San Francisco Bay Restoration Authority
General Budget Guidelines for Grantees

Entities receiving grant funds from the San Francisco Bay Restoration Authority (SFBRA) are required (in the grant agreement) to meet strict accounting standards. **Organizations that fail to do so may be liable for repayment of funds.** It is the responsibility of the grantee to ensure that their accounting practices are adequate, in accordance with the guidelines of "Generally Accepted Accounting Principles" ("GAAP") published by the American Institute of Certified Public Accountants. All SFBRA grantees should expect to be audited.

The purpose of this document is to provide general guidance for grantees on how to develop a budget for a SFBRA grant. As part of its grant making process, the SFBRA requires a detailed budget and workplan. It is the responsibility of the grantee to be sure that the budget and all subsequent billings are justified and documented appropriately. Each grantee is encouraged to solicit its own accounting advice and conduct an audit to ensure that its practices are correct.

Labor Costs
Project Implementation – The grantee's employee labor implementing a project will be reimbursed at rates equal to compensation actually provided to the employee (salary plus benefits, including fringe benefits). The cost of a grantee's labor/staff time to implement specific project tasks (for example, prepare a management plan, determine trail alignments) should be included in and billed to specific tasks in the budget.

Project Management - A work program may include a task called "Project Management" (please use this term). This task should cover labor costs, not otherwise billed, that are associated with administering a specific SFBRA grant (for example, managing contracts, paying consultants, billing SFBRA, maintaining accounting records, and other time spent on managing the project).

"Overhead" or "Indirect Costs"
Overhead or indirect costs are the non-project specific costs of doing business (for example, rent, computers, telephones, office supplies, internet access, copy machines, electricity). Certain types of indirect costs may NOT be charged to the SFBRA, including fundraising, lobbying and entertainment. Any cost that is billed as a direct cost may NOT be included in overhead.

"Overhead" and "indirect costs" are both acceptable terms that represent the same category of costs. If a grantee seeks to recover overhead costs from a SFBRA grant, overhead should be included as a line item in the approved project budget.

Overhead recovery should be limited to a maximum of 20% of a grant. If this limit poses a major hardship to the grantee, the grantee may ask their project manager for permission to exceed the limit, as long as adequate documentation of the overhead rate is provided.

Grantees that wish to charge overhead to a SFBRA grant must be able to document the appropriateness of these charges. One typical method for documentation is to have a Cost Allocation Plan for their organization. Other methods may be adequate, but it is the grantee's responsibility to determine this based on the guidelines of GAAP. It is recommended that grantees work with a CPA to develop an appropriate method for calculating their overhead rate and determining what overhead costs may be allocated to a grant. It is the responsibility of the grantee to maintain appropriate records for all overhead costs, and to be able to provide those records in the event of an audit.

If SFBRA is granting funds to a federally recognized tribe that has an approved Federal Indirect Cost Rate, we will pay that rate to the tribe.

Other Direct Costs
Direct costs should be billed at cost.

Project Supplies and Services - Project-specific supplies and services (for example, printing, copying, long-distance calls, publications, maps, technical surveys, prefabricated bridge structures, bicycle racks, benches) may be billed to the grant if these costs appear in the approved work plan and budget. Receipts (original or scanned) or other documentation will be required. Generally, SFBRA funds may not be used to purchase equipment, such as furniture, computers, phones, etc. If a piece of equipment is directly related to carrying out a grant's purposes, it may be purchased as a grant expense. ***Check with your SFBRA project manager before you purchase*** any equipment to ensure that it is appropriate under the grant agreement.

Personal Equipment
Personal equipment such as rubber boots and sunscreen may be approved as part of the work program. If the supplies outlast the grant term, the grantee shall commit to using the supplies to support project purposes for the useful life of the supplies.

Travel – Essential project-related travel expenses will be reimbursed for the actual amount of expense up to a maximum rate. The budget should describe the necessary trips and travel costs within four categories: meals, transportation, tipping, and lodging. For meals, food is reimbursed at actual costs with a daily cap of $60, including tips. For transportation, you must use the least costly transportation methods. You may not purchase first class or business class air/rail/bus tickets if budget class is available. Actual expenses are reimbursed for tolls, parking, rental car, and taxi or rideshare including tips. For mileage reimbursements when using a personal car, you will be reimbursed with the current IRS rate. As of 7/1/2024, the per mile rate based on IRS is $0.67. For lodging, hotels are capped at the federal rates found here. Travel expenses in excess of these rates will not be reimbursed, unless you provide documentation

that these rates are not reasonably available to you. Receipts will be required. Both In-State overnight travel and Out-of-State travel must be pre-approved by SFBRA. This document is intended as guidance only. Please work with your Authority Project Manager to develop a travel budget in your Work Program.

Training – SFBRA can pay for trainings or conferences that clearly support successful implementation of a project and are clearly identified in the Work Program. These should be a separate line item on the approved budget.

Contractors and Subcontractors - Contractors to a nonprofit (and their subs) must be approved as part of the workplan and budget. Invoices from contractors should be included as backup documentation in grantee invoices and the invoice must either have the contractor's letterhead or a signature. For-profit contractors working for a nonprofit organization may include mark-ups in their billing as long as their rates and overall budget has been approved.

HOW PAYMENT WORKS

To receive reimbursement for work approved under the Work Program, the grantee will submit a Request for Disbursement at least quarterly and at most monthly using the instructions and form provided on the SFBRA website. Once SFBRA receives your invoice, we process the invoice and staff will review all charges to verify that charges are complete and appropriate. **SFBRA has a standard policy of withholding 5% of each invoice request – the total withheld amount is released when work funded by the grant is completed.** If there are problems with the invoice (e.g., missing backup documentation) SFBRA will contact the grantee to resolve the issue. Once approved, the invoice is sent to the Metropolitan Transportation Commission (MTC) for payment.

DEFINITIONS

Fringe Benefits are all employer paid benefits and include things like healthcare benefits, cafeteria plans, gym subsidies, transit reimbursement, and educational subsidies. The IRS definition of fringe benefits is here:
http://www.irs.gov/publications/p15b/ar02.html#en_US_2013_publink1000193623.

Overhead or indirect costs are costs that cannot be readily and specifically identified with or attributed to a specific project and include costs of doing business (for example, rent, computers, telephones, office supplies, internet access, copy machines, electricity).

Cost Allocation Plan is a formal accounting plan used to calculate and document the method for recovering overhead costs.