

**INTERNET
FOR ALL**

Consolidated Budget Form and Budget Caps Training

Funded by the Bipartisan Infrastructure Law (BIL)

*Administered by the Department of Commerce's National Telecommunications and
Information Administration (NTIA)*



Disclaimer



This document is intended solely to assist applicants in better understanding the State Digital Equity Capacity Grant Program and the requirements set forth in the Notice of Funding Opportunity (NOFO) and follow-on policies and guidance for this program. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, the requirements set forth in the NOFO, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.



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Training Goals



The State Digital Equity Capacity Grant Program application requires applicants to submit a Consolidated Budget Form to **provide clear, detailed, and consistent budget information** that aligns with the proposed project activities. By the end of this training, applicants will have a clear understanding of the form and budget caps.

TRAINING GOALS

- 1 Understand each category tab included in the Consolidated Budget Form.
- 2 Understand allowable costs for each category in accordance with the funding restrictions listed in Section II.C.3. of the NOFO.
- 3 Understand budget caps and additional resources (e.g. optional Sample Addenda).
- 4 Walkthrough the Consolidated Budget Form.



Consolidated Budget Form

Consolidated Budget Form Requirement



The Consolidated Budget Form includes eight tabs associated with eight cost categories, in addition to an ‘Instructions and Summary’ tab. Applicants must fill out each tab with applicable costs.

APPLICANTS SHOULD ENSURE:

- ✓ The costs table is **complete**.
- ✓ The costs identified are **aligned to the activities identified in the Project Narrative**.
- ✓ The costs identified are **allowable and in accordance with the funding restrictions** listed in the NOFO and the cost principles identified in 2 C.F.R. Part 200.403.
- ✓ The **costs identified are allocable** (i.e., the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received) (see 2 C.F.R. 200.405) **and reasonable** (i.e., in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost) (see 2 C.F.R. 200.404).
- ✓ The costs identified are in the **correct cost categories** (e.g., Personnel, Travel, Equipment, etc.).
- ✓ The justification for each of the costs identified **clearly articulates** if costs are expected to be used for the administration of the grant and/or apply to any of the identified program caps.

It is **your responsibility as the applicant** to determine whether a cost is an expense “relating (directly or indirectly) to administration of the grant” and thus subject to the statutory **3% percent cap** on those costs. You **must account** for these costs appropriately, document them sufficiently, and make such documentation available to NTIA and the National Institute for Standards and Technology (NIST) if requested.



The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

A PERSONNEL



KEY CONSIDERATIONS

- Only your **personnel costs for employees (not contractors or subgrantees)** should be included in the Personnel Tab.
- All personnel should be identified by **position title and not employee name**.
- Personnel **cannot exceed 100%** of their time on all active projects.
- If loaded labor rates are utilized, **a description of the costs the loaded rate is comprised of must be included in the Additional Explanation section**.
- Personnel time charged to the award **must** be for the State Digital Equity Capacity Grant Program only.
- Fringe benefits are allowances and services provided to employees as compensation in addition to regular salaries and wages. **The rates and how they are applied should not be averaged to get one fringe cost percentage.**

The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

B TRAVEL



KEY CONSIDERATIONS

- Only travel costs **for your employees** should be included in the Travel Tab.
- Travel costs must be **directly associated** with this award and must be necessary for performance of the project.
- Travel costs should **remain consistent** with travel costs incurred by an organization during normal business operations and be aligned to the organization's written travel policy.
- Columns B-J are **per trip**.
- The number of days **is inclusive** of day of departure and day of return.
- Funds requested in the travel category should only **be for project staff**. Travel for consultants/contractors should be shown in the **“Contract/Subaward”** cost category along with consultant/contractor fees. Because these costs are associated with contract-related work, they must be under the “Contract” cost category.

Equipment



The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

C EQUIPMENT



KEY CONSIDERATIONS

- Equipment means a **single item of tangible, personal property (including information technology systems) having a useful life of more than one year and 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.** Please refer to the applicable Federal regulations in 2 CFR 200.1 and 2 CFR 200.313 for specific equipment definitions and treatment.
- Do **not include supply items** under equipment. Please refer to 2 CFR 200.1 and 2 CFR 200.314 for specifics on what constitutes a supply item.
- List **all equipment, providing a basis of cost** (e.g., contractor quotes, catalog prices, prior invoices, etc.). **Briefly** justify items as they apply to the project.
- Any equipment that is leased must be **listed under tab g.** 'Other' and not under c. 'Equipment'.



The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

D SUPPLIES



KEY CONSIDERATIONS

- Supplies are generally defined as an **item with an acquisition cost of \$5,000 or less and a useful life expectancy of less than one year.**
 - Supplies are **generally consumed during the project performance.** Please refer to the applicable Federal regulations in 2 CFR 200.1 and 2 CFR 200.314 for specific supplies definitions and treatment.
 - 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.
- Supplies **must be listed** and **provided a basis of costs** (e.g., contractor quotes, catalog prices, prior invoices, etc.).
- Applicants should **briefly justify** the need for the Supplies as they directly apply to the project. Note that Supply items **must be direct costs to the project** at this budget category, and **not duplicative of supply costs included in the indirect pool that is the basis of the indirect rate** applied for this project. Supply costs must be allocable specifically to the project.

Contractual/Subawards



The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

E CONTRACTUAL/SUBAWARDS



KEY CONSIDERATIONS

- All anticipated costs for **subrecipients and contractors** should be included in the Contractual/Subawards Table.
- **Applicants** are responsible for **making case-by-case determinations** whether agreements it enters for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. Please refer to the applicable Federal regulations in 2 CFR 200.331 for the distinction between a subrecipient and a contractor.
 - **A subrecipient (i.e., subgrantee) is a legal entity to which a subaward is made, whose performance is measured against whether the objectives of the Federal program are met**, is responsible for programmatic decision making, must adhere to applicable federal program compliance requirements, and uses the federal funds to carry out a program
 - **A contractor is a legal entity contracted to provide goods and services within normal business operations**, provides similar goods or services to many different purchasers, operates in a competitive environment, provides goods or services that are ancillary to the operation of the federal program, and is not subject to compliance requirements of the federal program.
- You should **use the space provided to provide the basis of cost** (e.g., planning study estimates, etc.) and a breakdown of those costs, if available.



Construction



The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

F CONSTRUCTION



KEY CONSIDERATIONS

- Only applicants that have construction included in their **accepted or approved Digital Equity Plan** should fill this tab out.
- Only constructions costs completed by the applicant should be included in the 'Construction' tab.
- Construction costs must be directly associated with this award and are **necessary for performance of the project**.
- Please note that the **applicants must provide a justification for construction activities**.



The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

OTHER

KEY CONSIDERATIONS

- Other direct costs are direct cost items **required for the project which do not fit clearly into other categories**. These direct costs **must not be included in the indirect costs** (for which the indirect rate is being applied for this project).
- Basis of cost are items such as contractor quotes, prior purchases of similar or like items, published price list, etc.
- Contingency is that part of a budget estimate of future **which is associated with possible events or conditions arising from causes the precise outcome of which is indeterminable** at the time of estimate, and that experience shows will likely result, in aggregate, in additional costs for the approved activity or project.
- **Amounts for major project scope changes, unforeseen risks, or extraordinary events may not be included.** Amounts must be estimated using broadly-accepted cost estimating methodologies and accepted by the federal awarding agency. Contingency costs are reserved until a demonstrated need is approved by the Grants Officer. Please refer to 2 CFR 200.433 for more information.

The Consolidated Budget Form includes eight tabs associated with eight cost categories that you are responsible for filling out.

(H) INDIRECT



KEY CONSIDERATIONS

- **Indirect (facilities & administrative [F&A]) costs are those costs incurred for a common or joint purpose benefitting more than one cost objective and** are not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
- Indirect costs may be charged to the award if:
 - **You have a Federally approved indirect cost rate** from a cognizant agency; or
 - **You never received a negotiated indirect cost rate and elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) which can be used indefinitely.** 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).
 - Please note that **contracts can be included (not excluded) as part of the MTDC calculation and they are not subject to the limit of the first \$25,000 that subawards are.**
- Indirect costs that are related to the recipient's administration of the grant **count toward the statutory three percent cap**. It is **your responsibility as the applicant** to determine whether your indirect costs include such expenses subject to the cap.
- Please note that your actual ability to charge indirect costs may be much lower than what your NICRA would allow, since both direct and indirect costs will count against the 3% statutory cap..

Budget Caps

Budget Caps | Overview



The State Digital Equity Capacity Grant Program has **four budget caps** that applicants must adhere to and include in the Consolidated Budget Form. Applicants must ensure costs listed in the Consolidated Budget Form are **under the appropriate cap category** and that **costs do not exceed the caps**.

3%

Cap for Administrative Costs

5%

Cap for Evaluation of Program Efficacy

10%

Cap for Affordable Broadband Programs

20%

Cap for Digital Equity Plan Updates



Applicants **should separate out these costs** in the 'Instructions and Summary' tab of the Consolidated Budget Form



Applicants **will not separate out these costs** in the Consolidated Budget Form, but **may** in the optional Sample Addenda



Budget Caps | Administrative Costs



State Digital Equity Capacity Grant Program funding can be used for **both administrative and programmatic activities**. Administrative activities, both indirect and direct, are subject to the **program's 3% cap**.

Example Allowable Administrative Costs

Financial

- Accounting
- Auditing and audit preparations
- Contracting
- Budgeting and budget preparation
- General legal services
- Drawing down funds from NTIA
- Unfunded grant actions

Operations/Occupancy Costs

- Direct costs
- Indirect costs
- Insurance
- Maintenance
- Depreciation on buildings
- General Liability Insurance
- General office supplies
- Travel costs for grants admin

General

- Salaries, wages and fringe benefits
- Grants monitoring/reporting as required by NTIA
- Grants-related policy and procedure development
- Indirect costs as it relates to administration of the Capacity grant



Budget Caps | Administrative Costs Cont.



Applicants **must separate out** direct and indirect administrative costs in the ‘Instructions and Summary’ tab of the Consolidated Budget Form and ensure that these costs are appropriately sorted and under the 3% cap.

1

Validate that costs are appropriately sorted into ‘Administrative’ **and** ‘Indirect’ vs. ‘Direct’ Costs.

2

Applicants should verify that direct and indirect administrative costs are below the 3% threshold.

Percent of expenses relating to the <i>administration of the grant</i> (\$)	0.00%
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Budget Caps | Evaluation



Applicants must additionally separate out costs related to **project evaluation** in the ‘Instructions and Summary’ tab of the Consolidated Budget Form and ensure this amount is **below 5%**.

What Activities Apply to the Cap

- Activities conducted by the Administering Entity (AE)/Capacity Grant recipient to evaluate the efficacy of the efforts of a subgrantee and/or a subgrantee’s projects under a subaward.
- Activities conducted by the AE/Capacity Grant recipient to analyze data collected from the subgrantee.

What Activities Don’t Apply to the Cap

- Activities where the AE/Capacity Grant recipient is evaluating the efficacy of projects implemented or conducted by the AE/Capacity Grant Recipient.
- Activities where a subgrantee conducts data collection or other evaluation of its own projects to provide information necessary for the AE/Capacity Grant Recipient to evaluate the efficacy of the efforts of a subgrantee and/or a subgrantee’s projects.

Percent of expenses relating to subgrant evaluation (\$)	0.00%
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After ensuring that evaluation activities in the Consolidated Budget Form apply to the cap, applicants should **validate** that the total percentage of these activities is **5% or below**.



Budget Caps | Affordable Broadband



Applicants must ensure that **no more than 10%** of the budgeted grant is used to fund subsidies for the provisions of broadband programs. Note, this amount is **not automatically calculated** in the Consolidated Budget Form.

Reminders



Applicants must **conduct a thorough assessment and inventory** of existing subsidy programs, grants, or other available resources **before establishing a new affordable access program.**



Promotion of programs to provide low-cost services administered by the Federal Communication Commission or other relevant local, State or Federal programs are subject to the cap and **should take precedence over establishing a new program.**



Any new affordable access programs funded must provide digital literacy and skills training .

Supplemental Resource

Applicants may choose to use one of the optional **Sample Addenda** as a supplemental resource to assist in calculating the affordability cap.



Budget Caps | Digital Equity Plan Updates



Applicants must ensure that **no more than 20%** of the budgeted grant is used to update or maintain their Digital Equity Plan. Note, this amount is **not automatically calculated** in the Consolidated Budget Form.

Reminders



Updating and maintaining the plan is **fulfilling** the **activities identified in the Digital Equity plan that were deferred for the Capacity Grant** and other activities allowable under the State Digital Equity Planning Grant.



Each State/Territory must confirm in its Capacity application that it **will not use more than 20% of the award amount to update its Digital Equity Plan.**

Supplemental Resource

Applicants may choose to use one of the optional **Sample Addenda** as a supplemental resource to assist in calculating the affordability cap.





Live Walkthrough



Additional Resource: Optional Sample Addenda



State Digital Equity Capacity Grant Program
Budget Addendum - Example 3

State Digital Equity Capacity Grant Program
Budget Addendum - Example 2

State Digital Equity Capacity Grant Program
Budget Addendum - Example 1

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED	
Only blank white cells require data entry; Blue-shaded cells will calculate automatically.	
Cost	Includes expenses relating to Digital Equity Plan updates? (Y/N)
\$0	

Cost	Includes expenses relating to Digital Equity Plan updates? (Y/N)	Expenses (\$) relating to Digital Equity Plan updates (DIRECT COSTS)	Expenses (\$) relating to Digital Equity Plan updates (INDIRECT COSTS)	Includes expenses relating to affordable broadband programs? (Y/N)	Expenses (\$) relating to affordable broadband programs (DIRECT COSTS)	Expenses (\$) relating to affordable broadband programs (INDIRECT COSTS)	Comments (as needed)
\$0					\$0	\$0	

Applicants may use one of the optional **Sample Addenda** as a resource to calculate and validate the **DE Plan Updates and Maintenance Cap** and the **Affordable Broadband Program Cap**.

Optional Sample Addenda





THANK YOU

