


# Project Budget Template Workbook

## Instructions

 **Important:** Review these instructions and the Cost Description by Category tab thoroughly before you start creating your budget.

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### 1. General Guidance

- Complete all workbooks using Microsoft Excel only, and avoid using Google Sheets or Apple Numbers.
- Don't forget to review the second tab in the workbook - Cost Description by Category - in addition to these instructions! DO NOT DELETE, RENAME OR EDIT THAT TAB.
- Complete one budget template workbook for each Project in your Application, and one tab for each Applicant (up to 10 Co-Applicants) budgeted to work on the Project.
- Every budget workbook (one per Project) should include tabs for the Lead Applicant and every Co-Applicant in the Application, even if an Applicant is not involved in that Project. If an Applicant (either Lead or Co-Applicant) is not budgeted to work on a specific Project within a multi-project Application, their tab in that Project's budget workbook should be left blank but not deleted. The Co-Applicant numbering system should be the same across all Projects within a multi-project Application.
- If you are applying in the Seed Category and only have one Applicant, complete only the Lead Applicant tab.
- If you are applying in the Seed or Opportunity Category and only have one Project in your Application, complete only one budget template workbook.
- If you have more than 10 Co-Applicants, do not use this template. Please email [communityinvestments@baaqmd.gov](mailto:communityinvestments@baaqmd.gov) to receive a custom template.

### Direct vs. Indirect costs

**DIRECT costs** are expenses that can be tied specifically to your project — for example, staff time spent doing the work, supplies purchased for the project, travel to project sites, and consulting fees.

**INDIRECT costs** (sometimes called “overhead”) are organizational expenses that can't be attributed to any single project — expenses such as rent, utilities, bookkeeping, general administrative staff, and office supplies shared across programs. Because these costs benefit multiple projects and funders, a portion is allocated to each grant using a fixed percentage rate (in this program, 15% or less of total direct costs).

***Example:** A program coordinator who spends 80% of their time running this project is a direct cost. The office they work in is an indirect cost.*

## Budget Structure

Every Applicant's budget has three parts:

- Direct costs: all expenses tied directly to project activities (staff, vendors, consultants, supplies, equipment, travel, etc.)
- Indirect costs: overhead expenses that support your work generally but can't be attributed to this project alone (rent, utilities, accounting, shared administrative staff time, insurance etc.)
- Contingency: a reserve for unanticipated costs within the approved project scope

Total project budget = Direct costs + Indirect costs + Contingency. ***Any cost that doesn't fall within indirect costs nor contingency is a direct cost.***

All three cost caps — indirect (15% at the project level), contingency (10% at the project level), and professional services & consultants (25% at the multi-project Application level) — are calculated as a percentage of total direct costs. Indirect costs and contingency are not included in the denominator.

## Co-Applicants vs. Consultants vs. Subcontractors

Understanding the difference between a Co-Applicant, professional services consultant, and subcontractor matters for how your budget is reviewed and what cost caps apply.

**A Co-Applicant** is a formal partner on the grant. Co-Applicants are named in the Application, have a defined scope of work, share responsibility for project implementation, and receive a portion of the grant funding through the Lead Applicant. Co-Applicant costs are **not** subject to the 25% Professional Services & Consultants cap, even if the Co-Applicant is providing professional or technical services. A Co-Applicant's contributions to project implementation and outcomes are evaluated as part of the overall application review process. Reviewers will assess partnership composition, clearly defined roles and responsibilities, measurable outcomes, and overall project management capacity. For Opportunity and Catalyst Grants, at least 25% of the overall Application budget must be allocated to Co-Applicants.

**A Professional Services Consultant** is an individual or firm that is engaged by an Applicant to provide a professional service requiring specialized professional judgment, knowledge, credentials, or expertise. A consultant provides recommendations and guidance to one or more Applicants on a project rather than holding direct responsibility for project implementation. A consultant can either be identified in the Application or unidentified. Both types of consultants are subject to the 25% Professional Services & Consultants cap (applied at the Application level, not the Project level – see below under “**4. Project Summary Tab**”). Each identified consultant or type of unidentified consultant should have their own line item.

- **Identified consultant:** Named in the project budget on an Applicant's tab. Include their anticipated scope and estimated cost.
- **Unidentified (TBD) consultant:** Anticipated but not yet selected at the time of application — for example, an architect or engineer you plan to hire through a competitive bid process after receiving the award. Include a description of the anticipated scope and your basis for the cost estimate.

**A Subcontractor** is an organization or individual performing project work under formal agreement. *For the purposes of this budget, subcontractors who provide professional services consulting should be included under Professional Services and Consultants (see below) instead of Subcontractors and Vendors.* Subcontractors may include partner organizations that were not included as Co-Applicants and are not providing professional services consulting as described above.

## **2. Completing the Applicant Tabs (Lead Applicant and Co-Applicants)**

- Do not edit cells that contain formulas unless instructed.
- Under the name of the Applicant, enter the term (in years) covered by your proposed budget (e.g., 3.5 years).
- Under the budget summary on each tab, there is an indicator for “Cross-check Total Budget.” If your budget total does not match the sum of direct, indirect and contingency Costs, a red-colored NO will alert you to check your budget again.
- The template allows for a maximum of 24 budget line items per Applicant tab.

For each budget line item, complete the following columns:

1. Cost Category: Select the cost category from the drop-down menu.
  2. Cost Type: Select one of the three cost types from the drop-down menu. **All expenses other than the line items for indirect costs and contingency are direct costs. Please select Cost Type carefully.**
  3. Cost Item: Describe the expense item in a few words.
  4. Cost Description: Review the *Cost Description by Category* tab for detailed instructions on what to include in this column.
  5. Cost: Enter cost in whole dollar amounts.
- **Indirect Costs** should be entered as ONE line item. Indirect costs must be ≤15% of total direct costs at the Project level. An individual Applicant tab can exceed the 15% indirect cap as long as the *project-level* total stays under 15%.
    - **Indirect cost rate guidance:** If one or more Applicants has a federally negotiated indirect cost rate (NICRA) or a state-approved rate, they may use that rate on their own budget tab but at the Project level, indirect costs may not exceed 15% of total direct costs, regardless of Applicants’ negotiated rates. Project budgets should be developed collaboratively amongst the Lead Applicant and Co-Applicants to ensure that all costs, including indirect costs, are fairly and reasonably allocated amongst the partners.
  - **Contingency** should be entered as ONE line item. Contingency must be ≤10% of total direct costs at the Project level. An individual Applicant tab can exceed the 10% contingency cap as long as the *project-level* total stays under 10%. There is no hard limit on a single Applicant's budgeted contingency, but grant reviewers will expect to see contingency budgeted fairly and in alignment with Project activities.

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### 3. Other Sources of Project Funding

- Use this section only if your Project has other funding sources in addition to the Air District request. This data does NOT change the Air District "Total Funds Requested." It helps reviewers understand the full financing plan and the status of other funds (e.g., application submitted, verbal commitment, award letter received, grant agreement signed, funds received, in-kind, etc.).
- Other Sources of Project Funding are summed on the Project Summary tab. Do not double-count by duplicating the same amount on multiple tabs. A single source of project funding shared by multiple Applicants may be listed on one Applicant's tab or divided pro rata across multiple Applicant tabs.

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### 4. Project Summary Tab

- Do not edit this tab. The Project Summary tab auto-populates information from the Applicant tabs.

#### Project-Level Caps (cells turn RED if exceeded)

- **Indirect Costs cap (15%):** Calculated as a percentage of total **direct costs** for the Project (not the total Project budget). If exceeded, the cell turns red — you must adjust your Project budget before submitting.
- **Contingency cap (10%):** Calculated as a percentage of total **direct costs** for the Project. If exceeded, the cell turns red — you must adjust your Project budget before submitting.

#### Application-Level Requirements (cells turn YELLOW as advisory indicator)

- **Professional Services/Consulting cap (25%):** Calculated as a percentage of total direct costs and applied at the grant Application level, across all Projects in the same Application. If a Project budget exceeds the cap, the cell turns yellow as an advisory indicator.
  - If this is the only Project in your Application, yellow is treated as red — you must make adjustments before submitting.

- If your Application includes multiple Projects, check the aggregate budget across all Projects to confirm the cap is not exceeded at the Application level. Individual Projects may exceed the cap as long as the overall Application budget does not.
  - **Co-Applicant minimum allocation (25%):** Opportunity and Catalyst Grants require a minimum 25% allocation to Co-Applicants, calculated as a percentage of the total Application budget and applied at the Application level. If the minimum is not met at the Project level, the cell turns yellow as an advisory indicator.
    - If you are applying for a Seed Grant, you can ignore this advisory indicator — Seed Grants are not permitted to have Co-Applicants.
    - If you are applying for an Opportunity Grant and this is the only Project in your Application, yellow is treated as red — you must make adjustments before submitting.
    - If your Application includes multiple Projects, check the aggregate budget across all Projects to confirm this requirement is met at the Application level.
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## 5. Tips to Avoid Errors and Final Review

- DO NOT delete, rename, or make any edits to the “Cost Description by Category” tab – Column A is used for the Cost Category drop-downs in Applicant tabs.
- Avoid typing over gray formula cells. Only edit input cells.
- Use the drop-down menus for Cost Category and Cost Type columns.
- Check to make sure the correct Cost Type is selected from the drop-down. Indirect and Contingency should not be more than one line in each tab; all costs other than Indirect and Contingency should have a Cost Type of Direct.
- Check the Project Summary tab for **red cells**, which indicate your project budget does not meet the requirements and requires adjustments, and **yellow cells**, which indicate values that should be checked at the Application level to confirm requirements are met.

*Questions or issues using the budget template? Please email [communityinvestments@baaqmd.gov](mailto:communityinvestments@baaqmd.gov)*