# Information and Instructions for Grant Applicants

## Funding Application (Cover Sheet)

* Download the appropriate Funding Application specific to the grant you are applying for.
* Once all of the application materials are completed, including all necessary attachments, gather the appropriate signature(s), sign and date the Funding Application.
* For both application documents and legal contracts/contract amendments: signatures by members of the Board of Directors is at the discretion of the organization per the organization bylaws or signature authority delegation.
* The Funding Application must be submitted ***in .pdf format***.

## Attachment A: Work Plan

The Work Plan will become Attachment A to your grant contract. The goals, strategies and outcomes are what you will report in your monthly/quarterly progress reports. Outcomes should be observable and measurable. If you need assistance writing observable and measurable outcomes, contact your grant manager.

An example Work Plan can be viewed along with the application materials at: <http://mn.gov/deed/job-seekers/disabilities/partners/grantees/index.jsp>.

The Work Plan can be submitted in .doc, .docx, or .pdf formats.

## Attachment B: Budget and Budget Narrative

The Budget and Budget Narrative will become Attachment B to your grant contract. From the proposed budget, you will be provided with a blank invoice and budget modification request form. The Budget Narrative should explain, ***in detail***, how the budget numbers were determined. For grants over $50,000, the Budget Narrative will be used during the financial reconciliation process.

Guidelines for each budget category are below. See also the Cost Allocation Plan section for additional guidelines, and Enclosure 7: Memorandum to Ed Grantees Regarding the Use of Grant Funds for Conferences and Meetings, as published with the application materials.

### Salaries

In this line item, include the salary amounts of staff who are working directly in the program. The amount of staff time can vary from 1% to 100% of the staff person’s time. Please give the job title, person’s name (if known at budget time), the percentage of their time dedicated to the grant project and the amount of their salary being charged to the grant.

### Fringe Benefits

Health insurance, FICA, Medicare Tax, unemployment insurance, etc. are generally the types of costs included in Fringe Benefits. Usually Fringe Benefits are shown as a percentage of Salaries, i.e., 24%, 28%, 33%. Please show what cost items you include in Fringe Benefits and the individual percentages of each cost item – actual or estimated. As an example, health insurance may be 20%, FICA is 6.5%, Medicare Tax is 6.5%, and Worker’s Compensation is 2.5%. Aggregately, Fringe Benefits may total 23%. Unemployment insurance costs may only be charged to the extent of each employee’s taxable wage base for the calendar year.

### Travel

The Commissioner’s Plan (<https://mn.gov/mmb/employee-relations/labor-relations/labor/commissioners-plan.jsp>) may not be exceeded for mileage and reimbursement; you may reimburse less than the Commissioner’s Plan, but not more. Mileage should be specific to the grant, not an allocation. Travel logs should be kept and submitted with financial reconciliation documents.

Out of state travel requires written approval from the grant monitor prior to expenses being incurred.

### Insurance

Property and casualty, professional liability, and vehicles are types of insurance which could be included in this line item. While certain insurance expenses might be directly billed to a program, e.g., professional liability, most often insurance costs are allocated among the programs within an agency. If they are allocated, please give the allocation percentage, how the percentage was determined and what amount was multiplied by the allocation percentage to get the amount of insurance put in this line item.

### Contractual Services / Professional Fees

## Audit expenses, legal expenses, engineering expenses, professional supervision required for licensing, external consultants, CARF accreditation fees are examples of expenses in Contractual Services/Professional Fees.

### Communications

Examples of communications include: Land phone lines, cell phones, wireless service, fax, internet service. If Communications is an allocated expense, show the method for determining how Communication costs are allocated across programs.

### Rent / Mortgage

Space costs attributed to the grant would be shown here. In some cases it may be a direct cost (all the space is solely for one grant) and in most cases it is an allocated expense. Please explain how you determine the allocation percentage. While there are many ways to determine allocations, the preferred method is to calculate the percentage of total rented square feet which is used by the grant’s staff and then multiply that percentage times the total rent cost for the rented/mortgaged space. If there is common area space, this cost is generally allocated among all funding sources or is included as part of the cost allocation/indirect expenses plan.

### Occupancy Expenses

Show expenses for utilities such as: electricity, gas, water/sewer, etc. This item could also include janitorial and lawn/snow clearing services. Land phone lines, cell phones and Internet expenses should be listed under Communications. Explain how these costs were allocated.

### Supplies

Office supplies (paper, pens, legal pads, flash drives, blank disks, furniture, cleaning supplies (if not part of a janitorial contract), computers (e.g. desktop computers, laptop computers, tablets, printers) and computer supplies (e.g. ink toner cartridges).

### Training

Use this line item for training costs directly associated with a grant, i.e., IPS training or training related to independent living.

## Participant Employment Related Flex Funds (IPS Expansion Grants Only)

These funds may be administered by the employment agency partner for non-housing related goods or services purchased on behalf of a client to support participation in employment. Examples include: bus passes or transportation for job seeking, work-related uniforms, clothing and shoes and work equipment/tools.

### Indirect Costs

Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular line item. For example, if the Executive Director spends part of their time specifically on a program, that time should be listed under Salaries. Salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of those salaries is appropriate when all of the following conditions are met:

1. The administrative or clerical services are integral to the grant’s activities.
2. Employees can be specifically identified with the grant’s projects or activities.
3. Direct salary expenses for administrative staff must be included in the salaries budget or have prior written approval.
4. The administrative salaries which are directly charged may not also be recovered as indirect costs.

Show your formula/method for computing your indirect costs. Explain in detail what is included in indirect costs.

### Other

List each item and the cost of each item. As much as possible, budget items should be listed in above cost categories, not in "Other." When invoicing for expenditures in this line item, only the items in the approved budget narrative will be allowable expenses.

An example Budget and Budget Narrative can be viewed along with the application materials at: <http://mn.gov/deed/job-seekers/disabilities/partners/grantees/index.jsp>.

The Budget and Budget Narrative may be submitted in .doc, .docx, or .pdf formats.

## Attachment C: Joint Cost Allocation Plan

The Joint Cost Allocation Plan identifies how costs are distributed to each funding source.

OMB 2CFR Part 200, Appendix IV – Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations <https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200-appIV.pdf>

Some nonprofit organizations may use a simplified method where the major functions benefit from indirect costs in approximately the same degree. Under this method, an organization will identify individual costs as either direct or indirect costs. This method is appropriate when an organization has only one major function encompassing a number of individual projects or activities, and may be used when the level of Federal awards is relatively small.

When an organization’s indirect costs benefit its major functions in varying degrees, indirect costs must be accumulated into separate cost groupings. This will result in developing an indirect cost rate for each indirect cost pool as well as the overall indirect cost rate.

Many nonprofit organizations treat all costs as direct costs except general administration and general expenses. Costs are ordinarily separated into three categories, including: 1) General administration and general expenses 2) Fundraising 3) Other direct functions. Joint costs, such as depreciation, rent, occupancy costs, communications, insurance, and supplies are distributed to each cost objective/grant award as direct costs by using a base that is most appropriate for each cost. Each joint cost must be prorated by using a base which accurately measures the benefits provided to the grant award/cost objective. The bases must be established in accordance with reasonable criteria and be supported by current data.

### Acceptable methods

In general, the following items should be direct billed rather than allocated: travel, program staff salaries, program staff cell phones, supplies that are directly related to a grant or cost objective. CARF fees are considered a cost allocation item which is distributed to all agency programs and is not only charged to VRS grants.

Grantees are responsible for ensuring that costs are:

* Allowable.
* Reasonable and necessary.
* Treated consistently. Direct costs must not also be claimed as indirect costs or included in an indirect cost pool. An example would be to directly charge a human resources manager’s salary to a cost objective/grant because the salary is generally considered to be part of the indirect cost pool.
* In compliance with GAAP and reported on an accrual basis.
* Allocable to the state or federal program.
* Proportional to benefit received by each program using the most equitable method.
* Adequately documented, as reimbursement will only be based on actual incurred expenses and not on budgeted amounts.

**Note:** Allocating expenses proportional to the amount of revenue a program receives is not an acceptable method of allocation. Common acceptable methods for prorating joint costs include the proportion of full time equivalent employees assigned to the cost objective/grant award, the proportion of salaries for the cost objective/grant award, and the proportion of space used by the cost objective/grant award.

Contributions to a reserve for self insurance such as unemployment insurance cannot exceed the extent of coverage and rates which would have been paid had insurance been purchased. Liabilities which do not become payable for more than a year after the provision is made must not exceed the discounted present value of the liability. Investment income must be credited to reserve accounts. Contributions must be based on sound actuarial principles using historical experience and reasonable assumptions. Reserve levels must be updated at least biennially and will normally be limited to the value of claims submitted and adjudicated but not paid; submitted but not adjudicated; and incurred but not submitted. Reserve levels in excess of these amounts must be identified in a cost allocation plan or as part of an indirect cost rate proposal. If individual programs experience significantly different levels of claims, those differences must be recognized by using separate allocations or other methods resulting in an equitable allocation of costs.

The Joint Cost Allocation Plan form is available in both Microsoft Word and Microsoft Excel formats; download and submit one version. Joint Cost plans can be copy-pasted into the provided form, or provided as a separate document, in Microsoft Excel or Microsoft Word formats. If the provided form is not used, the text “Attachment C: Joint Cost Allocation Plan” must appear in the upper right corner of the document, and the Grantee Name must appear at the top of the first page.

An example Joint Cost Allocation Plan can be viewed along with the application materials at: <http://mn.gov/deed/job-seekers/disabilities/partners/grantees/index.jsp>.

A recording of the Developing Joint Cost Allocation Plans webinar that was done in conjunction with the Nonprofits Assistance Fund, along with slides and handouts, can be viewed on the Financial Reconciliation tab of <http://mn.gov/deed/job-seekers/disabilities/partners/grantees/index.jsp>.

The Joint Cost Allocation Plan may be submitted in .xls, .xlsx (preferred formats), .doc, .docx, or .pdf.

## Attachment D: Pre-Award Risk Assessment

The Pre-Award Risk Assessment Form is required by state of Minnesota Office of Grants Management policy. There are some fields for the grantee to complete, others are completed by VRS fiscal staff. Please complete the following sections. Sections for the grantee to complete are also highlighted in yellow on the form.

* In the “Applicant Section” please fill out all items (1 through 11.)
* For item 9, you may indicate revenue for the most recent fiscal year.
* In the “General Assessment” section, please compete items 1, 3, and 4.
* In the “Legal Assessment” section, please complete items 1, 3, 4, 5 and 6.
* In the “Accounting System Assessment” section, please complete all items (1 through 7).
* In the “Financial Assessment” section, please complete items 1, 4, 5, 15, and 16.
* Under “Monitoring/Audit Assessment” please complete item 3. (Does not apply if Federal revenues are less than $750,000.)

The Pre-Award Risk Assessment must be completed before your grant contract is executed. If you cannot complete the assessment by the application deadline, please contact your grant monitor with when you expect to complete and submit the assessment.

## For questions regarding the content of the assessment, please contact [keith.deckert@state.mn.us](mailto:keith.deckert@state.mn.us),VRS fiscal staff, with questions.

## Attachment E: Certification Regarding Lobbying

The Certification Regarding Lobbying is required to be filled out by all grantees requesting more than $100,000.

## Attachment F: Conflict of Interest Disclosure

The Conflict of Interest Disclosure is required to be filled out by all grantees.

## How to Submit your Application

* Your complete application includes the following components:
  + Attachment A: Work Plan
  + Attachment B: Budget and Budget Narrative
  + Attachment C: Attachment C: Joint Cost Allocation Plan
  + Attachment D: Pre-Award Risk Assessment
  + Attachment E: Certification Regarding Lobbying
  + Attachment F: Conflict of Interest Disclosure
* ***Attachments A, B, C, D, E, and F*** must be submitted electronically to:
  + Independent Living Grants: [Brad.Westerlund@state.mn.us](mailto:Brad.Westerlund@state.mn.us)
  + IPS Grants: [Claire.Courtney@state.mn.us](mailto:Claire.Courtney@state.mn.us)
  + All Other Grants: [VRSGrantApps.DEED@state.mn.us](mailto:VRSGrantApps.DEED@state.mn.us)

## Questions?

* Independent Living Grants: Brad Westerlund, [Brad.Westerlund@state.mn.us](mailto:Brad.Westerlund@state.mn.us), 651-259-7351
* IPS Grants: Claire Courtney, [Claire.Courtney@state.mn.us](mailto:Claire.Courtney@state.mn.us), 651-503-8427
* All other grants: [VRSGrantApps.DEED@state.mn.us](mailto:VRSGrantApps.DEED@state.mn.us) will route your questions to the grant monitor.