

Instructions for Completing Construction Budget Form

Each application must contain a detailed budget (cost proposal), including all Allowable Expenses associated with activities required to achieve project goals. The budget may be the basis of award negotiation. MassCEC reserves the right to reject any application without further review if the budget is not prepared in compliance with the following instructions.

GENERAL INSTRUCTIONS

1. The budget must be completed using MassCEC's Standard Construction Budget Form (an Excel workbook) and should be submitted as a functional Excel file.
2. Indicate in the top portion of the form the name of the Applicant's ("Grantee's") organization, the name of the facility at which the project would be located and a brief descriptive title of the proposed project (e.g., "Turbine 2 replacement").
3. **Enter a list of relevant tasks for your project in Column B.** The tasks shown in the template are suggestions only; please edit, add or delete tasks on this list to reflect your project.
4. Refer to Table 1 at the end of these instructions for a Summary of Allowable Expenses and where to enter the expenses in the form.
5. White cells are entry cells, and shaded cells are calculation cells. **Please refrain from editing the shaded cells.**
6. **Do not include any expenses that may be incurred prior to the award of a grant by MassCEC,** as they will not be eligible for reimbursement.
7. All budget information must be described in reasonable detail. Use the Supporting Schedule tab to provide detail on budget items, e.g., explanation of labor rate escalation; proposed vendor, quantity needed, unit cost, basis for cost for Direct Materials.

Each of the instruction sections below corresponds to an Expense Category column in the budget form.

DIRECT LABOR AND RELATED-PARTY LABOR

This category is for project costs related to labor performed by *employees of the Applicant or employees of Related Parties* (see Solicitation for definition of Related Party).

1. For each task, enter the total dollar value of the relevant employees' labor in the Direct Labor column.
2. Use the Supporting Schedule tab to identify the specific employees or job titles, their labor rates and number of hours for the task. Labor must be valued at fair market value. If an escalation in labor rates is anticipated, enter additional lines on the Supporting Schedule for the labor to be worked at the higher rates.
3. Hourly rates may include gross wages, Employers Responsibility Federal Insurance Contributions Act (ER FICA) taxes, Employers' Responsibility Medicare taxes, State Unemployment Insurance (SUI), Paid Family and Medical Leave Act taxes, and Federal Unemployment Tax Act (FUTA) taxes. Hourly rates should not include fringe benefits, other overhead expenses, or a profit margin. **Note:** If audited, Grantee may be required to provide MassCEC with a copy of the payroll register which coincides with direct labor paid. It should include the title or labor category, and the hourly rate, for each employee who worked on the project.
4. Direct and Related-Party Labor is limited to a combined 25% of total project costs for Construction projects.

CONTRACTOR EXPENSE

This category is for project costs related to project services provided to the Applicant on a contract basis by individuals, organizations or companies who are contractors or consultants to the Applicant.

1. Enter contractor expense by task. If more than one contractor will be working on the same task, insert additional lines and enter each contractor's expense on a separate line.
2. If a contractor will be supplying both labor and materials, enter the combined expense as a lump sum under "Contractor Expense" for the appropriate task.
3. If a contractor will be using materials or installing equipment that is purchased by the Grantee, enter only the contractor's charges under Contractor Expense; enter the cost of the equipment or materials in the Equipment or Materials column.
4. On the Supporting Schedule, provide detail on the contractor's fee, to the extent feasible. Identify any equipment or materials included in the total. If available, list the contractor/consultant's quoted or anticipated rate per hour and number of hours.
5. No more than 10% of the Allowable Expenses for a Construction Project (with or without a Design Phase) may consist of legal fees.

EQUIPMENT AND MATERIALS

This category is for purchased parts, equipment, or assets uniquely associated with the proposed project and *paid for directly by the Grantee* (not by Grantee's contractor). MassCEC assumes that Grantees can perform the proposed work with existing general-purpose facilities, tools and equipment. It is MassCEC's policy not to compensate for the purchase of general purpose facilities, tools or equipment. (Rental of general-purpose equipment for short-term use by Grantee is permissible and may be listed under Other Direct Costs.) If general-purpose facilities, tools or equipment for purchase are listed, the application should document why these assets are required for the project and must justify why these costs are an expense reimbursable by MassCEC. On the Supporting Schedule, include a brief description of the item(s), proposed vendor, quantity needed, unit cost, and the total cost.

OTHER DIRECT COSTS

This category is for other direct project costs related to project administration and management. These items may include printing, postage, publications, graphics, etc. Include the basis for these costs in the Supporting Schedule. Other acceptable items include expenses associated with a Data Acquisition System (set-up and/or subscription fees) for meeting PTS reporting requirements, application fees to the Low Impact Hydropower Institute, short-term equipment rental, and interconnection-related utility fees. Please contact MassCEC if you have questions about other specific items.

COST SHARING

This section is for identifying the requested Grant for the project and calculating the remainder of costs, which will be the Grantee's responsibility. The Grant request may not exceed 50% of total project expenses.

1. Enter a Grant request for each of the Design Phase and the Construction Phase in the column “MassCEC Grant for Phase (\$)”. If there is no Design Phase, enter only one figure, in the Construction Phase portion of the spreadsheet.
2. NOTE: The spreadsheet will calculate the “Grantee Share” for each phase and will total the two phases at the bottom. This “Total Grantee Cost Share” is the amount that must be met with Applicant's cash, loans, third-party contributions, or in-kind services (i.e., Direct Labor or Related Party Labor), or a combination of these. In-kind services must be valued at fair market value and included in the Direct Labor section of the budget and are subject to the limitations described in Sections 4.1 and 5.1 of the solicitation.

Table 1: Summary of Allowable Expenses and Expense Categories

Item	Allowable Expense?	Category on Standard Budget Excel Spreadsheet
Administrative Expenses	No	N/A
Community Outreach Expenses, including Meetings and Room Rental	Yes	Other Direct Costs
Contractors & Consultants	Yes, excluding mark-up by Grantee.	Contractor Expense
Data Acquisition System (for PTS reporting compliance)	Yes, including initial set-up and up to five (5) years of service subscription.	Other Direct Costs
Direct Labor	Yes, subject to the limitations described in Sections 4.1 and 5.1 of the Solicitation.	Direct Labor
Equipment Rental	Yes, for short-term construction needs only.	Other Direct Costs
Low Impact Hydropower Institute certification fees	Yes	Other Direct Costs
Mark-Ups (either on invoices from Grantee or invoices paid by Grantee for consultants or contractors)	No	N/A
Overhead	No	N/A
Postage, Printing	Yes	Other Direct Costs
Related Party Labor	Yes, if approved, and subject to the same limitations as Direct Labor (above). MassCEC must approve the use of any Related Party in writing prior to awardee using MassCEC funds to pay for the expenses associated with such Related Party.	Direct Labor
Telephone	No	N/A

Travel	No	N/A
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