# Appendix F

**Budget Instructions**

Read all of Appendix F before you begin working with the [Excel Workbook](https://education.vermont.gov/documents/ael-fy21-budget-proposal-template-013120), which is the Budget Proposal Template. Enlist someone skilled with Excel workbooks to fill out the proposed budget. Also see **V. Allowable Uses of Funds.**

The instructions below may provide examples to illustrate and are not meant as suggestions for expenditures. Specific questions about completing the budget proposal may be directed to Robin.Castle@vermont.gov, (802) 828-0508.

Direct Costs: 2 CFR §200.413 those costs that can be identified (documented) specifically with a particular cost objective or that can be directly assigned to such activities easily with a high degree of accuracy. The cost charged to the grant must be documented as allocable to the grant. Examples would be salaries and benefits of program staff and materials used directly for a grant activity. Space is also an example of a cost that may be charged directly as long as the direct charge is based on a reasonable method such as using a square footage calculation and the percentage of time the space is used for the grant. Another example of a direct cost might be the cost of photocopies if the organization uses a code to track the copies.

Direct Administration: Administration costs must be for the *administration of the program.*

The salaries of administrative and clerical staff should normally be treated as indirect cost, unless all of the following are met:

* Administrative or clerical services are integral to a project or activity;
* Individuals involved can be specifically identified with the project or activity;
* Such costs are explicitly included in the budget; and,
* The costs are not recovered as indirect costs.

Administration caps:

* For the Federal AEL grants the amount allowed for costs determined to be administration costs is capped at 5%, unless the applicant negotiates a higher rate with their cognizant agency, if applicable, or from the Vermont Agency of Education.
* For the Vermont State AEL grants the amount allowed for costs determined to be administration costs is capped at 15%.
* How to calculate the admin. dollars:
	+ Administration for Federal awards = Direct administration $ + Indirect administration $
	+ Administration for State awards = Direct administration $

Indirect Costs: costs incurred for common or joint purpose and benefitting more than one grant or activity. Indirect costs by nature would be difficult to track and assign to one specific grant or organizational activity. Indirect costs are generally administrative costs such as the salaries and expenses for staff engaged in organization-wide (general) activities. *State funds cannot be used for indirect costs.*

* Administration for federal grant purposes includes both *direct and indirect administration costs combined and cannot exceed the 5% cap without prior permission.*
* Indirect costs are allowed only for federal funds and only with prior permission from your cognizant agency, or if applicable, the Vermont Agency of Education. Contact Bob Coathup, Robert.Coathup@vermont.gov or (802) 828-4089.
* Federal rules may be found in [2 CFR Part 200 of the OMB Uniform Guidance “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” effective 12/26/14.](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

AOE has chosen to implement its [Uniform Chart of Accounts](https://education.vermont.gov/vermont-schools/school-finance/ucoa) (UCOA) into the grant application budget detail. All grant application budgets must be coded using the [Object and Function codes](https://education.vermont.gov/documents/ael-grant-budget-object-and-function-codes) of the UCOA. Your entity’s Chart of Accounts is likely different, and that is acceptable, but you must be able to crosswalk to the UCOA to develop your proposed application budget and if awarded, to request your grant reimbursements.

**Instructions to Complete Budget Proposal in the Excel workbook**

**There are eight spreadsheets in the workbook. You will enter data into only TWO spreadsheets – “Codes” and “Budget”. The other spreadsheets will auto-populate based on your entries on the two spreadsheets.**

**Step 1: Setting up the applicant’s template**

This part is fun! Click on the “Codes” tab first (this is the eighth tab). You will fill in the RED cells, per the instructions below, in order to create the revenue amounts and the dropdown lists that you will use to fill out your proposed budget.

* Row 1, Column C - fill in your organization’s name.
* Row 1, Column D – if you plan to request an indirect rate, put 5% in this cell.
* Row 4-7, Column F (Allocation) - fill in the totals for each funding source according to the county or counties you are applying to serve. You must request all the funds available for each county you are proposing to serve. For example, if you were applying to serve Addison and Chittenden counties only, you would look at the first table in **Section III. “County Distributions”** and see that for Gen Funds, $146,331 is available for Addison county and $454,775 is available in Chittenden County. The total you would request is therefore $601,106 in Gen Funds.
	+ Put this amount in Row 4, Column F.
	+ Now look at the chart and find the amount available for both counties for ADP funds. Put this amount in Row 5, Column F.
	+ Do the same for the Federal amount and put the amount in Row 6, Column F.
	+ If you are applying for IELCE funds, see the second chart in Section III. to determine if the counties are eligible for such funds. In this case, Addison and Chittenden are both eligible. Put in the total for both counties, which is $46,112 in Row 7, Column F.
* Rows 6-7, Column G (Admin %) - you may put 5% in Rows 6 and 7 as part of this proposed budget in these circumstances:
	+ You plan to request a Federal indirect rate from the AOE or
	+ You will charge 5% of Federal funds to direct administration per the description in **Section V. Allowable Use of Funds**. Remember that 5% is the limit for both indirect and direct administration under Title II.
* Column H (Site) - fill in the learning centers that will be supported by grant funds – up to 7. Prioritize by full-service learning centers first. If you have satellite learning centers that will not be providing the full range of services, you can assign their costs to a full-service learning center. You can describe this in Part III. Supporting documents, C. List of learning centers.
* The function codes list in Columns A, B, and C are the functions that are allowed for the AEL funds. DO NOT change this list. More information on function and object codes may be found below and also on the AOE website.
* You are done entering data on the “Codes” spreadsheet. You have set up your template!

**Step 2: Entering proposed expenditures**

You are ready to begin laying out your proposed budget for the first year of the grant cycle: **July 1, 2020-June 30, 2021**. Click on the first tab called “Budget”. This is the ONLY spreadsheet where you will enter your budget amounts and you will only place data in the yellow section, beginning on Row 14. If you are requesting an indirect rate, you will also enter the indirect figures in Row 7, Columns F and/or G and not below.

Rows 4-6 and 8-12 on this Budget spreadsheet will auto-populate by the revenue sources you entered on the “Codes” spreadsheet and also by the expenditures you enter in rows 14 and below. The purpose of the other spreadsheets (other than the “Codes” and the “Budget” spreadsheets) is to summarize the budget information in various ways – by funding source and by site.

* Notice the name of your organization appears in Column H, Row 3.
* Row 4 has auto-populated the total allocations by funding source according to the entries you made on the “Codes” spreadsheet, column F. If these amounts are not correct, check your entries on the “Codes” spreadsheet per the instructions above.
* Row 5 shows the amounts available to you for Direct Administrative costs (per the “Codes” tab, column G). See definitions above.
* Row 6 shows the Indirect amounts available (per the “Codes” tab, row 1, column D). Only Federal funds have an indirect rate and the cap is 5%, if the rate is approved.
* Row 7 (yellow) is only used if you will have an indirect rate, and you will enter the amounts in columns F and G.
* Row 8 shows the amounts coded as direct expenses to the grants in Rows 14 and below.
* Row 9 shows the amounts coded to 2495, direct administration expenses.
* Row 10 (green) will show you the amounts charged to each funding source in your budget.
* Row 11 shows the balance of direct administration costs available. Cells will turn red in this row if the amount budgeted exceeds the amount available for admin in row 5.
* Row 12 shows the balance of direct costs available. This row should be empty when you have completed filling out your budget. Cells will turn red in this row if the amount budgeted exceeds the total allocation in row 4.

Begin filling out your budget on Row 14 and go in order, without skipping rows.

Each budget line item must have a function and object code. See the list of [Function and Object Codes](https://education.vermont.gov/documents/ael-grant-budget-object-and-function-codes) to find the descriptions.

* Function codes: The function codes from the UCOA that are allowed for the AEL grant funds will appear in the drop down when you click into the cell, Column C, Row 14. Select the function code that describes your expenditure.
	+ When claiming direct administration costs, you must use the function code “2495 - Administration of Grants”.
* Object codes: All object codes are allowed under the grant.
* Funding source: from the drop down that appears when you click into Column E, Row 14 cell, select the funding source you propose to charge the expenditure to, for example “3240 – Gen Fund”.
* FTE: If the Object code is salaries or employee benefits, you must supply information as to the full-time equivalency status. For example, it may equal 1 FTE. If this field is not referring to salary or benefits, you may leave the field blank. This field will only accept numerical values.
* Site: From the drop down that will appear when you click in the cell Column G, Row 14, select the site the expenditure will support. The drop down lists those sites you placed on the Codes spreadsheet in Column H.
* Description: provide a description of the expenditure. This field should demonstrate how you arrived at your totals and to provide more information. Mathematical symbols and equations may be used. The guiding rule to follow is clarity. As yourself: will the reader of this budget understand the expenditure based on the row entry?
* Amount: Put in the amount of the cost. Now notice that the numbers have calculated in the blue section to reflect the data entry.

Try entering two or three rows. Now check out how your entries in Row 14 have auto-populated the other spreadsheets in the workbook.

* First, go to the applicable funding source. If you assigned Gen Funds as the funding source, click on the “3240 – Gen Fund” tab and the amount you entered should appear under the respective Object Code column and Function Code row.
* Next notice that Rows 8-10 show you what you have budgeted and Rows 11 and 12 show the remaining balances to be budgeted.

Continue to fill out your proposed budget in each row until Total Budget Row 10 matches the amount in the Total Allocation Row 4. Rows 11-12 will be blank. If you need more rows, do not try to add them because the formulas will be broken. Contact Robin Castle for assistance in adding rows or with any questions at Robin.Castle@vermont.gov or (802) 828-0508.