



2011

A Primer for Fitting Charges within Budget Categories

If a grant is awarded, reimbursement of costs will only be for project costs incurred within the grant period of performance.

1. Salaries

Salaries itemized by name and tasks of staff members, for those contributing to the direct work of the project, not including administrative functions. This category cannot include any mark-up above the salary actually paid to employees for direct labor hours worked on the project, documented by timesheets. Benefits are covered under the following category and other items of overhead are covered under "administrative expenses" below.

Students/graduate assistants, etc., - If proposing the use of students/graduate assistants, etc., and requesting reimbursement of tuition/course credits in addition to an hourly rate, justify how it is in the best interest of the department to do so. Otherwise, reimbursement for students/graduate assistants, etc, will only be on an hourly basis for actual work performed on the project. Tuition should be identified in the "Other" category.

Benefits

Fringe benefits that are proportional to hours worked, itemized by name and tasks of staff members, for those contributing to the direct work of the project. Benefits commonly include, among other items, health insurance, retirement, FICA withholding, workers compensation, vacation, and sick leave. Vacation and sick leave cannot be logged on time sheets as contributing to the work of the project. They can be included pro rata under benefits.

2. Travel and Lodging

These costs must be directly associated with implementation of the project.

Some typical examples of allowable items follow:

- Hotel/motel rooms (limited to current state rate)
- Food (only for overnight trips and limited to current state rate)
- Car expenses (limited to current state rate), taxi, bus, train, rental car, gas for rental car, tolls, parking

Current state rates can be found at www.depweb.state.pa.us/growinggreener. Click on "Help for Recipients", then click on "Tips for Travel Reimbursement".

3. Equipment

Reimbursement for any single item cannot exceed \$5,000.

Some typical examples of allowable items follow:

- Field equipment dedicated to the project (owned by commonwealth following grant close-out)
- Office equipment dedicated to the project (owned by the commonwealth until grant close-out)
- Small tools dedicated to the project

Supplies

Supplies not dedicated to the project are to be charged as administrative. Materials and supplies that are incorporated into the construction site and remain as an integral part of the construction should be listed under construction rather than under this category. Items of clothing (tee shirts, caps, etc.) are not authorized grant expenditures, but can count as match if offered for volunteer services and/or advertisement for the organization.

Some typical examples of allowable items follow:

- Office supplies dedicated to the project
- Educational materials used solely for the project, e.g.:
 - Brochures
 - Printing and copying costs
- Postage for project mailings
- Long-distance telephone charges directly attributable to the project
- Other office costs dedicated to the project
- Materials that can travel from site to site that are used for the project (see construction category)
- Clothing and other items necessary for the safe performance of work on the project, e.g.:
 - Hard hats
 - Safety glasses
 - Protective chain saw chaps
 - Vaccinations related to work
- Project signs. (Must identify GG as the project funding source. Restrictions apply to erecting signs on PennDOT rights-of-way. Contact Mark Alexander at 717-783-6261 for information.)

4. Administrative Costs

Administrative costs for projects funded through GGI are limited by law to a maximum of 5% of the grant amount.

In order to direct the maximum amount of funding toward the project, preference will be given to applications requesting low administrative costs.

Some typical examples of allowable items follow:

- Salaries & benefits for personnel managers, legal counsel, accountants, secretaries, trainers, professional staff for time spent in training to manage the grant and other time related to the grant in only a general managerial way
- Contractual services for any of the above categories
- Fees for professional certification
- Organizational filing fees, e.g., to the Bureau of Charitable Organizations
- Field equipment not dedicated to the project
- Office equipment not dedicated to the project
- General equipment maintenance costs unless equipment is dedicated to the project
- Office supplies not dedicated to the project (paper, pencils, pens)
- Insurance coverage for regular operation of the organization (i.e. standard and general liability, errors and omissions, officers and directors) (only through completion of project)
- Audit fees
- Office cleaning costs
- Small tools not dedicated to the project
- Educational materials not unique to the project
- Registration fees for training purposes
- Office printing costs
- Postage for general purposes
- Other office costs not dedicated to the project, e.g.:
 - Rent
 - Utilities
 - Monthly telephone charges including Internet provider fees on pro-rated basis
 - Computer and copier maintenance
 - Filing fees for professional groups not related to a specific project

5. Contractual

If contractors are proposed, preference will be given to those projects that use a competitive selection process such as Requests for Proposals (RFP) or competitive bidding. The selection process utilized is up to the applicant; but, the intent is to encourage the most cost-effective and efficient use of funding without mandating unnecessary requirements to all applicants. Contractor involvement, contracting procedures and construction inspection provisions should be identified. Applicants choosing not to use a competitive selection process for contractors must provide adequate justification for not using a competitive process. In general, for a construction grant, the contractual category should not exceed 25% of the construction costs.

If a contract is bid as time and materials, typical costs include:

- Salaries and benefits for direct work on the project when such services are not available from volunteers or regular sponsor's staff (itemized by names and duties of the consultant firm's staff members)
- Legal services (only for start up watershed associations)
- Expenses for materials directly attributable to the project i.e., substances that are incorporated into the project and left on site

Contractors are required to follow current Commonwealth Travel Regulations (limited to current state rate). In addition, contractor administrative charges shall not exceed those allowable for the grantee.

6. Construction

If contractors are proposed, preference will be given to those projects that use a competitive selection process such as Requests for Proposals (RFP) or competitive bidding. The selection process utilized is up to the applicant; but, the intent is to encourage the most cost-effective and efficient use of funding without mandating unnecessary requirements to all applicants. Contractor involvement, contracting procedures and construction inspection provisions should be identified. Applicants choosing not to use a competitive selection process for contractors must provide adequate justification for not using a competitive process.

Restrictions on administrative expenses and state travel rates described under "Contractual" apply here as well.

If a contract is bid as time and materials, typical costs include:

- Salaries/benefits for construction work not available from volunteers or regular sponsor's staff (itemized by names and duties of construction firm's staff members)
- Rental charges for construction equipment
- Mobilization/demobilization of equipment/materials

- Materials that are expended, consumed or integral to construction, that is, those that remain on a construction site, e.g.:
 - Trees
 - Grass seed
 - Mulch
 - Rocks
 - Concrete
 - Gasoline or diesel fuels for equipment used in construction

Nutrient Reduction Credits: If a grant is awarded, any nutrient reduction credits realized from the commonwealth funded portion of the project, and recognized by the Pennsylvania Department of Environmental Protection, are the property of the Commonwealth of Pennsylvania, which maintains full ownership thereof. The grantee recognizes and releases all rights, claims, title or ownership to the nutrient reduction credits that are generated as a result of the commonwealth funded portion of the work specified in the contract, for the time period covered by the contract.

Aquatic Resource Compensation Credits: If a grant is awarded, any aquatic resource compensation credits, including but not limited to wetland, waterway, aquatic habitat, floodplain or riparian credits, realized from the Commonwealth funded portion of the project, and recognized by the Pennsylvania Department of Environmental Protection, are the property of the Commonwealth of Pennsylvania, which maintains full ownership thereof. The grantee recognizes and releases all rights, claims, title or ownership to the aquatic resource compensation credits, in perpetuity, that are generated as a result of the commonwealth funded portion of the work specified in the Grant Agreement.

Prevailing Wage: Please note that, if the grant project includes construction work where the cost of the total project is greater than \$25,000, the Act of August 15, 1961 (P.L. 987), as amended, known as the Pennsylvania Prevailing Wage Act (43 P.S. 165-1 et seq.) may apply. You should contact the PA Department of Labor and Industry, Bureau of Labor Law Compliance at 1-800-932-0665 for guidance.

7. Other

This category should be used to a minimum extent.

Some typical examples of allowable items follow:

- Conference registration fees necessary for the project
- Fishing license if necessary to the project and not used except for the project.
- Room rental for project-related meetings
- Membership costs for business/professional organizations if necessary for performance of grant
- Filing fees related to the project, e.g. permit fees

- Short-term, project-specific insurance needed for the work proposed under the grant
- General liability insurance as part of a grant for watershed group organization or support. (Reimbursement in the "Other" category is available to a grantee in only one grant and at a maximum rate of \$230/year for grant Period of Performance.) (For subsequent grants, see Administrative Costs.)
- Bank charges and fees directly related to the grant.
- Students/graduate assistants, etc., - If proposing the use of students/graduate assistants, etc., and requesting reimbursement of tuition/course credits in addition to an hourly rate, justify how it is in the best interest of the Department to do so. Otherwise, reimbursement for students/graduate assistants, etc, will only be on an hourly basis for actual work performed on the project. Salaries should be identified in the "Salaries" category.

8. Match

For Watershed Protection Grant Program Applications: A minimum 15% match of the grant request will be required. Successful grantees will be required to identify and document all match contributions on Applications for Reimbursement. Eligible match contributions will be permitted for up to **THREE YEARS** prior to the grant submittal deadline date through the life of the grant agreement as long as the eligible match expenditures are directly related to the project.

Cash Match: Examples of documentation include but are not limited to:

- copy of check from donor
- letter of commitment from donor identifying dollar amount
- Federal grant award letter

Non-Cash Match: Charges allowed for match (rules for Federal funds may differ):

- Value of volunteers' donated time, including time to travel to work sites. Dollar values may be obtained at www.independentsector.org. Search for Value of Volunteer Time. Scroll down to state table.
- Rate related to nature of work, not to volunteers' usual charge rate, i.e.:
 - Manual labor would be calculated at prevailing rate for manual labor
 - Donated professional engineer's time would be at prevailing engineer's rate
- Any single item of equipment, up to \$5,000, dedicated to the project, is eligible for growing greener funding. If the total cost of equipment exceeds \$5,000, the difference can be claimed as in-kind match.
- Any entertainment costs, whether associated with attracting volunteers to work days, with travel or with any other aspect of the project

- Food *not* associated with official travel
- Administrative costs
- Clothing not associated with safe performance of work, such as:
 - Hats
 - T-shirts
 - Other articles given as a reward for volunteering or as a means of advertising members of a work crew
- Costs of recognition, i.e., awards, plaques, specific to a single individual or a limited audience
- Publicity charges, public relations costs, advertisement fees, unless specific to the project
- Indirect costs not otherwise listed under an eligible category
- Land acquisition to the extent it is associated with the project
- Travel associated with the project. Costs cannot exceed commonwealth rates as identified in the Commonwealth Travel Regulations.

Costs claimed as match can be paid for with other sources of grants (for example, federal such as 319 grants, DCNR, private foundations), from the organization's normal operating budget, or out of special fundraising specific to the project.

Charges not allowed for match or for reimbursement (rules for Federal funds may differ):

- Any costs associated with lobbying, alcoholic beverages or allowance for bad debts
- Contract contingency costs and other rate factors that do not reflect actual expenses
- Costs associated with legal action against the commonwealth
- Costs associated with illegal activities or substances
- Costs associated with goods or services for personal use of Board members, officers or others
- Other DEP-provided funds, including funds from the County Environmental Initiative.