

CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE

ACADEMIC AFFAIRS GRANT BUDGET TIPS

Following are some tips that will avoid problems during the audit of grantees' budgets:

1. There has been some confusion regarding grant numbers. The RFA number reads as two digits followed by four digits, e.g. 09-0089. But once there is an executed grant the Accounting Unit of the Chancellor's Office uses the format of two digits followed by three digits plus the individual grantee three digit number, e.g. 09-089-001. The Accounting Unit's required format will be used on all correspondence and documents from the Academic Affairs grant coordinator.
2. Due to the volume of emails and variety of grant programs, it helps the coordinator if all emails will state the college name and grant number in the subject line.
3. It is important to notice the titles of forms and use them correctly: e.g. the Application Budget Summary Revision form should not be used for a Progress Report's expenditures to date or it looks like the college wants to reduce their budget!!!
 - a. Use the Grant Amendment Request for a time extension, budget revision, and/or workplan revision to your existing approved grant.
 - The Application Budget Summary Revision form is required only if the budget is being revised. Be sure to use your last approved budget in the column titled "Project Approved Budget."
 - Indicate your new budget in the column titled "Project Revised Budget." (*Do NOT use this Revision Form as an expenditures-to-date report.*)
 - If a time extension only is being requested, it is not necessary to include the budget revision forms. However, a workplan revision will be required due to the changes in program timelines.
 - b. Use the Progress/Final Report for providing expenditures to date and program narrative.
4. Do not alter the forms to be multi-purpose or assume that an Amendment Request can replace a Progress Report. In general, if the college is granted an extension of six months or more to their grant's performance period, then a Progress Report will be due in lieu of the original Final Report, unless the project monitor determines otherwise.
5. It is acceptable to move funds within approved object of expenditure codes.

Note: the RFA for MESA grants includes a 10% Rule: "Changes in a single line item, or to multiple line items that exceed ten percent (10%) of the total project budget must be requested in writing by the Grantee and approved by the State's Project Monitor in writing."

6. It is acceptable to indicate less than 4% for Total Indirect Costs (line 9) but it is NOT allowed for a grantee to claim more than 4% of the Total Direct Costs for Indirect Costs (administrative overhead). If a college calculates its 4% based on Total Project Costs (line 10) instead of Total Direct Costs (line 8), it will be incorrect and their budget will be rejected.

To calculate indirect costs, Wendy Lozoya, Grants Manager, has provided the following information:

The indirect administrative costs (overhead) for the project cannot exceed four percent (4%) of the total direct costs (line 8 of the application Budget Summary). This amount must be subtracted before taking a percentage of the total. Use the following formula:

1. Total grant minus (total grant/1.04) = indirect administrative costs
2. Example for a \$250,000 grant:
 - a. $\$250,000/1.04 = \$240,385$ (direct costs)
 - b. $\$250,000 - \$240,385 = \$9,615$ (indirect costs)
[Note this equals $4\% \times \$240,385 = \$9,615$]
 - c. Total grant of $\$250,000 = \$240,385$ (direct costs) + $\$9,615$ (indirect costs)
7. Application Budget Detail Sheets (or Grant Expenditure Detail Sheets) should not be identical to the Application Budget Summary (or the Grant Expenditure Statement). On the Detail Sheet, the object of expenditure codes should be broken down into more detailed line items per object code. Likewise, the Application Budget Summary (or the Grant Expenditure Statement) acts as a summary and should not have more than one line item per object code.
8. On the Detail Sheet the total of expenditures for all detailed items per object code must agree with the amount stated on the Budget Summary for that code.
9. **Please round off numbers and do not use cents. To avoid delays due to budget errors, check all math and check for typos on budget pages before obtaining signatures and submitting budgets to the Chancellor's Office.**