

## Budget

Project budgets are evaluated based on LIP cost per acre (= LIP funds / LIP Project acreage), % landowner or partner match, and overall cost effectiveness of each item (example, amount spent on supplies, contractor estimate, etc). It is in your best interest to find a good deal on purchased goods and services. While cost assessments will differ at every site, LIP staff can help guide you in determining if the quoted price is reasonable for your project.

The overall budget provides the same information and also shows how the match will be met. Project costs are divided into three categories: LIP funds requested, Landowner/Partner funds contributed and In-kind match. Enter your projected costs for each category. Most projects will not have costs in all categories. The budget provided on the application is an example and other lines can be added as appropriate.

LIP can only pay for costs that represent an actual expenditure of funds (i.e. LIP cannot pay you to conduct management on your land or for use of your own equipment). Landowners may donate labor or work with volunteers who are donating labor, which may count towards match along with the use of their own equipment.

**Eligible grant costs** may include, but are not limited to: Wages of personnel directly engaged in the project scope, the purchase of supplies and equipment; Costs of leased equipment; Costs of contracts or subcontracts to qualified vendors to perform project activities; Monitoring-related activities and donated labor are eligible as match only.

**Ineligible costs** include, but are not limited to: fines and penalties due to failure to comply with federal, state or local regulations; Ordinary operating expenses of agencies that are not directly related to the project scope; Costs for which payment has been or will be received from any other funding source; and indirect costs that are administrative in nature or incurred for a common or joint purpose including utilities, administrative salaries, secretarial services and postage.

### Budget Line Descriptions:

**Salaries:** This would be for a crew, interns, etc who are hired by the applicant and placed on their payroll. Typically, this is not the type of labor that results in invoice billing. Most projects will use "Contracting Services" as opposed to salaries. Please note that general grant maintenance such as grant reporting and accounting are not eligible for reimbursement. Monitoring activities are not eligible to receive LIP funds, but may be included as match.

**Contracting Services:** This should include all costs associated with hiring a business or individual to complete the assigned task that are typically included in an invoice. If the contractor is completing more than one project work item (for example: brush removal, burning, and seeding), specify the by-task breakdown in the budget. (Example: brush removal: \$800, burning: \$3000, seed: \$300). All aspects of the contractor work should be lumped into this line, do not break out supplies or labor that are included in the contractor estimate.

**Other Purchased Services:** Use this line as needed and if it seems appropriate

**Supplies:** Specify the supplies that will be purchased or donated to the project. Do not include Contractor-used supplies on this line unless they are acquired separately and not included in the estimate on the Contracting Services line. The value of donated supplies is calculated at the fair-market rate. In the space provided, break out the total cost by item (Example: Seed: \$250, Herbicide: \$100).

**Equipment Rental Charges:** This may be equipment that is rented in order to complete the project, or it may be landowner or partner-owned equipment that is being provided for use. Rented equipment is reimbursable or eligible for match at the full rental rate. If the use of the equipment is being donated to the project, the equipment is valued by hour of use at the standard LIP rate (See **Appendix B**). If you are using a piece of equipment that is not included in the list, contact the LIP coordinator for the calculated value.

**Other:** Use this line as needed and if it seems appropriate

**Donated Labor:** This is labor on the project that does not result in actual expenditure by the applicant/landowner. In general, donated labor is **valued at \$12/hour**. Donated labor should contribute towards meeting the goals and objectives of the project and **may include** monitoring activities. Please note that standard grant maintenance activities such as grant reporting and filling out payment request forms may not be included.

**Partial Funding:** Designate if you will be willing to accept a partial award and to how much. A partial award may be assigned to one or more components of the project or may require project revisions. In the case of a partial award, the required match will also be reduced to the % of the awarded amount.

**\*\*Additional Notes on Budget:**

Compiling a project budget can be unfamiliar territory for some applicants. Remember that LIP staff are available to assist you in putting this or other parts of the application together. No project may receive more than \$25,000 or less than \$2,500 in LIP funding. All costs associated with the program require documentation that meets both state and federal standards. This is applicable to costs submitted for reimbursement by the program and costs used as part of the minimum 25% landowner match. Program staff will provide specific guidance to landowners on how to meet these requirements if their projects are funded. Examples of documentation include invoices, time sheets, or payroll records.

All costs associated with the project should be described in the budget, including details on how the minimum 25% landowner share of the project cost will be met. From looking at the budget information, the selection committee should be able to understand how LIP funding will be spent, how match will be accrued, and how much money will be spent for each part of the project. (For example: site preparation, seed purchase, planting, mowing, herbicide treatment, removal of invasive and woody species, etc)

For many projects, LIP may be able to help secure seed or other services or supplies to meet the goals of your project. For seed, LIP only pays for purchasing pure live seed that has been tested for purity and germination to ensure that the seed is viable. We also require that projects use local genotype plants and seeds. In addition, LIP will pay for or count as volunteer time seed collecting and processing and may prefer this approach to procuring seed if it is readily available on-site or in the immediate area.