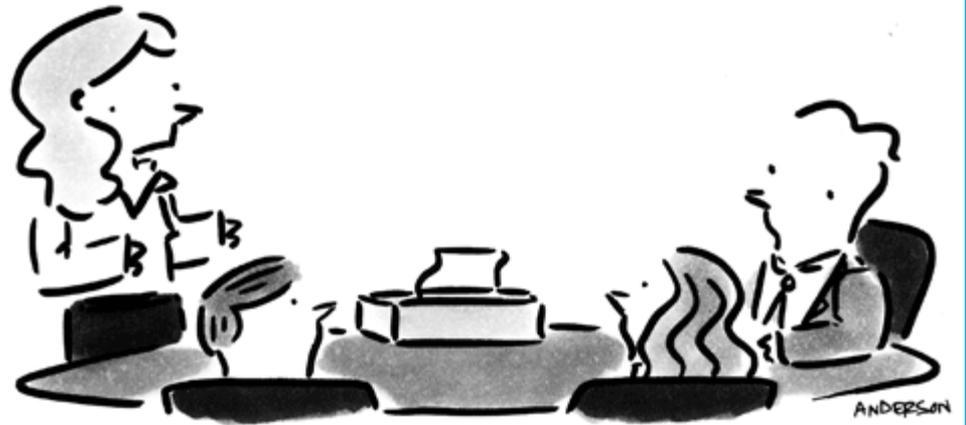


# THE BUDGET

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"Due to recent cutbacks, I need you to imagine this tissue box is projecting a descending bar graph."

# "THE BUDGET IS PART OF YOUR PROJECT STORY..."



"I've had it with this guy! Why does every picture feel like they *have* to tell a story?"

OWEB expects grantees to put together a budget of estimated costs for a project.

Application budgets must justify line item costs by including appropriate unit costs.

# BUDGET VS ACTUAL

If awarded, OWEB will pay actual costs for the project. No estimates of salaries or administration costs will be allowed.

Grantees must provide receipts and reports as requested to justify actual costs.

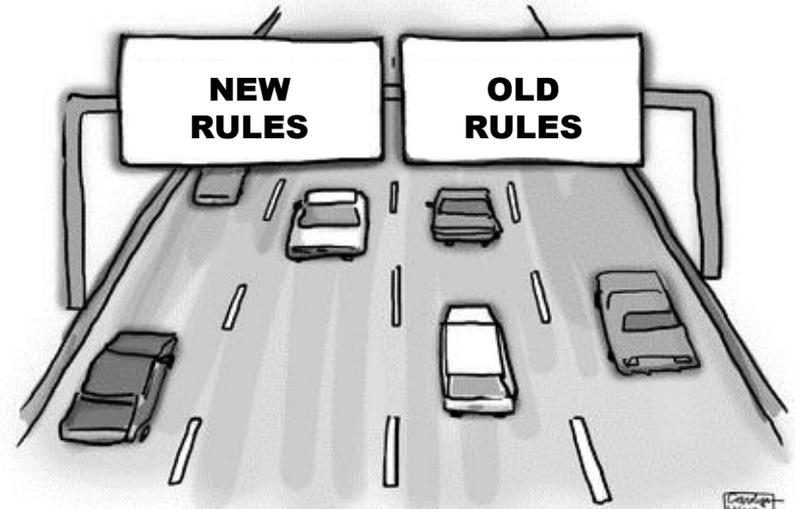


**"WELL, MAYBE UMPTEEN ZILLION  
WAS TOO GENERAL A COST ESTIMATE."**

# BUDGET CATEGORY CHANGES

Grantees may have both types of grant agreements where the applications were received on or before December 31, 2013 and on or after January 1, 2014. With recently applied OMB changes, it is possible to have three sets of “rules” to understand and remember.

Today we will be going over budget categories after January 1, 2014. The new OMB changes DID NOT change the categories. They did redefine the admin category.



*If you have “old” grants, you should have at least one payment request in to guide you on budget categories. If not, please contact Tara for help.*

# RECEIPT REQUIREMENT



Amounts \$300 or more will be required by OWEB.

Copies of all receipts, invoices or supporting documentation for costs charged to an OWEB grant must be retained by the Grantee for six (6) years

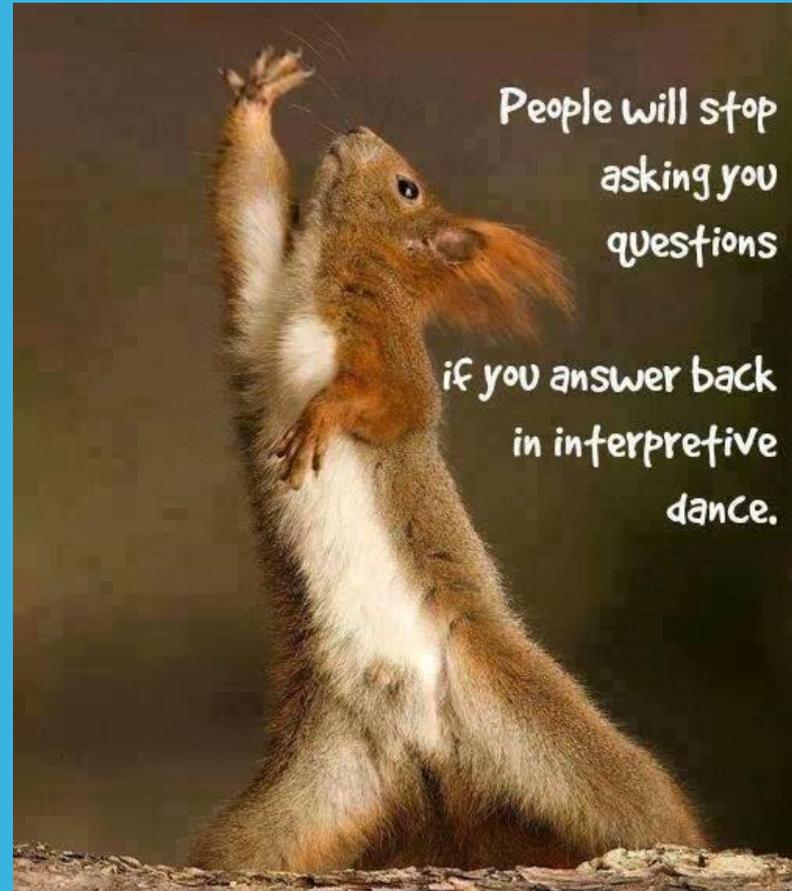
Copies must be provided to OWEB upon request.

All expenses must be listed on the Grantee's Expense Tracking Spreadsheet.



# BUDGET CATEGORIES

UNDERSTANDING AND USING BUDGET CATEGORIES EFFECTIVELY



People will stop  
asking you  
questions

if you answer back  
in interpretive  
dance.

# SALARIES, WAGES AND BENEFITS

**Definition:** In-house staff (i.e., applicant employees for whom payroll taxes are paid) performing work on an OWEB grant.

## Costs include:

- Gross wages
- Payroll taxes
- Health insurance
- Retirement benefits
- Accrued leave liability
- Workers compensation insurance

When billing OWEB, USE ACTUAL COSTS.

**OWEB accepts a Grantee letterhead or detailed QuickBooks expense transaction sheet as the receipt (see OWEB billing instructions).**

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ANDERSON

"We find it helps our less motivated employees."

# COMMON ERRORS

- **Billing at an estimated (rounded) rate**
  - We tend to see this as employees billed at “round number” rates that include all costs
- **Billing at a “billing” rate.**
  - Just like the above, we see a lot of “billing rates” that agencies use to charge other entities for services. OWEB is a granting agency. We pay actual costs.
- **Not signing timesheets or other records**
- **Not providing dates worked**



# POINT OF CLARITY

If you are an agency that uses a payroll agency, please bill employees under “Salaries, Wages & Benefits”

Note: If employees are actually temporary (one time use, through an agency) billing as contracted services is appropriate



*“He must be one of our seasonal employees.”*

# **WRONG EXAMPLE:**

## **SALARIES, WAGES & BENEFITS**

Looney Tunes Watershed

Expenditure Journal – Detail Report

From 1/1/2012-6/30/2015

Jellystone River Push Up Dam Replacement – 215-5182

Employee: Bugs Bunny	40 hours	\$20 hour	\$800
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Pay Date: 5/31/2015

Employee: Elmer Fudd	40 hours	\$20 hour	\$800
----------------------	----------	-----------	-------

Pay Date: 5/31/2015



# CORRECT EXAMPLE: SALARIES, WAGES & BENEFITS

Looney Tunes Watershed			
Expenditure Journal - Detail Report			
From 5/1/2015-5/31/2015			
OWEB ACME RIVER PUSH UP DAM REPLACEMENT - 215-5182			
Employee: Bugs Bunny	40 hours	\$15 hour	\$600
Pay Date: 5/31/2015		FICA Taxes	\$125.57
		Health Insurance	\$50
		Sick & Vacation Pay Allowance \$5.87	
			<b>\$781.44</b>
Employee: Elmer Fudd	40 hours	\$15 hour	\$600
Pay Date: 5/31/2015		FICA Taxes	\$187.98
		Health Insurance	\$50
		Sick & Vacation Pay Allowance \$5.87	
			<b>\$843.85</b>

*Shep Stein*



# CONTRACTED SERVICES

**Definition:** Contract for a job undertaken by an entity unrelated to the grantee. The entity may hire others to carry out (or help) in the work, but is solely responsible for the satisfactory completion of the job.

**Costs include:**

- Construction
- Engineering
- Weed control
- Work crew labor

**Contract costs should be broken out and should match the scope of work described in the application.**



# COMMON ERRORS

- Do NOT lump all contract costs into one row, except when a contractor bids a lump-sum amount for a discrete deliverable.
- Worked performed before or after the grant
- Adding employees
- Where to draw the line between supplies and contracts
- Landowners are considered contractors

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"Run the numbers, then crunch them just to be sure."

# REIMBURSEMENT “CHAINS”



It's not uncommon for a grantee to reimburse a landowner, then ask for that cost as part of the OWEB grant.

This is acceptable.

But please include a description of the reimbursement “chain” in your spreadsheet and a backup of the original invoice.

# WRONG EXAMPLE: CONTRACTED SERVICES

Looney Tunes Watershed

Expenditure Journal – Detail Report

From 1/1/2012-6/30/2015

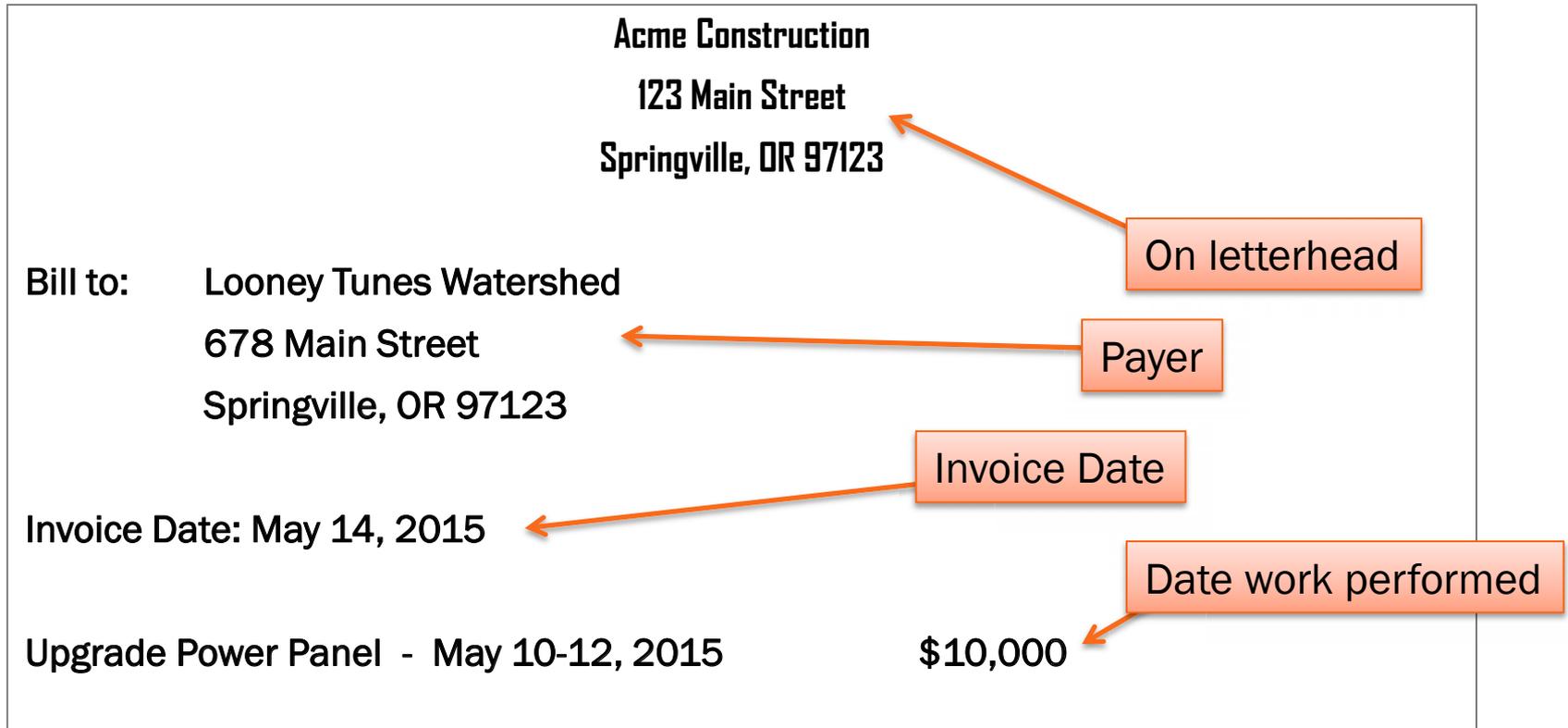
OWEB ACME RIVER PUSH UP DAM REPLACEMENT – 215-5182

Upgrade power panel

\$10,000



# CORRECT EXAMPLE: CONTRACTED SERVICES



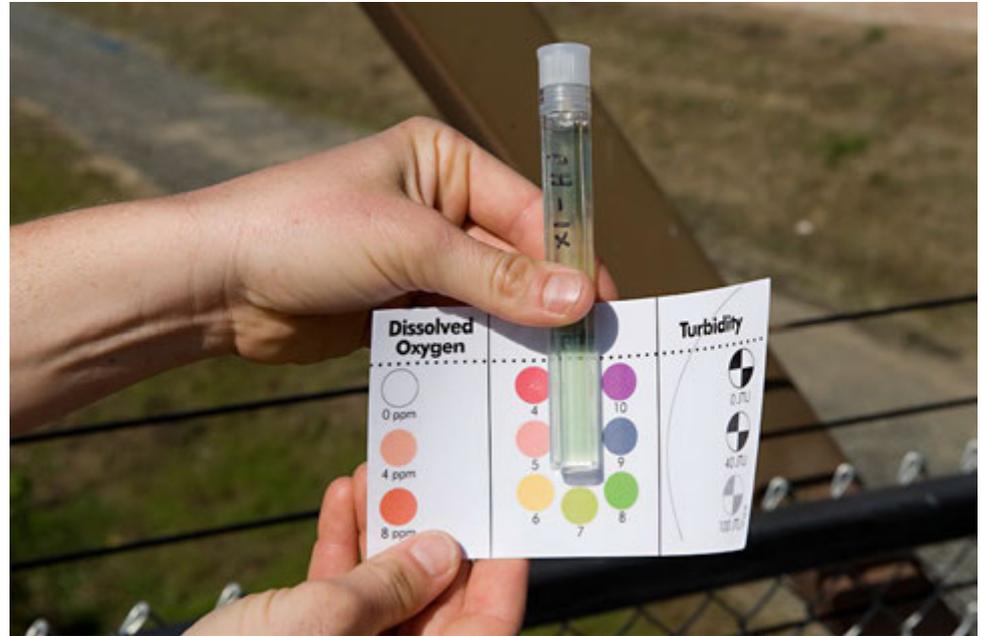
# MATERIALS AND SUPPLIES

**Definition:** Consumable items that are normally used up during the course of the project, includes equipment costing less than \$300 (e.g. small portable electronic equipment).

## Costs include:

- Fencing
- Safety gear
- Monitoring supplies
- Plants

On the application budget form indicate the number of units and the unit cost, wherever appropriate.





## COMMON ERRORS

- Confusion over difference from equipment category
- Confusion over when this category should be used instead of contracted services
- Clothing: OWEB will not pay for clothing that would normally only be used by one person, but may cover the costs of items that will be shared among numerous staff such as waders and rain gear
- Plant costs: When should they be contracted, when should they be materials and supplies

# WRONG EXAMPLE: MATERIALS & SUPPLIES

## Acme Online Stuff, Inc.

5/16/2015

Copy Paper	\$56.94
6" Seametrics Flow Meter	\$1,625.47
Pump Rite Screen and fittings	\$1,281.42
1640 feet of 6" class #125 PVC	\$4,346.00
40 feet of 10" Hel-Cor Pipe, road crossing	\$384.00
3 Drains / Air vents	\$402.06
6" Riser Units (tees, risers, misc pvc)	\$123.55
Concrete: Pouring & 10 sq. yards	\$2,200.00
Plants for riparian re-planting	\$59.57
	<b>\$10,479.01</b>



# CORRECT EXAMPLE: MATERIALS & SUPPLIES

## Acme Online Stuff, Inc.

5/16/2015

Copy Paper	\$56.94	Admin
6" Seametrics Flow Meters	\$1,625.47	Stays here, even though more than \$300
Pump Rite Screen and fittings	\$1,281.42	
1640 feet of 6" class #125 PVC	\$4,346.00	
40 feet of 10" Hel-Cor Pipe, road crossing	\$384.00	
3 Drains / Airvents	\$402.06	
6" Riser Units (tees, risers, misc pvc)	\$123.55	Contracted Services
Concrete: Pouring & 10 sq. yards	\$2,200.00	
Plants for riparian re-planting	\$59.57	Addition to budget
	<b>\$8222.07</b>	

# TRAVEL

**Definition:** Travel refers to expenses incurred getting to and from the project location.

**Costs include:**

- Mileage
- Meals
- Per diem
- Lodging.
- Training workshop (must be compelling reason)

On the application budget form indicate the number of units and the unit cost, wherever appropriate.

**In small grants, only mileage is reimbursable.**



# COMMON ERRORS

- Reimbursement is based on rates at the time the travel occurs. The Federal Government (and Oregon) periodically updates rates.
- Travel logs must be submitted; they must document travel dates, times, destinations, miles, etc.
- Additional travel, such as to and from a training, must be pre-approved by OWEB's Fiscal Manager.
- No mileage reimbursement will be paid for use of motorcycles or mopeds.
- The unit cost for per diem must be calculated using the most direct and usually traveled route, and must be based on current rates.
- Adding non-travel costs (such as snacks for a meeting among stakeholders)
- Travel logs are required showing all travel expenses; only need to attach receipts of \$250 or more.



# WRONG EXAMPLE: TRAVEL

Looney Tunes Watershed  
Mileage / Meals / Lodging Report  
From 1/1/2012-6/30/2015

Bugs Bunny

40 miles	.575	\$23.00
23 miles	.575	\$13.23
48 miles	.575	\$27.60
55 miles	.575	\$31.63
Hotel (watershed training)		\$98.56
		<b>\$194.02</b>



# CORRECT EXAMPLE: TRAVEL

## Looney Tunes Watershed

### Bugs Bunny - Mileage / Meals / Lodging Report

From 5/1/2014-5/31/2015

Date	Depart	Return	Reason	Mileage	Rate	Meals	Lodging	Total
5/15/14	8:00am	2:30pm	215-5182 - Project Prep	40.25	.56	-	-	\$22.54
7/5/14	9:20am	10:30am	214-5122 - Monitoring	22.6	.56	-	-	\$12.66
5/16/15	8:00am	7:00pm	215-5182 - construction day, 2 round trips	80.50	.575	-	-	\$46.29
5/28/15	7:30am	8:45AM	OWEB TRAINING	53.4	.575	-	-	\$30.71
5/29/15	4:30PM	5:45PM	OWEB TRAINING	53.4	.575	-	-	\$30.71
5/29/15			OWEB TRAINING				\$83.00 + 15.56 tax	\$83.00



# EQUIPMENT AND SOFTWARE

Equipment and software are defined as portable, nonexpendable, items with a useful life of generally two years or more and a per unit cost of \$300 or more.

Any items less than \$300 belong in supplies and materials.

**Not eligible in small grants!**

Note: Equipment purchased with OWEB funds must “reside with a watershed council, SWCD, tribe, local government, state agency, institution of higher learning or school district. These entities will make the equipment available to others at no cost, other than nominal operation and maintenance costs.”

The intent of this rule is that the entities listed above will retain ownership of the purchased equipment and use the equipment for future conservation purposes.



# EQUIPMENT

Threshold now \$300 or more per each piece of equipment.

The combined costs for items (example: digital camera, flash, battery pack, and accessories) are considered a single item

## Accessories

[Shop all Accessories >](#)



Memory Cards & Readers



Bags, Cases & Straps



Lenses



Tripods & Monopods



Flashes



Batteries & Power



Chargers & Adapters



Lens Filters



Lighting



Photo Printers



Cleaning Equipment



Lens Caps

# COMMON ERRORS



- OWEB will not pay for portable equipment that is purchased for the grant and intended to be owned by a landowner after a grant is completed.
- Only include the purchase of computers, printers, scanners and software of \$300 or more here that are specifically necessary for the project. Otherwise these items should be included in the Grant Administration Budget Category.

# WRONG EXAMPLE: EQUIPMENT

## Acme Online Stuff, Inc.

9/18/2014

Laptop & keyboard	\$453.98
Water monitoring equipment	\$125.57
Portable sheep fencing kit	\$458.45
Sturdy fencing materials	\$2557.25
Dam building kit with supplies & equipment	\$188.42
	<b>\$3783.67</b>



# CORRECT EXAMPLE: EQUIPMENT

## Acme Online Stuff, Inc.

9/18/2014

Laptop & keyboard	<i>In the grant budget? Is it specifically &amp; only for this project?</i>	<del>\$453.98</del>
Water monitoring equipment	<i>Should be in supplies.</i>	<del>\$125.57</del>
Portable sheep fencing kit	<i>Portable; to reside with landowner? Unallowable.</i>	<del>\$458.45</del>
Sturdy fencing materials	<i>Even though total over \$300, this is under supplies.</i>	<del>\$2557.25</del>
Dam building kit with supplies & equipment	<i>Should be in supplies.</i>	<del>\$188.42</del>
		<b>\$3783.67</b>

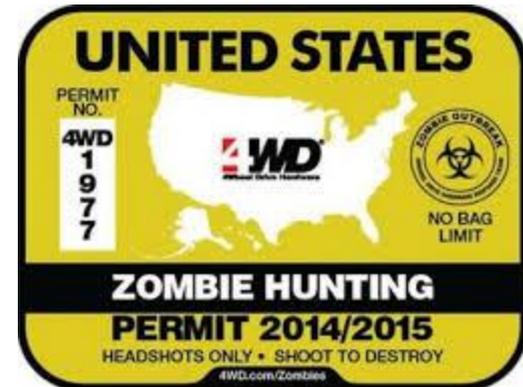


# OTHER

Refers to items that do not fit in the other budget categories including the price of property for Land Acquisition projects.

Following are examples of costs appropriate for the Other budget category. The examples are not an exhaustive list, nor are all examples applicable to every OWEB grant type:

- Commercial equipment rental and insurance
- Grantee-owned and landowner-owned equipment rental (special rules apply)
- Small equipment repair and maintenance (chainsaws, weed eaters, augers, etc.).
- Project Permit costs, and regulatory agency fees.
- Project specific printing costs



# COMMON ERRORS

- OWEB will not reimburse any costs associated with an individual's license or permit such as pesticide application license or Oregon engineering stamp.
- Many "other" items are not eligible for small grants
- **Confusion over when to include equipment rental here, supplies, or contracts**
  - Equipment rental must be grantee- or landowner-owned equipment rental.
    - Hourly rate includes all operating costs and cannot exceed NRCS hold-down rates (generally 60% of commercial rates).
- **Charging for small equipment repair and maintenance**
  - OWEB can pay for this, but not when "day rates" are charged as well
- **Project specific printing goes here**



# WRONG EXAMPLE: OTHER



## Jellystone Ranch LLC.

5/07/2015

Rental of digging equipment (day rate)	\$250
Gasoline for digging equipment (receipt attached)	\$24.04
Blade sharpening for digging equipment	\$57.87

# CORRECT EXAMPLE: OTHER

## Jellystone Ranch LLC.

5/07/2015

Digging Equipment on 5/1/2015  
(includes equipment, gasoline, and other costs)

\$300



A handwritten signature in black ink, appearing to be 'J. Brown' or similar, written in a cursive style.

# MODIFIED TOTAL DIRECT COSTS

Direct costs are those costs which can be identified and assigned to a specific project or grant activity. These include:

- Salaries and wages of employees
- Employee benefits
- Consulting services and engineering fees
- Travel costs
- Materials and supplies
- Permits



The total of these expenses is referred to as the Modified Total Direct Costs (MTDC.)

“Post-grant” costs are not included in the calculation of direct costs.

# POST GRANT

This budget category refers to costs incurred after the grant has been completed.

For Restoration Grants, there are three categories of possible post grant costs:

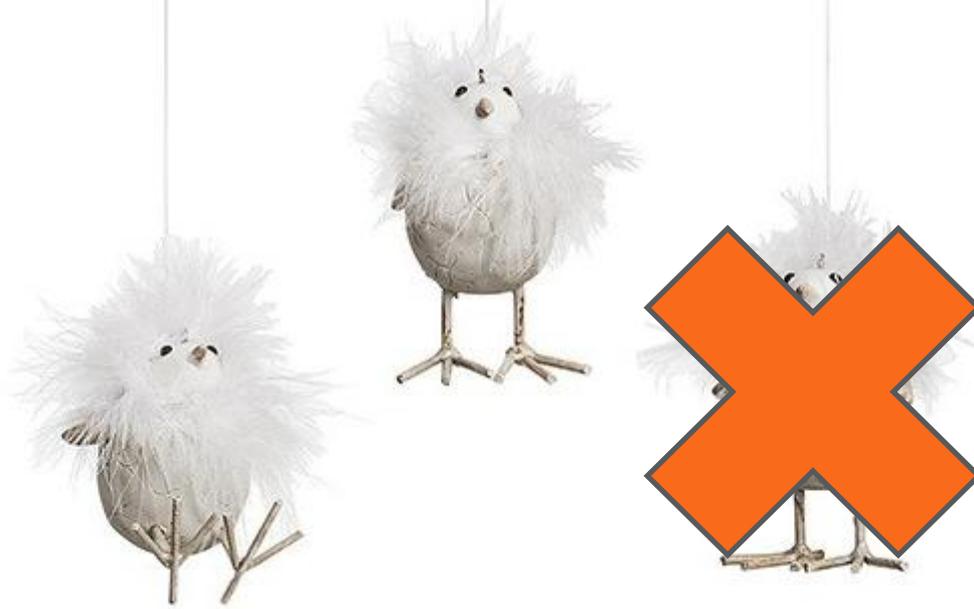
- Post-Implementation Status Reporting
- Effectiveness Monitoring
- Plant Establishment

Post Implementation Status Reports (PISR) are now limited to a maximum of \$3,500.

**For small Grants:**

- **Up to \$200 for Year-Two Status Reporting**
- **Up to \$1000 in Plant Establishment**





## COMMON ERRORS

- On initial budget not giving costs as “per report”
- Requesting to reduce reporting and forgetting this category is “per report”

# POST-IMPLEMENTATION STATUS REPORTING

Allows costs up to \$3,500 that are associated with the post-implementation status reporting requirements (complying with the terms and conditions of the grant agreement) and defined in Exhibit D of OWEB grant agreements.

Costs for post-implementation status reporting are not allowed in Weed Board grants.



# EFFECTIVENESS MONITORING

Effectiveness Monitoring in Restoration Grants. Costs up to \$3,500; (Effectiveness monitoring involves gathering data to determine whether the project is having the expected biological or physical effects. Effectiveness monitoring involves more rigorous data gathering and specific hypothesis testing that looks beyond Post Implementation Status Reporting to the effect in the ecosystem.)



# PLANT ESTABLISHMENT

Plant establishment activities occur after site preparation and planting and include activities necessary for long-term survival of the plantings.

Allows costs up to \$3,500.

including, but not limited to:

- Regular and ongoing control of invasive weeds (e.g. mulching, weed treatment, etc.)
- Regular and ongoing control of animal damage to the plantings (e.g. maintaining/replacing caging, fencing or other methods of animal control)
- Regular and ongoing watering or irrigation

