

Section I.

Grant Budget Instructions

The budget should include all costs required to achieve the project goals, the amount to be reimbursed by Masstech, and the amount to be funded by Match sources (if applicable).

A. General Instructions

The budget should be submitted on Masstech's Standard, Grant Budget/Invoice Template, which is an Excel workbook supplied to all Applicants with the RFP.

1. In general, blue cells are entry cells, and green cells are calculation cells. Do not edit green cells unless there is a change to overhead or fringe calculation; in this event please provide an explanation on the Budget Assumptions tab.
2. An Applicant's budget template workbook will eventually be used as its invoice template (invoice template hidden on Tab 1 when Excel document is provided with the RFP). At the time of budget submission, leave the columns for quarterly invoicing empty. If awarded, this section will be used for invoicing and you will list expenses as they are incurred within the applicable period.
3. Use the attached Budget Assumptions tab as needed, for details or descriptions on line items requiring further explanation. Examples include: cost allocation methodologies (such as Overhead and Fringe), any significant assumption changes in cost category from one project-year to the next, or projected changes in the rates during the life of the project.
4. MassTech reimbursement is limited to Applicant's actual costs incurred to achieve the project objectives and is not intended to cover billable rates that include mark-up charges or profit margins.
5. All expenditures must be ones that are accounted for by the Applicant on its financial records under Generally Accepted Accounting Principles.
6. If awarded, spending should be consistent with cost categories and line items presented in the approved budget. Variance in spending across cost categories is allowable up to a 10% threshold with explanation on the supporting schedule, to the extent total budget amount is not exceeded. For any new line items or variance above the 10% threshold, the Applicant must seek MassTech's prior written approval.

B. Budget Invoice Reimbursable Cost Tab (Tab 1)

Applicant Information

Provide the name of the applicant and the title of the proposed project.

Budget Cost Categories

These are the categories of cost elements that are included in the budget template. The budget should include total project costs. The project costs not covered by MassTech funding should be included as cost share.

Direct Labor Costs

This category is for the time and payroll expense of the applicant's employees that will be performing tasks directly related to the project.

1. List each individual, title/category, or type of labor that will be required to complete the project.
2. Indicate the estimated number of hours that will be required of each individual, category, or type of labor.
3. Input the **actual** hourly rate for each individual, category, or type of labor. This rate must include direct payroll costs only. It should **not** be a billable rate that includes other overhead expenses or a profit margin.
4. Identify any proposed escalation in salary or percent effort and the basis for such an escalation for multi-year awards within the Budget Assumptions tab in the workbook.

Direct Labor Fringe Cost

This category is for the allocated costs of fringe benefits associated with the employees that are performing direct services related to this project. This allocation must be based upon an approved rate or based upon actual costs of such benefits assessed on the direct labor costs charged to the project. Applicant must provide information in the Budget Assumptions tab which specifies the basis of the fringe rate. If applicable, submit documentation of state or federal agency approval with the Budget Template.

Subcontractors / Consultants Costs

This category is for costs related to project services provided to the applicant by subcontractors or consultants. The basis for each of these costs and relevance to the project should be specified in the line item or in the Budget Assumptions tab.

1. List the name of the firm who will be actively participating in this project if known at the time of the application. If not, list the type of services to be contracted for and an estimated total value of such services.
2. When known, input the quoted rate per hour for each subcontractor/consultant and the projected number of hours. If the specific

hourly rate is not known, please provide a total estimated cost of each service. Applicant must seek MassTech's prior written approval for any actual rates that vary more than 20% from the estimated rates.

Direct Materials

This category is for purchased items uniquely associated with the proposed project. In general, it is not MassTech's policy to compensate for general purpose facilities or equipment. Include a description of the item(s), proposed vendor, quantity needed, unit cost, basis for cost, and the total cost. The basis for each of these costs and relevance to the project, should be specified in the line item or in the Budget Assumptions tab.

Travel

This category is for Applicant's costs for travel required to achieve the project goals and to complete activities identified in the project plan.

1. Mileage reimbursement will be granted at no more than the federally approved rates in effect at the time of travel.
2. Include a description indicating the need for the proposed travel, the estimated number of person-trips required, destinations, mode of travel, and cost basis of the transportation.
3. Alcohol is an explicitly unallowable expense and is not reimbursable.

Other Direct Costs

This category is for other project costs directly related to the project. These items may include printing, postage, publications, graphics, etc. required for the project (incremental over normal operating costs which should be covered through the Indirect Cost/Overhead Expense category). The basis for each of these costs and relevance to the project should be specified in the line item or in the Budget Assumptions tab.

Indirect Cost/ Overhead

This category is for overhead costs related to the administration and management of the project. MassTech will allow such rates as the Participant may periodically calculate, consistent with appropriate federal guidelines of generally accepted accounting principles, and as charged to other grants. Applicant must provide information in the Budget Assumptions tab which specifies the basis of the indirect costs/overhead rate and submit documentation of state or federal agency approval, if applicable, with the Budget Template.

The budget template calculates overhead on Salary and Fringe. To the extent your institution assesses overhead using some other methodology, please modify the formula based on any stipulations stated in the approved rate agreement or your institutional allocation policy. These changes should be explained on the Budget Assumptions tab and backed with supporting documentation.

C. Budget Assumptions

The Budget Assumptions tab should be included with your proposal to provide additional context around the line items of the budget, including basis for costs and descriptions of expenditures proposed. (Note: examples provided in the template should be deleted prior to submitting the form with your proposal.)

D. Budget Guidelines

This tab is intended to provide helpful information on MassTech's budget practices and requirements. It provides cost category descriptions, applicable guidelines and documentation requirements. This can be used in the development of the budget as well as management of the award and invoicing.