

# Budgeting Your Challenge Cost Share Project

## Some basic information...

**Matching Requirement:** The FS will provide up to half the total allowable project costs. Applicants must be able to show at least one dollar *non-federal* cash and/or in-kind match for each FS CCS support dollar awarded. Many CCS projects provide for far more than the required 50% non-federal match.

*Cash matching* refers to direct project expenses you or your non-federal partner will provide as your contribution to the project – your cash expenditures for costs related to this specific project, such as project-related staff salaries, consultant's fees, equipment rentals and travel costs.

*In-kind matching* means materials and services, secretarial services, space and utilities, equipment and technical assistance provided by your organization or donated by a *non-federal* third party specifically for this project.

**Other Federal Contributions:** The FS and other federal agencies participating in your project sometimes contribute personnel, equipment, and other government resources. These contributions may *not* be included as cash or in-kind matches.

## What FS Challenge Cost Share dollars can and cannot fund...

*Challenge Cost Share program support can be used* to cover your project-related personnel costs, travel expenses, equipment rental, and to pay for (with some restrictions) project-related telephone service, supplies, photocopying, consultant's and contractor's fees, speaker's honoraria, and small construction and stabilization projects.

*Challenge Cost Share program support cannot be used* to construct or reconstruct entire buildings, for large "bricks and mortar" construction projects, for political activities, international travel, scholarships or tuition, organizational deficits, fund-raising events, receptions, liquor or entertainment.

## Spending and Obligating CCS Dollars

If your project is approved, CCS funds may be used only for expenses incurred within the official grant period. Likewise, money and time you spend on the project before the grant period begins may not be counted toward your match. The grant period begins when a cooperative agreement is signed by both you and the FS – *not* when you are first notified that your project has been approved.

**Do not spend or contractually obligate your CCS money until your final agreement is approved and signed!**

When preparing your budget, remember you will not receive CCS money before you make your approved purchases, but you will be reimbursed afterward. Plan to pay all your expenses in advance, track your expenditures accurately, and send monthly or lump sum requests for reimbursements as instructed by your agreement. The reimbursement process can take a month or more.

### **Meeting Your Match**

You will also need to keep an accurate log of all personnel and volunteer time spent on the project, as well as your cash and other in-kind contributions. Submit this information with your request for reimbursement to show you are meeting your required match.

### **Closing Out**

At the end of your project, you will need to fill out a project completion form that summarizes your accomplishments and expenditures. For auditing purposes, keep all records on file for three years from the project completion. APPLICATION DEADLINE: OCTOBER 1, 2014.

Your Challenge Cost Share Coordinator is:

Sandi McFarland  
Nez Perce National Historic Trail Administrator  
12730 Highway 12  
Orofino, ID 83544  
208.476.8334  
nphnt@fs.fed.us

### **Guidance for Your Budget Narrative**

Your budget narrative is meant to explain the numbers you enter on your Budget Summary Form. It should:

1. Name or describe each budgeted item.
2. Show calculations for each budgeted item.
3. Indicate whether each item is to be covered by federal CCS funds (F), non-federal in-kind or cash matching share (C), or other non-CCS federal contributions (N).

***NOTE: "N" signifies federally funded partners contributing personnel or other resources to the project. The federal contributions cannot be counted as matching share.***

Your CCS coordinator will check your budget narrative to see that your projected costs are reasonable, necessary, and allowable, and to identify any unallowable costs, such as regular

forest service employee salaries or wages. When you have completed your budget narrative, you will enter your calculations on the Budget Summary Form provided at the end of this attachment.

If your project is funded, the Budget Summary Form, together with the project summary and the project objectives (from your proposal), will become part of the approved funding agreement. Budget carefully!

**A. PERSONNEL:** Certain personnel costs related to your project may be listed here.

**1. Paid personnel.** **IF** you are counting the costs of paid personnel working directly on the project as **part of your match**, then list those personnel by job title on your budget narrative sheet. For each, show the rate of pay and the estimated amount of project time to be charged. Calculate the projected cost of each position and indicate that it is part of your match (C). Add that sum to the value of any volunteer work (discussed below) that will be part of your match, and enter the total in **Column 2, Row a**.

**IF** the **Forest Service** is hiring personnel specifically to work on your project, list the job titles, calculate the cost, indicate that the cost will be covered by CCS funding (F), and enter the total in **Column 1, Row a**. (Otherwise, leave that space blank.)

**IF** a different federal agency is providing **agency staff** for your project, use the cost figure provided by the agency, label it (N), and enter the total in **Column 4, Row a**.

**IF** you wish to use CCS funding to pay a consultant for project work, list those expenses under item F, Contracts & Consulting. "Consultants" are outside experts, not on your staff, who charge a fee for their services.

**For other personnel arrangements, confer with your CCS coordinator.**

**2. Volunteer personnel.** List each of your planned volunteer positions and calculate the value of that labor. You can value all volunteer labor at \$18.77, or you can use the rate at which the volunteer normally is paid for the type of work he or she is performing. For instance, if a professional carpenter is doing volunteer carpentry work for your project, that labor can be valued at the carpenter's professional rate of pay. Indicate that the value of the volunteer labor is part of your partner match (C), add that sum to any paid personnel costs that will be part of your match, and enter the total in **Column 2, Row a**.

**Examples:**

NPS Project Director, (N) \$30,000/year X 6 mo X 50% of time= \$7500  
Secretary, (F), 9 months X \$2038/mo X 50% of time=\$9373 Volunteer  
laborers © 6 @ 120 hours X \$22.55=\$16,236.00

**B. TRAVEL:** Separately list projected local travel and out-of-town travel (travel requiring meals and lodging) for staff and volunteers, **not consultants**. For driving trips, calculate mileage costs at 48.5 cents/mile. For camping trips, calculate meal allowances at \$10/day. Local trips may no include reimbursement for meals

For air travel, list the projected cost of coach-class tickets only. First class and business class fares are not reimbursable under CCS and cannot be used for matching purposes.

Airport parking, shuttle and taxi fares, and car rentals may be included. Contact your CCS coordinator for federal allowable lodging and meal rates in the places your personnel will be traveling. CCS cannot cover travel costs in excess of the federal rates *unless* your project is sponsored by a university or local government with a written travel reimbursement policy that requires reimbursement at higher rates.

List 1) the job title of each traveler, the purpose of each trip, and how many people are traveling; 2) number of days each person will be traveling; 3) total allowable costs of meals and lodging; and 4) transportation costs such as airfare or mileage. Indicate F, C, or N, for each, as appropriate.

**Examples:**

Out-of-Area Travel:

Project Director for 2 day FS training in Atlanta, (N), subsistence (meal and lodging) @ \$125/day X 2 days = \$250; round trip air fare=\$375; taxi=\$15; total=\$640

Local travel:

Volunteer carpenter (C), 60 mi/week X 52 weeks @ \$.575 /mile = \$1794.00

- C. **EQUIPMENT:** *Equipment* is non-expendable property having a useful life of more than 2 years and an acquisition cost of more than \$500 per unit. *By law, any equipment costing \$1,000 or more becomes the property of the Nez Perce National Historic Trail at the conclusion of the project.* List equipment to be purchased and equipment to be rented or leased. If equipment is to be purchased, show **on an attached page** that the purchase will be less expensive than rental. For computer purchase, also explain why the computer is needed **and** why existing computers available to the applicant cannot be used for project purposes. Indicate F, C, or N as appropriate.

**Examples:**

Equipment rental for editing (C) estimated @ \$1400

Lease computer for data base (N) @ \$78/mo X 10 months= \$780

- D. **SUPPLIES:** *Supplies* are consumable items with a useful life of less than 2 years, and expendable equipment costing less than \$500. List the item, quantity needed, and the unit or bulk price. Indicate F, C, N as appropriate.

**Examples:**

General office supplies (F) @ \$75/year X 6 project staff = \$450

Computer diskettes (C), \$22//box X 10 boxes = \$220

- E. **CONTRACTUAL FEES:** Enter fees for consultants, contract laborers, and other experts. Their travel costs should be included in their fees, not itemized here. "Consultants" are outside experts, not on your staff, who charge a fee for their services.

**CAUTION!** Review your contracting proposal with your CCS coordinator before signing any written agreement. CCS rules often require that consultants' services be contracted through a competitive bidding process. We can help you determine how to proceed.

In your budget narrative, provide:

1. the name or type of consultant/contractor;
2. purpose of the work;
3. the hourly or daily rate or project fee, as appropriate;
4. projected time on the project (if hourly or daily rate); and
5. total consultation fee or honorarium (not including travel costs).

Calculate the cost of each consultant, contractor, or expert, and indicate F, C, or N, as appropriate.

**Examples:**

Payroll Service (C) \$300/month X 12 months = \$3600 (existing contract; selected by competitive proposal)

Audit costs (C), to be hired; CCS portion estimated @ \$1500 (existing contract); selected by competitive procedures

Secretarial Service (Word Processing) (N) \$12/hour X 20 hours/wk X 45 weeks – \$10,800; BLM contribution

- F. CONSTRUCTION:** For CCS purposes, *construction* means building, altering, or repairing (including painting) a building or structure. Common CCS construction projects include erecting small structures such as kiosks, storage sheds, and picnic facilities, and maintaining and or constructing trail tread.

Again, federal law regulates construction work and construction-related contracting for government-supported projects costing over \$2000. If you are proposing a construction project, consult with your CCS coordinator to help ensure that your project is in legal compliance.

In your budget narrative, briefly describe your construction project. If appropriate, show the costs of building materials, labor and equipment in calculating construction costs. Indicate F, C, or N, as appropriate.

- G. OTHER:** List other necessary direct cost items that do not fit logically elsewhere. This category includes postage, printing, computer use charges, equipment rentals, telephone, photocopying, space rental costs, etc. **“Miscellaneous”, “overhead”, and “contingency” are not acceptable budget items.**

For printing/photocopying, specify the purpose of each cost. Contributed space costs should be based on square footage and number of staff assigned to the project. Rent paid must be comparable to prevailing local area rents. If the applicant or a non-federal contributor owns the facility used by the project, occupancy cost is limited to depreciation or a use allowance based on the purchase price of the building.

**Examples:**

Consulting Archaeologist (C) @ \$150/day X 8 days = \$1200, to be hired competitively

Telephone charges (C) @ \$22/month X 12 months X 6 lines = \$1584

Photocopy (C), 500 copies of 30 page workbook @ \$.06/copy = \$3000

Duplication of survey data forms, (C) 300 forms @ \$.20/copy = \$60

- H. INDIRECT CHARGES:** Indirect charges may be reimbursed with or used as a match for CCS funds *only if your organization has a pre-existing indirect cost rate agreement in place with a federal agency*. A copy of that agreement must be included with your proposal packet if you intend to itemize indirect costs in your budget. If you do not have such an agreement, skip this section.

Indirect costs are routine costs that you would have even in the absence of a CCS project. Examples include the salaries of executive officers, the cost of operating and maintaining facilities, local telephone service, Internet access, and accounting services. These costs may be covered by CCS funding (F) or used as part of your partner match (C). Show calculations of indirect charges on your budget narrative sheet and enter them as appropriated on your Budget Summary Form.

**An example of a complete Budget Summary Form is below.**

**TIP!** After preparing your budget narrative and Budget Summary Form, you and your partners – including your CCS coordinator – should review it once more before you submit your final proposal packet to the Forest Service. Compare your budgeted items to the major activities and tasks you have outlined in your proposal/project description.

<b>BUDGET SUMMARY</b>				
Enter category totals from budget narrative here				
Category	1 CCSP Funds (F)	2 Partner Funds (C)	3 Total (F) + (C)	4 Other Federal Partners (N)
<b>a. Personnel</b>	\$9,373	\$ 13,514.40	\$ 22,887.40	\$ 7,500
<b>b. Travel</b>	\$	\$ 1,513.20	\$ 1,513.20	\$ 640
<b>c. Equipment</b>	\$	\$ 1,400	\$ 1,400	\$ 780
<b>d. Supplies</b>	\$450	\$ 220	\$ 670	\$
<b>e. Contractual Fees</b>	\$	\$ 5,100	\$ 5,100	\$ 10,800
<b>f. Construction</b>	\$	\$	\$	\$
<b>g. Other</b>	\$	\$ 5,814	\$ 5,814	\$
<b>h. TOTAL DIRECT COSTS</b>	\$9,823	\$27,561.60	\$37,384.60	\$19,720
<b>i. Indirect Charges</b>	\$	\$	\$	\$
<b>TOTAL PROJECT COSTS.</b>	\$9,823.00	\$27,561.60	\$37,384.60	\$19,720