

#### Elevate CBOs Webinar Series: Budget 101 Workshop

### We will be starting soon, thank you for joining us!



Attendees are muted, so please share comments and ask questions in the **Q&A box** 

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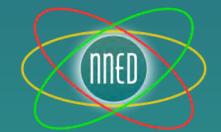
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Some views, opinions, and content expressed in this webinar may not necessarily reflect the views, opinions, or policies of the Office of Behavioral Health Equity (OBHE), the Substance Abuse and Mental Health Services Administration (SAMHSA), or the U.S. Department of Health and Human Services (HHS). National Network to Eliminate Disparities in Behavioral Health Elevate CBOs Webinar Series

NNED

## Budget 101 Workshop

#### WELCOME & INTRODUCTIONS – ABOUT THE NNED



National Network to Eliminate Disparities in Behavioral Health

A network of over **5,000 individuals,** including more than **1,200 community-based organizations** striving for behavioral health equity for for all individuals, families, and communities.



Rachele C Espiritu, PhD

**Director**, NNED National Facilitation Center **Managing Partner**, Change Matrix

#### WELCOME & INTRODUCTIONS - LOGISTICS









Share comments and ask questions in the **Q&A box**  Closed captioning is available through Zoom using the CC button / Full Live Transcript option Resources and the recording will be available following the webinar at <u>nned.net</u> Provide us with **feedback** in the post-webinar survey



#### Budget 101 Workshop Agenda

Grants 101 Workshop Recap

Welcome

CBO Experience

Budget 101

Q & A



National Network to Eliminate Disparities in Behavioral Health

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#### **OBJECTIVES FOR THE DAY**

- Provide an overview of project budget development
- Explain the importance of an accurate project budget
- Introduce budget terminology
- Offer tips and advice on cost estimates
- Learn about budgeting and successful grant applications from a CBO perspective



#### WELCOME

# X SAMHSA



#### Dr. Miriam E. Delphin-Rittmon

**Assistant Secretary for Mental Health and Substance Use,** Substance Abuse and Mental Health Services Administration



#### Recap of Elevate CBOs Webinar Series: Grants 101

Beverly Vayhinger, PhD Public Health Analyst Office of Financial Resources





#### Recap of Elevate CBOs Webinar Series: Grants 101

Beverly Vayhinger, Ph.D Public Health Analyst Office of Financial Resources







# SAMHSA's mission is to reduce the impact of substance abuse and mental illness on America's communities.

beverly.vayhinger@samhsa.hhs.gov (240) 276-0564

### www.samhsa.gov

1-877-SAMHSA-7 (1-877-726-4727) • 1-800-487-4889 (TDD)



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#### Budget 101 for Federal Financial Assistance Recipients and Applicants Office of Grants Office of the Assistant Secretary for Financial Resources U.S. Department of Health and Human Services 2021



## Agenda

- Project Budget and Narrative Overview
- Completing a Budget
- Helpful Hints

### Learning Objectives

## Upon course completion, participants will be able to:

- Describe the basic components of a project budget
- Define key budget narrative categories and terminology
- Complete the steps necessary for preparing a budget narrative

## What is a Project Budget and Budget Narrative ?

A project budget provides a projection of total costs for all years of the project period.

• Applicants are expected to stay within the funding limits listed within the Notice of Funding Opportunity (NOFO) for the grant.

#### A budget narrative provides:

- An explanation of how the applicant will use the funds that they are requesting.
- Sufficient detail for the various line items where funds are being requested.
- Explanation of total costs (direct and indirect, federal and non-federal).
- Explanation of how grant funds will be spent in compliance with grant provisions, cost principles, and the Code of Federal Regulations (CFR).

#### Importance of a Detailed Budget Narrative

A detailed budget narrative should demonstrate that the applicant understands what it takes to carry out the project and has a financial plan in place to support the program/project.

#### Additionally, a detailed budget should:

- Explain how much funding the entire project will require
- Demonstrate how federal financial assistance will be used to fund the project
- Demonstrate that grant funds will be spent in compliance with grant provisions and Federal regulations
- Serve as a plan for how the recipient will carry out the project

### Basic Components of a Budget Narrative

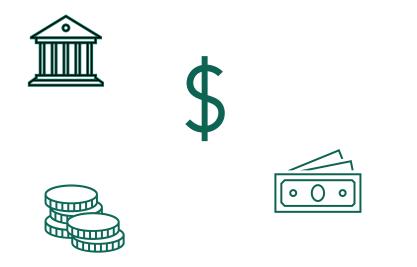
- I. Federal Share Breakdown and Justification
- II. Non-federal Share Breakdown and Justification
- III. Project and Budget Periods
- IV. Direct Costs
- V. Modified Total Direct Costs
- VI. Indirect Costs
- VII. Budget Justification



### Federal and Non-Federal Share

#### Federal share ...

... is the portion of the Federal award costs that are paid using federal financial assistance funds.



#### Non-federal share ...

... is the portion of project costs not paid by Federal funds or contributions (unless otherwise authorized by Federal statute).

... can be provided in the form of "matching" and "cost sharing".

"Matching" usually refers to a statutorily specified percentage, whether specified as a fixed or minimum percentage of non-federal participation in allowable program or project costs, which must be contributed by a federal financial assistance recipient to be eligible for federal funding.

### **Non-Federal Share**

"Cost sharing" refers to any situation in which the grant recipient shares in the costs of a project other than as statutorily required matching.

In-kind contributions are goods and services donated to the organization. These services/contributions can often be used as matching funds.

Examples of in-kind contributions include:

- Corporate volunteers and pro-bono professional services
- Use of a building and utilities
- Advertising
- Donation of computers or other technology resources
- Transportation

The value of in-kind services should be based on their market value. For example, a volunteer working in an unskilled position would be calculated at minimum wage dollar value. To indicate this in a budget you might include a formula, such as five volunteers, X hourly wage, X hours per week, for X number of weeks.

### **Project and Budget Periods**

The *project period* covers the start of an initial Federal award and the proposed end date. A project period may include one or more budget periods.

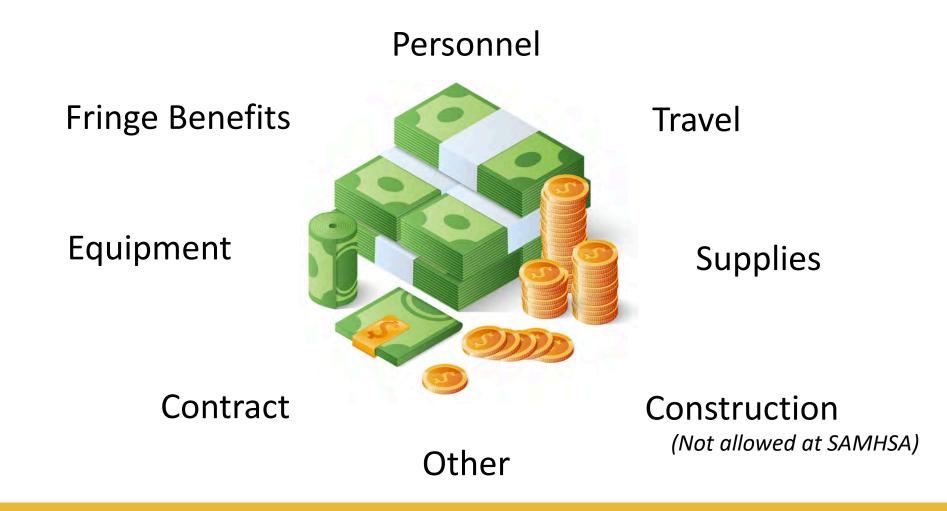
The **budget period** is the start date of the funded portion of an award to the end date of that funded portion during which recipients are authorized to disburse the federal financial assistance funds that have been awarded, including any funds carried forward from previous budget periods.

There may be multiple budget periods within the project period, or there may be one budget period that covers the total project period if the award is fully funded.\*

\*All federal financial assistance funds for the project period are awarded at the start of the project period for fully funded award programs.



### Direct Cost Categories \$



#### Personnel

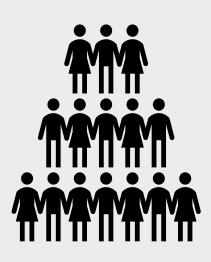
*Personnel* should contain a breakdown for all staff salaries provided.

For example, the budget should not state 3 directors at \$300,000. Instead, a breakdown of each director's annual salary or hourly wage, as well as the percentage of time or number of hours being dedicated to the project should be provided.

**Individual salaries** should not exceed annual Executive Level II Salary cap that is listed in the current Consolidated Appropriations. The cap does not include fringe and indirect costs.\*

**Consultant salaries** and pay should not be listed here; they should be listed in "Contractual".

\*Certain appropriations may not have a salary cap applied. For example, funding under the American Rescue Plan Act.



### **Fringe Benefits**

*Fringe benefits* are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages.

Fringe benefits include, but are not limited to:

- The costs of leave (vacation, family-related, sick or military)
- Employee insurance
- Pensions
- Unemployment benefit plans

The budget narrative should outline the recipient organization's fringe benefit rate and must comply with HHS regulations at 45 CFR §75.431.



### Travel



*Travel* covers the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the federal financial assistance recipient. Travel listed in this section should only be for project staff.

- Travel for consultants and contractors should be shown in **Contractual** along with consultant/contractor fees.
- Travel for training participants, advisory committees, review panels, etc., should be itemized the same way as in this section but listed in **Other**.

Rates for airfare, rental cars, and public transportation should reflect fair market rates for the area and/or mode of transportation.

The below link provides the GSA rates for reference.

https://www.gsa.gov/travel/plan-book/transportation-airfare-rates-pov-rates-etc



### Equipment



*Equipment* is tangible personal property (including information technology systems) having both:

- a useful life of more than one year
- a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000

The **budget justification** should include information about how the costs were estimated (i.e., fair market value, quotes, etc.).

A lease versus purchase analysis should be included for equipment purchases when applicable.

## Supplies

*Supplies* are tangible property other than those described in Equipment.

A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.

#### The justification must include an explanation of:

- the type of supplies to be purchased
- how the supplies relate back to achieving the project objectives
- the basis for the estimate of supplies, i.e., historical use on similar projects



#### Contractual

**Contractual** costs are those services carried out by an individual or organization, other than your organization, in the form of a procurement relationship.

• The arrangement may be in the form of a sub-award, contracts, consultants, or consortium agreements.

In this section, applicants should list the proposed contract activities and provide a brief description of the scope of work or services to be provided. A justification of the necessity of each sub-award or contract as it relates to the Project Narrative.

• Applicants should ensure that cost principles are applied to all allocations in this category.

### Other

This category includes expenses not covered in any of the previous budget categories. These expenses may include:

- Minor alteration and renovation (define and obtain prior approval)
- Rent
- Client incentives
- Telephone and postage
- Travel for training participants, advisory committees
- All costs associated with training activities (except costs for consultant and/or contracts).

Applicants should ensure a detailed breakdown of what is being allocated in this line item to ensure that they are allowable costs.



#### **Indirect Costs**

*Indirect* costs are the expense of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs (HR, accounting etc.)

HHS training or technical assistance grants have an 8% indirect rate cap.

(45 CFR §75.414)

Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.

#### **Modified Total Direct Costs**

**Modified Total Direct Cost (MTDC)** means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward, (regardless of the period of performance of the subawards under the award).

> MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. > Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

### De Minimis rate

An applicant that proposes to use federal grant funds to pay for indirect costs but does not have a current federally negotiated indirect cost rate ...



...may elect to charge a de minimis rate of up to 10% of its modified total direct costs (MTDC) which may be used indefinitely.

If an applicant chooses to use the de minimis rate, that method must be used consistently for all Federal awards until the non-federal entity chooses to negotiate for a rate, which they may apply for at anytime.

For information on applying for an indirect rate agreement, go to: <u>PSC indirect rates</u>\*.

\*https://rates.psc.gov/fms/dca/map1.html

### **Budget Justification**

#### A *budget justification:*



Provides a breakdown of all cost allocations for each budget category and documents how the cost estimate or allocation was determined.

> Applicants should ensure that the budget justification is consistent with the project narrative and workplan.

### Steps for Creating a Budget Narrative



- 1. Review the budget guidelines within the NOFO
- 2. Determine allowable direct costs
- 3. Calculate allowable indirect costs
- 4. Develop and format the budget narrative based on NOFO guidance
- 5. Create a Budget Justification

### SAMHSA Detailed Budget & Narrative Justification





#### **This Budget Template**

- Facilitates completion of the Detailed Budget and Narrative Justification.
- Explains the federal and the non-federal expenditures by object class categories in the SF-424A - Section B (Budget Categories).

	SAMHSA Detailed Budge	t and Narrative Justification	rative Justification Index (Bookn	
INTRODUCTION	INSTRUCTIO	NS	ADOBE TIPS	Save Print
Applicant/Recipient			Application	n/Award Number
Project Title:				
	Start Date	End Date	В	udget Year

Before completing the Detailed Budget and Narrative Justification, review the program-specific Funding Restrictions/	List of FOAs by Fiscal
Limitations and the Standard Funding Restrictions in the Funding Opportunity Announcement (FOA).	Year
For applicable administrative requirements and cost principles, refer to the 45 CFR Part 75.	Electronic 45 CFR Part 75
For costs that are generally unallowable, refer to the 45 CFR Part 75, Subpart E, the HHS Grant Policy Statement	Summary of Unallowable
(GPS), and SAMHSA's Funding Opportunity Announcements (FOAs).	Costs

#### COST SHARING AND MATCHING

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#### Funding Requirements and Restrictions

- Costs detailed in your budget should be reasonable, allocable, allowable and necessary for the completion of the program.
- Carefully check the NOFO for information on *funding restrictions* in order to develop your application and budget consistent with the program requirements.

- If there are any limitations on direct costs such as foreign travel or equipment purchases, or if there are any limits on indirect costs (or facilities and administrative costs), these should be detailed in the NOFO and adhered to in the budget that the you prepare.
- **Pre-Federal award costs** may not be allowable. Applicants should refer to the NOFO they are responding to and not include these costs in the budget if not permitted.

### **Required Financial Documents**

#### SF-424A Budget Information Form

• You should follow the instructions included with the SF-424A when preparing your budget.

#### **Budget Narrative**

- Required to support all proposed costs in your budget. A budget narrative provides an explanation of how the applicant will use the federal financial assistance funds that are being requested.
- Sufficient detail for the various line items where federal funds are being allocated should be provided.

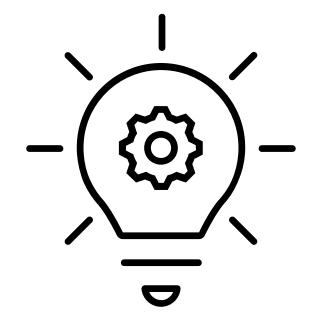


#### **Common Errors When Preparing a Project Budget**

- Not submitting a budget with the application
- Not providing calculations and breakdowns for costs
- Not confirming if the calculations add up for the costs listed
- Only submitting a budget for the first-year vs submitting a budget for each year of a multi year project that is not fully funded
- Submitting a cumulative project budget but not one by budget year, if not fully funded
- Narrative category totals do not align with the SF 424A category totals

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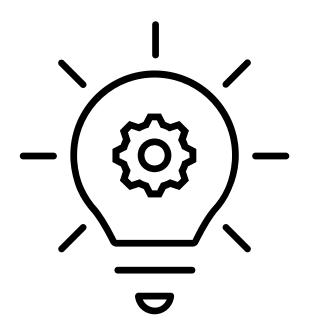
#### **Helpful Hints**



- 1. Total costs include direct and indirect costs.
- 2. For HHS grants that only address the provision of training and/or technical assistance, the indirect rate cannot exceed 8%.
- 3. Make sure your budget and project narrative align. The activities, resources, staff, and other items described in the Project Narrative must be referenced in the budget.
  - For example: All staff members who will be involved in the project must be included in the Personnel or Contractual sections of the budget even if they will not receive a salary or compensation from the project.

#### **Helpful Hints**

- 4. You must justify why resources, staff, and supplies are being included in the budget.
- 5. If you are submitting a budget for multiple years, remember to include a cost of living raise in staff salaries and allow for inflation for supplies, utilities, etc.
- 6. In preparing the budget, be realistic about the amount of funds that can be spent during the first year of the project, paying close attention to salaries and contracts. For example, try to accurately determine the amount of time it will take to recruit and hire staff, particularly if many new staff members must be hired.





Budgeting Tips and Lessons Learned

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Creating Your Grant Budget Create your budget as you are writing your grant. Develop a template of Standard Expenses

> Personnel and Fringe benefits Travel and Local Mileage

Operational Expenses Supplies Office Lease/Rent Copier Lease Communications (Phone, Internet)

Operational Expenses Contractual – Evaluator, Trainers Indirect Rate or Administrative Rate Allowed

# Getting Organized After Award

- ♦ Train all staff about the importance of fiscal accountability as a part of their orientation and reconcile program implementation and budgets on an ongoing basis.
- ♦ Outline what you need to get the job done on an annual basis. Remember your grant described what is to be accomplished over multiple years.
- Match your annual budget with the outline.
- For a reimbursable grant, you must plan for your cash flow! Establish a line of credit with a bank or ask for a percentage of your funding up front. A non-profit is a business!
- ♦ Develop a method to show you spent your funding.
  - ♦ Staffing Payroll register (salary vs. hourly)
  - ♦ Supplies Set up an account at an Office Supply Store that provides monthly statements
  - ♦ Set up an office credit card and DO NOT mix personal charges with organizational charges
  - ♦ Receipt folder (i.e. events, trainings, marketing, sound system)
  - ♦ Bill monthly or every two weeks (if cash flow is a consideration)

## **BUILDING ORGANIZATIONAL CAPACITY**

Build Capacity for Infrastructure Capacity Capacity

#### Indirect Rate

Administrative CostsOverhead

#### Leveraging Resources

- Co-locating
- Partnerships for In-Kind and Maatch

#### **Building Equity**

- Fundraising Strategy
- Capital Campaign

# Sustaining Your Efforts



#### When to Start

Start planning in the first quarter of your grant for how you are going to sustain your efforts when funding ends



#### **Information to collect**

Partners to leverage resources Local funding resources Key Donor and Volunteers Sustainability

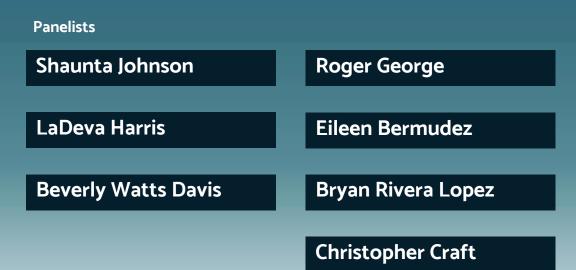
Utilize your contacts to secure additional funding to sustain your outcomes and grow effective program components

# What preparation can I do before my organization submits a grant application?



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Rachele C Espiritu, PhD



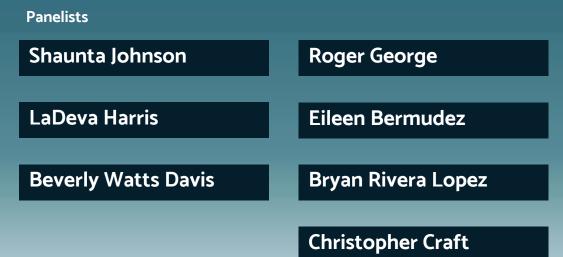


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# What are the steps to take in grant seeking?



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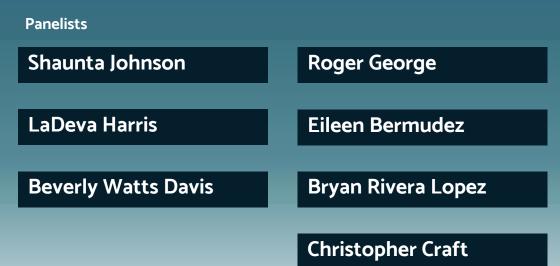




When developing a proposal and budget, how can I provide details and still leave room for flexibility?



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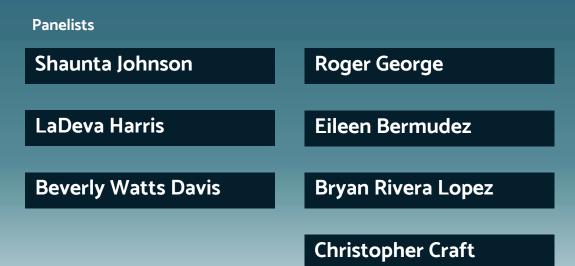




# When developing a budget, how do I estimate staffing time and cost?



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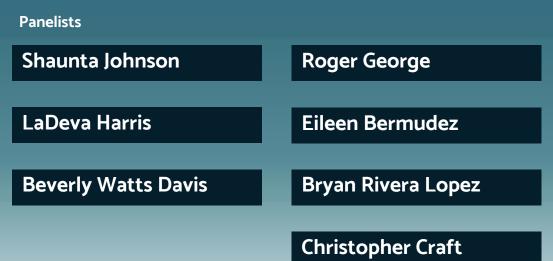




How do I determine the balance between what is too expensive to fund and what funders are willing to fund?



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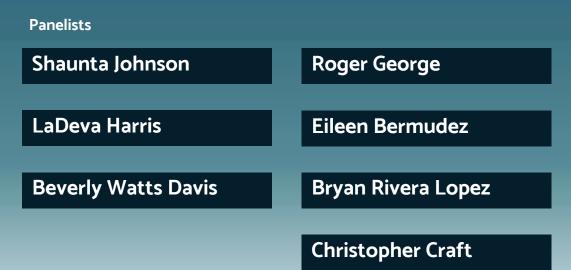




What resources are available to help with budget development for grant proposals?



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#### **Question and Answer**

## Questions from the Q&A box



Facilitated by

Rachele C Espiritu, PhD

# Panelists Roger George LaDeva Harris Eileen Bermudez Beverly Watts Davis Bryan Rivera Lopez Christopher Craft



#### **RESOURCES – Upcoming SAMHSA Webinar**

# SAMHSA Webinar: Developing a Competitive SAMHSA Grant Application

Speaker: Beverly Vayhinger, PhD

Thursday, September 30, 2021 (2:00 – 3:30 pm ET) Thursday, October 28, 2021 (2:00 – 3:30 pm ET)

For information on this webpage: <u>https://www.samhsa.gov/grants/grants-training-materials</u>

Continuation Grants	the official grant file.		
Block Grants	Live trainings are announced on this page and related pages within the SAMHSA grants website. Grantees are al notified via email. Webinar presentations are also posted, as are guidance materials such as videos and reference sheets.		
GPRA Measurement Tools	Webinar Trainings Schedule		
Contact Information	Throughout 2021, SAMHSA will be offering webinars that provide grantees with specific information about how to effectively manage and maintain proper oversight of their grants. View the <u>2021 Webinar Trainings Schedule (PD</u> )		
Grants Glossary	<u>111 КВ)</u> .		
Grant Awards Archive	To receive information on how to access the w	ebinars contact <u>GPOtraining@samhsa.hhs.gov</u> ∞ .	
Grant Awards Archive	For information on upcoming events Subscribe to SAMHSA's Newsletter		
Grants Fact Sheet	Applying for a Grant		
Grants Training Materials	A manual is available for app MB).	licants: Developing a Competitive SAMHSA Grant Application (PDF.)	
Grant Awards By State		licants with valuable information about how to prepare a strong gra	
and the second second	application		
	application. Three webinars are schedule valuable information in the m	d in August, September, and October 2021 (PDE   157 KB) to highlin nanual.	
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RESOURCES – Behavioral Health Implementation Guide For The National Standards for Culturally and Linguistically Appropriate Services in Health and Health Care

BEHAVIORAL HEALTH IMPLEMENTATION GUIDE FOR THE NATIONAL STANDARDS FOR CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES IN HEALTH AND HEALTH CARE

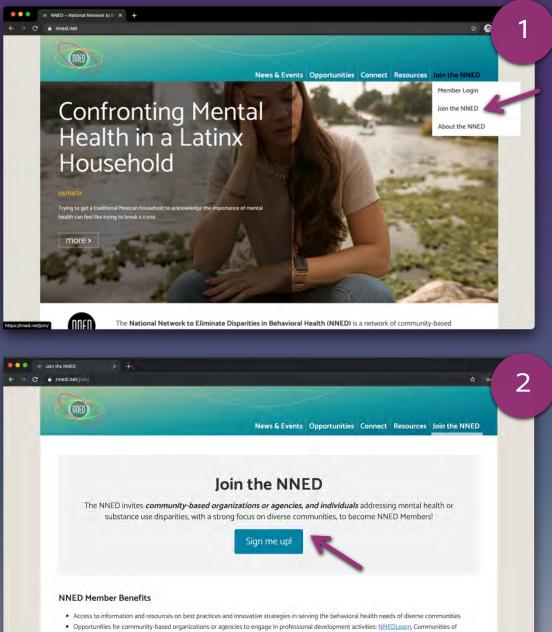


This Behavioral Health Guide, developed by HHS OMH in collaboration with SAMHSA, underscores the ways in which the National CLAS Standards can improve access to and quality of behavioral healthcare for underserved minority communities.

It provides concrete, feasible implementation strategies for the health and behavioral healthcare community to improve the provision of services to all individuals, regardless of race, ethnicity, language, socioeconomic status, and other cultural characteristics.

Download: <u>https://www.samhsa.gov/behavioral-health-</u> <u>equity/quality-practice-workforce-development</u>





- Practice (CoP), Webinars

   Opportunities for collaboration with other community-based organizations or agencies through Partner Central (a private NNED Member space)
- Opportunities for collaboration with other community-based organizations or agencies through Partner Central (a private NNED Member spatial continued dialogue and resource sharing with other NNED Members)

**RESOURCES – Become a NNED Member** 

# Join the Network! https://nned.net/join



#### **FINAL THOUGHTS**

### THANK YOU FOR JOINING US TODAY!



To view resources related to this webinar and the recording, visit <u>share.nned.net</u>



Questions?

Email perry.chan@samhsa.hhs.gov



Please provide your feedback in the survey!



Join the NNED to join us for future learning opportunities: <u>nned.net/join</u>

Substance Abuse and Mental Health Services Administration Office of Behavioral Health Equity



#### PLEASE PROVIDE FEEDBACK bit.ly/Budget101Feedback



