and Internal Control over Financial Reporting based on an Audit of the Financial Statements in Accordance with Government Accounting Standards;

1.3.3. Independent Auditor’s Statement of Findings and Questioned costs.

1.3.4. If the Offeror has not had an audit conducted within the past three (3) fiscal years, then the Offeror shall provide the following un-audited financial statements for the entire organization for the last three (3) fiscal years:

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- 1.3.4.1. Statement of Financial Position (Balance Sheet);
 - 1.3.4.2. Statement of Activities (Income Statement);
 - 1.3.4.3. Statement of Cash Flows.
- 1.3.5. Offeror may submit copies of letters issued by Health and Human Services Agency (HHS), Agency Contract Support (ACS), verifying receipt of audited or un-audited financial statements for the last three (3) fiscal years.
- 1.4. Financial Information. Offeror shall provide documentation to demonstrate the organization has sufficient reserves to maintain the WPW pilot project for sixty (60) days. Documentation may include cash and/or credit reserves.
- 1.5. Accounting System. Offeror shall have use of an accounting system, for segregating, supporting, controlling and accounting of all funds, property, expenses, revenues, and assets for each County contract distinct from other contractor activities. Offeror shall have the ability to provide assurance that the system is in accordance with generally accepted accounting principles and Office of Management and Budget Circulars located within the applicable Code of Federal Regulations. Offeror shall describe the proposed system and how it will be used for the WPW pilot project. Accounting systems are subject to County review and approval prior to contract award. No contract with cost reimbursement elements will be awarded to any Offeror who does not have an acceptable accounting system.
- 1.6. Cost Allocation Plan. **Please note: The following requirement does not apply and a response is not required if Offeror is NOT proposing for the start-up costs.** Offeror shall complete and provide a cost allocation plan for its organization that identifies how administration costs and other shared costs are allocated between programs, in accordance with the Office of Management and Budget Circulars located within the applicable Code of Federal Regulations. Describe the methodology for determining indirect and administrative costs.
- 1.7. Reimbursement Information. The County reimburses contractors in arrears NET 30 days from the receipt and approval of the invoice. Offeror shall provide documentation to demonstrate the organization will be able to maintain service provision with a minimum thirty (30)-day reimbursement timeframe.
- 1.8. Indirect Rate. If Offeror's organization has a federally-approved indirect rate, provide a copy of the organization's current federally-approved indirect rate authorization.
 - 1.8.1. If Offeror's organization does not have a federally-approved indirect rate, describe the methodology for determining how indirect costs are allocated.

