

## BUDGET TIPS AND TOOLS

### TSET Discovery Grants

FY24

When preparing a budget, please ensure that detailed justification for proposed purchases is included for each category. **ALL TSET funds must stay within the state of Oklahoma.**

Capital improvements are not allowable under this funding opportunity. For this funding opportunity, capital improvement projects refer to projects related to new or existing buildings. Building, repairing, or enhancing buildings is not allowable under this funding opportunity.

Matching funds are not required for Discovery Grants, but preference will be given to applications that include matching.

Matching funds may come from multiple sources and need not be limited to cash only. Cash, other non-TSET grants, and in-kind support that is directly related and applied to the program is allowable as match. Matching funds may be provided for any of the budget categories below and must be detailed on the matching justification tab of the budget document. For more information about matching funds, see page 4 of this document.

Budget Category	Description	Examples
<b>Personnel (Salaries)</b>	Includes actual salaries, wages and longevity pay, if applicable, paid to full time and part time program personnel. Staff must be employees of the applicant organization and may not be under a subcontract.  Administrative and supervisory personnel salaries should be included in the Administrative Charge category	Hourly wage or pre-determined salary
<b>Fringe Benefits</b>	Includes actual fringe benefits paid by the employer to program personnel.  Administrative and supervisory fringe benefits should be included in the Administrative Charge Category.	Local, state, federal taxes, health insurance
<b>In-State Travel and Per Diem</b>	In-state mileage, lodging, and per diem in accordance with the Oklahoma State Travel Reimbursement Act and the destination’s current <a href="#">GSA rates</a> .	Travel to and from conferences and events, overnight lodging expenses, per diem for in-state meetings

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<p><b>Out-of-State Travel and Per Diem</b></p>	<p>Out-of-state mileage, lodging, and per diem in accordance with the Oklahoma State Travel Reimbursement Act and the destination’s current <a href="#">GSA rates</a>.</p> <p>Even if initially budgeted, all out-of-state travel must be preapproved by TSET during the grant year prior to incurring costs.</p> <p>TSET funds may not be used for international travel.</p>	<p>Travel to and from conferences, overnight lodging expenses, per diem for out-of-state meetings.</p>
<p><b>Training Registrations</b></p>	<p>Conference, training, or seminar registration fees. Even if initially budget, all conference registrations must be pre-approved by the TSET program manager.</p>	<p>Registration fees for in-state trainings</p>
<p><b>Purchased Services</b></p>	<p>Includes essential consultation expertise services that cannot be provided by the grantee. Subcontracts and other contractual agreements must be clearly defined in the approved budget in terms of the type of service(s) to be rendered and cost (e.g., number of hours of service and cost per hour of service or cost of a deliverable or product). All subcontracts require approval from TSET prior to entering into any contract. A signed copy of each subcontract must be provided to TSET prior to reimbursement for work completed.</p>	<p>Consultants, trainers, necessary project services, professional services fees, evaluation services, etc.</p>
<p><b>Facilities</b></p>	<p>Space rentals for project-related activities, meetings, or trainings. Office space leases should be included in the administrative charge category.</p>	<p>Meeting or training space</p>
<p><b>Supplies</b></p>	<p>Consumable or expendable materials necessary to complete or manage the program during the grant year.</p> <p><b>IMPORTANT NOTE:</b> Awarded funds may not create an asset for a private entity or non-profit organization. An asset is defined as an IT purchase of \$500 or more, and as an item with a cost of \$2,500 or more for non-IT purchases. Public entities that propose to purchase items above \$2,500 must ensure that the asset is entered into and tracked by the agency’s asset management system.</p>	<p>Paper, pens, file folders, light, healthy refreshments, rolling carts, etc.</p>
<p><b>Other</b></p>	<p>Other program-related expenditures not captured in other budget categories.</p>	<p>Postage, subscriptions and mailing lists, staff cell phone (up to \$55 per FTE) &amp; data (up to \$35 per FTE) stipends, professional printing (such as business cards), professional organizational (not individual) memberships, software, newspaper subscriptions</p>

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<p><b>Health Communication</b></p>	<p>The Health Communication category is intended to be used for the purchase of signage. Tobacco-free, TSET acknowledgment, health-related or other appropriate signage and event promotion/sponsorships may be budgeted under this category.</p> <p>All awarded grantees will have access to a TSET Strategic Communication consultant to assist with Health Communication purchases during the grant period.</p>	<p>Tobacco Free Environment signs, banners, signs acknowledging TSET’s support, event promotion &amp; sponsorships</p>
<p><b>Indirect Costs and Administrative Costs</b></p>	<p>Grantees are allowed to budget up to 10% of their total direct program costs to pay for indirect costs that are not easily discernable from daily expenses incurred by operating the organization, e.g., utilities, telephone landlines and internet, security. Administrative costs to support the grant such expenses as rent, support personal such as supervisors, office managers, or financial officers are also allowable.</p> <p>On the budget form, applicants must show how they arrived at in-kind expenditure or match amounts, including calculations and items captured within those calculations.</p>	<p>Utilities, janitorial services, accounting, or auditing services; supervision and financial oversight of grants including approving leave, attending meetings, performance reviews, preparing claims for reimbursement, participating in TSET audits, etc.</p>

## TSET Matching Funds Guidance

FY24

Oklahoma statutes governing TSET state “The [TSET] Board of Directors shall encourage grantees to match grant monies awarded with monetary commitments and in-kind matches” (62 O.S. § 2309). Matching funds ensure the people of Oklahoma receive the maximum benefit from the investment of TSET funds.

The following guidance has been prepared for grantees to contribute matching funds to their TSET award. Any questions about this document or matching funds should be directed to [TSET Grants Management](#).

### Why Match?

Matching funds help to share public costs with the private and non-profit sector, demonstrate local buy-in on programs that seek to improve public health, and promote sustainability of projects after TSET’s investment has ended.

### What is Match?

Match refers to the cash and/or non-cash (in-kind, or labor, goods, or services) contributions made by the grantee, their subcontractors, or other partner organizations for costs paid or work completed for during the contract period. Cash matches refer to a direct program expense for the grantee or partner organization, whereas in-kind match refers to materials or services, space, labor, equipment, etc., that is provided by the grantee organization or donated by a partner organization specifically for the TSET project. In no instance may TSET funds be used to match other TSET funds.

To be eligible to meet TSET matching funds requirements, any **match contributed must be directly related to and in support of the program.**<sup>1</sup> Match must be legally permitted by the entity providing the funds, goods, or services to be utilized for the TSET-funded program. Examples of matching funds may include:

1. Cash match
  - a. Cash contributions for direct project expenses such as project-related staff salaries/fringe for staff from the grantee organization, supply purchases, travel costs, consultant fees, equipment, or space rentals, etc. Sources of cash match include:
    - i. Cash from the applicant organization
    - ii. Cash from any partnering organization<sup>2</sup>
    - iii. Grants<sup>3</sup> received by the grantee organization
    - iv. Grants received by a partnering organization
2. In-kind match
  - a. Non-cash contributions to direct program needs.
  - b. Must be verifiable by grantee’s records.
  - c. Necessary and reasonable to fulfill grant obligations.
  - d. In-kind match is calculated based on the value of the goods or services provided by the grantee organization or partner. While in-kind match can be provided as donations for items under any of the budget categories listed for the TSET funding opportunity, other sources of in-kind match may include:

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<sup>1</sup> One potential exception to the direct project support requirement for matching funds is in the case of indirect match, **provided by the applicant organization only**, which may be considered eligible to meet matching funds requirements if accompanied by an approved federal indirect cost rate agreement. Applicants should note that certain TSET funding opportunities may not allow indirect costs to count as matching funds and, further, that requests to include indirect costs as eligible match are subject to case-by-case review by TSET.

<sup>2</sup> Cash contributed as match by a partnering organization must be accompanied by a letter of commitment from that organization.

<sup>3</sup> Grants used to match TSET funds must be accompanied by a letter from the holder of the grant and/or the grantor stating that the grant funds may be used to match TSET funding on the project.

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- i. Administrative and support personnel<sup>4</sup>
- ii. Travel costs
- iii. Shared meeting/activity spaces<sup>5</sup>
- iv. Volunteer time, calculated using hourly rates consistent with those paid by the grantee for similar work
- v. Utilities<sup>5</sup>
- vi. Leasing of shared equipment<sup>5</sup>
- vii. Accounting/bookkeeping services for the TSET-funded project
- viii. Audit costs, prorated by the percentage of the total organizational budget comprised by the TSET-funded project
- ix. Shared custodial and security services<sup>5</sup>
- x. Food donations for meetings that serve a public purpose directly related to the project
- xi. Depreciation costs for equipment used to support project-required activities

The above list is not exhaustive. If you have questions about what might count as eligible match, please contact your grant manager.

### How is Match Substantiated?

Matching funds are approved in annual budgets and are a contractual obligation from some TSET awards. Matching funds should be verified by letters of commitment from the entities providing match. These letters may be requested by TSET during the proposal phase or during the contracting process. The letter should state the source of the matching funds, the type, the total amount for the contract period (i.e., annual) the period of time for which the funds can be used as match (e.g., for the first contract year only, for the duration of the multi-year agreement, or for another period), as well as any restrictions related to use of the matching funds. Changes to matching funds during the year will need to be reported to TSET on the budget revision request form.

It is important to note that a match contribution can only be applied once it is expended on a cost or activity identified in your work plan.

### Match Tracking

During year 1 of your TSET funding agreement, matching funds are reviewed on a quarterly basis.<sup>6</sup>

Matching funds should be included on each monthly claim for reimbursement submitted to TSET. On your monthly claim, include the amount of matching funds and the vendor or item on which the funds were expended under the appropriate budget section of the claim form.

At the end of each quarter of the fiscal year, grantees must be at the appropriate match level for their project based on the claim for reimbursement numbers submitted monthly. “Appropriate match level” refers to the cumulative match total for

the year

#### **EXAMPLE**

If a program contributes \$100,000 in matching funds in FY25, by the time the September invoice—the last invoice for the first quarter—is received grantee matching funds should show at least \$25,000 in expenditures ( $\$100,000 \times (1/4)$ ).

By receipt of the sixth invoice (or the last invoice of the second quarter) matching funds included on the claim for reimbursement form should bring the cumulative matching funds total to at least \$50,000 ( $\$100,000 \times (2/4)$ ).

<sup>4</sup> Value calculated based on individual’s hourly rate and percent time on the program

<sup>5</sup> Prorated by the percentage of staff or square footage the grant program occupies in relation to other programs using the same facilities, equipment, etc.

<sup>6</sup> If a grantee over-matches in year 1, TSET may consider whether to allow the over-match from year 1 to carry over into the match requirement for year 2. Approval occurs on a case-by-case basis.

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and can be calculated by multiplying the number of quarters elapsed in the fiscal year by  $\frac{1}{4}$  the annual matching funds budget.

Deviations from this requirement may be considered on a case-by-case basis and will require documentation from the grantee and/or the matching partner. If approved, TSET Grants Management may issue a contract revision or addendum to formalize the deviation.

While grantees should never be under-matched in year 1, budgets can be over-matched (i.e., have contributed more than  $\frac{1}{4}$  of their annual match requirement). This means that a grantee could submit more than  $\frac{1}{4}$  of their matching requirements for the first quarter of the year and would then be able to under-match over the course of a subsequent quarter, provided their cumulative match contributions are at the quarterly benchmarks at the end of each quarter.

### **EXAMPLE**

A program contributes \$100,000 in matching funds in FY25. At the first quarterly check-in, the grantee has submitted \$55,000 in matching funds on their monthly claims for reimbursement, even though the minimum requirement is to have submitted \$25,000 ( $\frac{1}{4}$  of the annual requirement). If the grantee chose not to submit any more matching claims for the second quarter, they would still be in compliance with their contract at the second quarterly check-in because at least  $\frac{1}{2}$  of their annual matching requirement (\$50,000) would have been met.

Grantees who do not meet quarterly match benchmarks will be contacted by TSET Grants Management to discuss barriers to meet the match requirements. Corrective actions may be necessary to ensure adequate match expenditures take place so that the grantee meets all requirements of their funding opportunity and contract.

### Match Documentation

Matching funds are subject to financial review, audits, and requests for supporting documentation. Grantees must retain all supporting match documentation pursuant to the terms of their TSET agreement. Please seek clarification from your grant manager if you are unsure whether supporting documentation is required to be submitted with your claim(s) for reimbursement.

While accounting for cash match is straightforward because the funds are used specifically to purchase or support the TSET project, accounting for in-kind match can be more complicated. Generally, supporting documentation should inform TSET:

1. What was contributed (e.g., person time, services, supplies)
2. Who was the source of the contributed time, good, or service (e.g., the name of the entity or funding source that contributed the item)?
3. How the value was determined (this should be determined by the donor and should be based on data, not estimates)
4. Who verified the information (who at the donor organization certifies that the value is true and correct?)

Grantees must maintain all documentation that supports the value of the in-kind match reported on each claim for reimbursement. Such documentation could include:

1. Signed and dated time sheets for admin/support staff and volunteers
  - a. If fringe benefits are included in the match the amount submitted as match must be clearly differentiated from the amount of match comprised of salary charges, and fringe must be prorated based on the individual's time on the TSET project.
2. Signed and dated mileage sheets, prepared in accordance with State travel requirements
3. Receipts/cancelled checks demonstrating payment by partners for fees, supplies, materials, etc. directly related to the project

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4. Donation forms that detail the services, space, or items that are provided to the grant program at a free or reduced cost
5. Depreciation schedules for equipment used in support of the project (note that fair market value will not be considered as an in-kind matching charge)
6. Documentation showing the costs incurred for shared administrative items such as audits, leased space and equipment, utilities, etc., including a proration based on the grant program's actual percentage of use