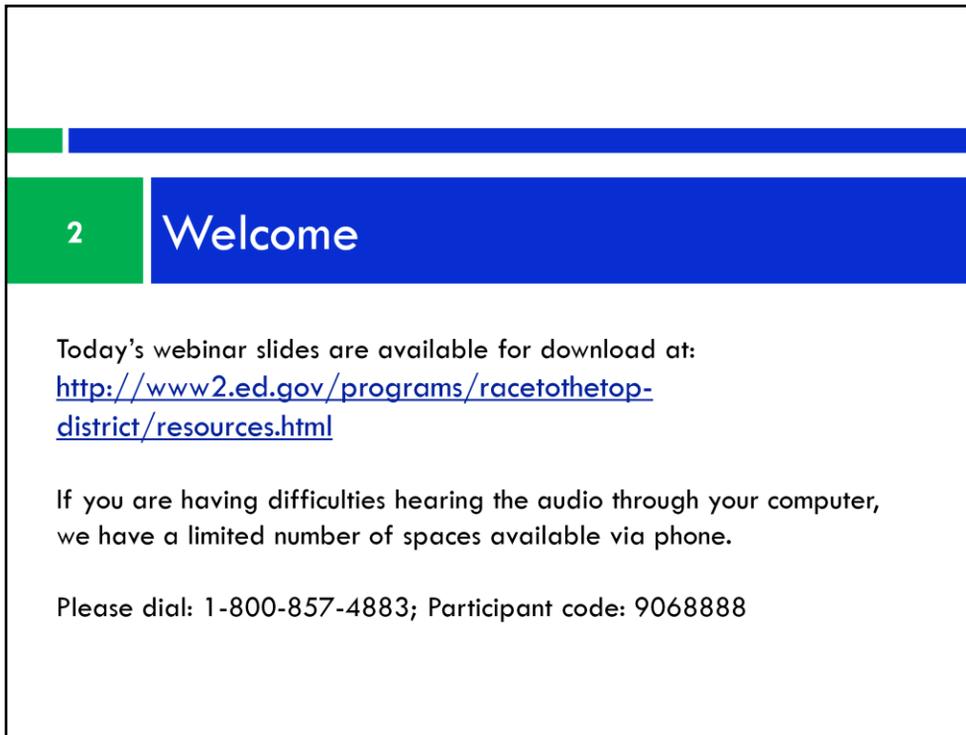


FY 2013 RACE TO THE TOP – DISTRICT  
COMPETITION:  
PREPARING THE BUDGET



September 2013



2 Welcome

Today's webinar slides are available for download at:  
<http://www2.ed.gov/programs/racetothetop-district/resources.html>

If you are having difficulties hearing the audio through your computer, we have a limited number of spaces available via phone.

Please dial: 1-800-857-4883; Participant code: 9068888

Welcome! I am Melissa Siry, from the Implementation and Support Unit at the US Department of Education, and I am joined by my colleague, Renee Faulkner. Thank you for participating in today's webinar on the FY 2013 Race to the Top – District competition. During this presentation, we are going to review the requirements for completing the budget portion of the application and will provide some lessons learned as you prepare your budgets. This guidance is applicable to individual LEA and consortia applicants. The budget is an important part of the Race to the Top – District application, and we wanted to ensure that applicants had detailed information as they complete this section. The peer reviewers will assign up to 20 points for the budget and sustainability section of the application, and the budget will be integral to project implementation if an applicant is awarded a Race to the Top – District grant. In order to maximize the amount of time that potential applicants have to write the proposal, the Department has a very short window to conduct budget reviews before making awards. Therefore, we encourage applicants to use this guidance and be as clear as possible when submitting budgets to expedite the review process for the grantee and the Department.

# Questions

3

- Please note that due to the large number of participants on today's webinar, we will only be accepting questions via the chat feature and will try to get to as many as possible at the end of today's webinar.
- We will not respond to questions individually; instead we will share the questions and responses with all participants.
- Please feel free to send in technical, clarifying, or logistics questions. As mentioned in the RSVP message, we are unable to answer questions about a specific approach or individual proposal.
- If you have questions that are not addressed during the webinar or in the FAQs, please submit them by email to [2013.racetothetop.district@ed.gov](mailto:2013.racetothetop.district@ed.gov).
- We will be hosting additional webinars to answer questions submitted to our email box. Additional webinars will be held approximately every other week depending on the number of questions that we receive. Please see the Department's website for dates and registration information for future webinars.

Please note we will only be covering the budget portion of the application and will not be addressing topics or questions beyond the budget. Please send any general questions you may have to [2013.racetothetop.district@ed.gov](mailto:2013.racetothetop.district@ed.gov) to be considered for inclusion in an upcoming Webinar to Answer Questions Submitted to Email Box.

As with all webinars, the slides are available on the Race to the Top - District website for your reference.

- Please note that due to the large number of participants on today's webinar, we will only be accepting questions via the chat feature and will answer as many as possible at the end of today's webinar.
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# FY 2013 Race to the Top - District Competition Resources

4

## FY 2013 Application Resources:

- FY 2013 Executive Summary
- Application
  - Electronic Budget Spreadsheets
  - Application Formatted for Added Accessibility
- Frequently Asked Questions
- FY 2013 Notice of Final Priorities (NFP)
- FY 2013 Notice Inviting Applications (NIA)
- Fast Facts
- Background on FY 2013 Race to the Top - District Competition
- These resource are available at:  
[www.ed.gov/programs/racetothetop-district](http://www.ed.gov/programs/racetothetop-district)

Before we begin, we wanted to remind you of several resources to support Districts in completing the FY 2013 Race to the Top District application.

- 1)The FY 2013 Executive Summary provides key information and definitions from the Notice Inviting Applications, or NIA
- 2)The application includes all of the required components as well as detailed instructions for completing and submitting the application to the Department.
- 3)The Frequently Asked Questions document includes answers to common questions about the competition. This document will be updated as needed.
- 4)The FY 2013 Notice of Final Priorities, or NFP, is the regulatory document that establishes the priorities, requirements, definitions, and selection criteria.
- 5)The FY 2013 NIAexplains how the priorities, requirements, definitions, and selection criteria established in the NFP apply to the FY 2013 competition. The definitions for all defined terms can be found in the NIA.
- 6)The Fast Facts document provides key information for the FY 2013 Race to the Top – District program.
- 7)The background document explains how the program’s priorities were developed and will help applicants understand the Department’s approach to the competition.

All of these resources are available on the Department’s website. The website also includes the slides and transcripts for the previously held FY 2013 Race to the Top –

District webinars.

# Agenda

5

- Overview of the Budget Requirements
  - How the Pieces Fit Together
  - Project-level Budgets
  - Overall Budgets
  - Electronic Budget Spreadsheets
- Lessons Learned about Completing the Budget
- Department Review of Budgets
- Resources
- Questions

We will start with an overview of the budget requirements.

# Understanding the NIA

Note: Please see the NIA, FAQs and Application for further information on all sections in this presentation

6

## Eligibility Requirements:

- Individual LEA or Consortium
- Participating students
- At least 40% low-income students
- Commitment to core assurance areas
- Relevant signatures

## Priorities:

- Absolute 1: Personalized Learning Environments
- Absolute 2: Non-Rural LEAs in Race to the Top States
- Absolute 3: Rural LEAs in Race to the Top States
- Absolute 4: Non-Rural LEAs in non-Race to the Top States
- Absolute 5: Rural LEAs in non-Race to the Top States
- Competitive Preference: Results, Resource Alignment and Integrated Services (optional)



## Selection Criteria:

- Vision
- Prior Record of Success and Conditions for Reform
- Preparing Student for College and Careers
- LEA Policy and Infrastructure
- Continuous Improvement
- Budget and Sustainability

## Program/Other Requirements, e.g.:

- Budget
- Evaluation
- Disproportionate discipline and expulsion analysis
- Data and information sharing
- Scope of work
- School implementation plan

## Application Requirements:

- Comment period: State and mayor
- Consortia requirements

This slide includes the main parts of the Notice Inviting Applications, or NIA.

As a reminder, applicants must meet the eligibility requirements in order to receive a Race to the Top – District grant. Applicants must address Absolute Priority 1, personalized learning, throughout their proposal and select one of Absolute priorities 2-5 based on the participating students. The selection criteria are the criteria you will write to throughout your application and are the things that the reviewers will judge and score. Program requirements are those that must be met throughout the grant period by all applicants who receive a grant.

In this webinar, we will focus on Selection Criteria F, Budget and Sustainability and the first program requirement, related to the budget. For detailed information on all of these elements, please refer to the Overview of the Race to the Top –District competition webinar offered on August 7.<sup>th</sup> Those slides are located on our website.

## Selection Criteria F – Budget and Sustainability (20 points)

7

The extent to which--

- (F)(1) The applicant's budget, including the budget narrative and tables--
- (a) Identifies all funds that will support the project (e.g., Race to the Top – District grant; external foundation support; LEA, State, and other Federal funds);
  - (b) Is reasonable and sufficient to support the development and implementation of the applicant's proposal; and
  - (c) Clearly provides a thoughtful rationale for investments and priorities, including-
    - (i) A description of all of the funds (e.g. Race to the Top – District grant; external foundation support; LEA, State, and other Federal funds) that the applicant will use to support the implementation of the proposal, including total revenue from these sources; and
    - (ii) Identification of the funds that will be used for one-time investments versus those that will be used for ongoing operational costs that will be incurred during and after the grant period, as described in the proposed budget and budget narrative, with a focus on strategies that will ensure the long-term sustainability of the personalized learning environments; and
- (F)(2) The applicant has a **high-quality plan** (as defined) for sustainability of the project's goals after the term of the grant. The plan should include support from State and local government leaders, financial support, and a description of how the applicant will evaluate the effectiveness of past investments and use this data to inform future investments. Such a plan may address how the applicant will evaluate improvements in productivity and outcomes to inform a post-grant budget, and include an estimated budget for the three years after the term of the grant that includes budget assumptions, potential sources, and uses of funds.

FAQ  
G-1

Selection Criterion F focuses on budget and sustainability. F1 asks applicants to identify all funds that will be used to support the project. This includes Race to the Top – District funds and other sources of funding that may include grant or external foundation support, or local, State, or other Federal funds. The budget in F1 must be reasonable and sufficient to support the applicant's proposal and must provide a thoughtful rationale for the investments and priorities included in the budget. Please note that applicants will respond to selection criterion F1 in the Budget section of the application, which is found in part 11 of the application. We will walk through part 11 of the application in much more detail throughout this presentation.

There are few restrictions on the uses for Race to the Top – District funds, so applicants can design budgets that meet the needs of their proposals. For specific information on allowable uses of funds, see FAQ G-1.

F2 focuses on sustainability of the project's goals after the term of the grant. The high-quality plan for sustainability should include support from State and local government leaders and financial support. Please include the narrative response to F2 in the selection criteria section of the application, which is found in part 9 of the application, shown on the next slide.

# Selection Criteria F – Budget and Sustainability (20 points)

8

(Application page 66-67)

The extent to which—

**(F)(1) Budget for the project (10 points)**

The applicant's budget, including the budget narrative and tables—

- (a) Identifies all funds that will support the project (e.g., Race to the Top – District grant, external foundation support, LEA, State, and other Federal funds);
- (b) Is reasonable and sufficient to support the development and implementation of the applicant's proposal; and
- (c) Clearly provides a thoughtful rationale for investments and priorities, including—
  - (i) A description of all of the funds (e.g., Race to the Top – District grant, external foundation support, LEA, State, and other Federal funds) that the applicant will use to support the implementation of the proposal, including total revenue from these sources; and
  - (ii) Identification of the funds that will be used for one-time investments versus those that will be used for ongoing operational costs that will be incurred during and after the grant period, as described in the proposed budget and budget narrative, with a focus on strategies that will ensure the long-term sustainability of the personalized learning environments; and

**(F)(2) Sustainability of project goals (10 points)**

The applicant has a high-quality plan (as defined in this notice) for sustainability of the project's goals after the term of the grant. The plan should include support from State and local government leaders, financial support, and a description of how the applicant will evaluate the effectiveness of past investments and use this data to inform future investments. Such a plan may address how the applicant will evaluate improvements in productivity and outcomes to inform a post-grant budget, and include an estimated budget for the three years after the term of the grant that includes budget assumptions, potential sources, and uses of funds.

*In the text box below, the applicant should describe its current status in meeting the criteria and/or provide its high-quality plan for meeting the criteria.*

*The narrative or attachments should also include any supporting evidence the applicant believes will be helpful to peer reviewers, including at a minimum the evidence listed in the criterion (if any), and how each piece of evidence demonstrates the applicant's success in meeting the criterion. Evidence or attachments and the rationale for their inclusion must be described in the narrative and, where relevant, included in the Appendix. For evidence or attachments included in the Appendix, note in the narrative the location where the information can be found and provide a table of contents for the Appendix.*

*The high-quality plan (as defined in this notice) should include key goals, activities to be undertaken and the rationale for the activities, the timeline, the deliverables, and the parties responsible for implementing the activities. The narrative and attachments may also include any additional information the applicant believes will be helpful to peer reviewers.*

(Enter text for (F)(1) in Part XI: Budget. Enter text for (F)(2) here.)

As noted on the prior slide, please respond to selection criterion F1 in Part 11 of the application, the Budget section. This section is found on pages 72 through 84 of the application. Please respond to selection criterion F2 in Part 9 of the application, shown on this slide.

# Program Requirements

9

An applicant's budget request for all years of its project must fall within the applicable budget range as follows:  
The Department will not consider an application that requests a budget outside the applicable range of awards.

Number of participating students (as defined in this notice)	Award range
2,000-5,000 or Fewer than 2,000, provided those students are served by a consortium of at least 10 LEAs and at least 75 percent of the students served by each LEA are participating students (as defined in this notice)	\$4-10 million
5,001-10,000	\$10-20 million
10,001-20,000	\$20-25 million
20,001+	\$25-30 million

FAQ  
B-3

As noted in the first program requirement, an applicant's budget request for all four years of its grant must fall within the applicable budget ranges. The Department will not consider an application that requests a budget either above or below the applicable range of awards. Please note that the number of participating students and the award ranges have been altered since the FY 2012 competition.

Applicants must serve the minimum number of students *associated with their budget range* in each year of the grant.

For more information on how to calculate the number of participating students served by your proposal, please see FAQs C-6 through C-8.

# Agenda

10

- Overview of the Budget Requirements
  - How the Pieces Fit Together
  - Project-level Budgets
  - Overall Budgets
  - Electronic Budget Spreadsheets
- Lessons Learned about Completing the Budget
- Department Review of Budgets
- Resources
- Questions

Before we jump into the components of the budget, we thought it would be helpful to walk through how each of the pieces fit together. I'll now turn it over to Renee to walk through the next portion of the presentation.

## Components of the Budget

11

- ❑ Overall Budget Summary (Required)
  - ❑ Table: Total proposed budget, by category (Table 1-1)
  - ❑ Summary Project List: List of all project-level budget (Table 2-1)
  - ❑ Narrative: Overview of how the budget has been organized into projects
- ❑ Project-level Budgets (Required)
  - ❑ Table: Budget for each project, by category (Table 3-1)
  - ❑ Narrative: Backup detail for each category in each project budget, including project-level itemized costs (Table 4-1)
- ❑ Electronic Budget Spreadsheet (Strongly Recommended)

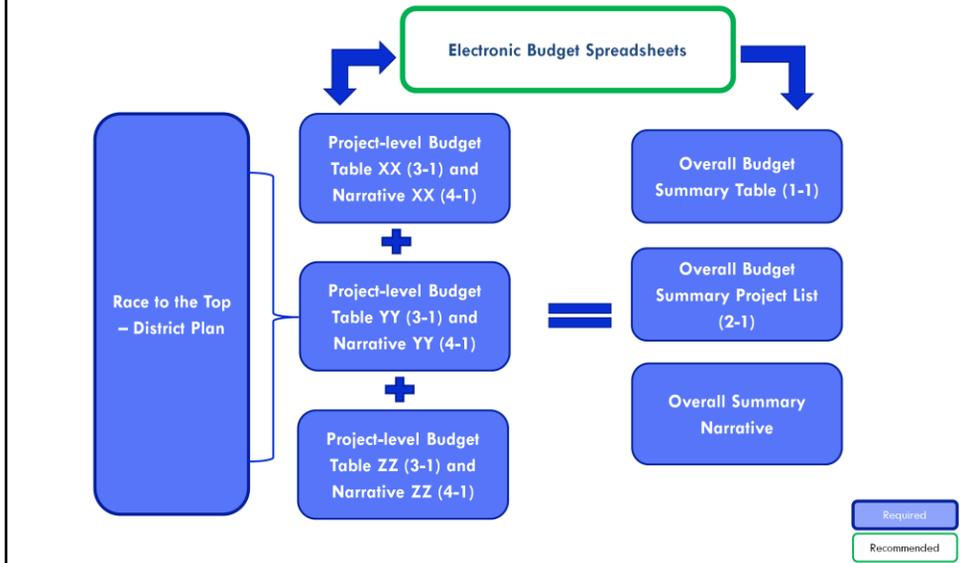
Thank you, Melissa.

In the budget section of the application, there are two main sections: the overall budget summary and project-level budgets. For each part, applicants must complete a budget table and a budget narrative. Again, we will walk through each section in more detail throughout this presentation.

To assist applicants, the Department has created an electronic budget spreadsheet. Although not required, we strongly recommend applicants use this tool when completing their budget.

# Overview of the Budget

12



This chart illustrates how the pieces of the budget fit together.

The Race to the Top – District plan is the basis for the budget. To create projects, applicants should look at their proposal and determine how they will support the various commitments in the application narrative. Remember, all activities in the budget should be reflected in the application narrative. All boxes shaded and outlined in blue are required components of the application.

After reviewing the application narrative, applicants should begin to develop project-level budgets. Applicants can have any number of projects; in the chart above, the applicant has three projects. Feel free to use as many or as few projects as you need to accomplish the goals in your proposal. For each project, applicants must include a project-level budget table, table 3-1, and a project-level budget narrative that includes cost justifications for each expense in table 4-1.

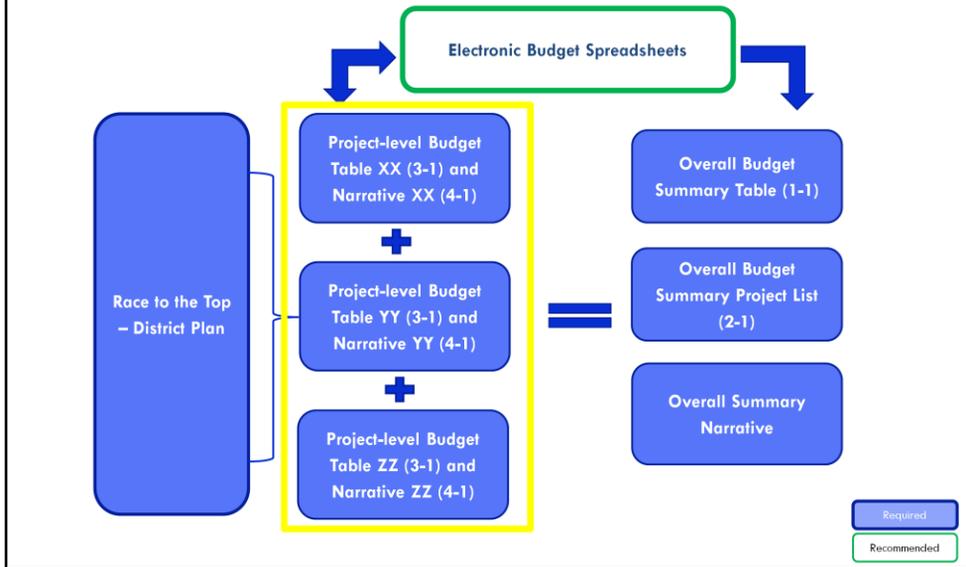
The sum of the project level budget tables is the overall budget summary table. The overall budget summary table, table 1-1, includes all expenses in each project of the Race to the Top – District plan and, as we will discuss later in the presentation, should also include funds outside of Race to the Top – District funds that will be used to support the proposal. In addition to the overall budget summary table, applicants will

submit a summary project list, table 2-1, that includes the title and other relevant information for each project. This is like a Table of Contents for all of your project-level budgets. Finally, the applicant will also include an overall summary narrative that describes the budget and how it will help the applicant meet its goals.

To support districts, the Department has created electronic budget spreadsheets, outlined in green at the top of the chart. The electronic budget spreadsheets can be used as a tool to help applicants develop their project-level and summary budgets. They contain formulas that automatically total each project budget, and also calculate the overall budget summary table and complete the summary project list, noted with the arrow.

# Overview of the Budget

13



We will now discuss the project-level budgets in more detail.

## Tables - Project-level Budgets

14

- **Subpart 3: Project-Level Budget Summary Tables.**  
This is the cover sheet for each project-level budget (see Budget Table 3-1).
  - (Note: the applicant should complete the electronic budget spreadsheets and copy and paste the information into the application proposal.)
- This should include the sums of project-level itemized costs described in the Project-Level Budget Narrative.

To accomplish the objectives in your Race to the Top – District proposal, you will likely need several projects. These projects are the mechanisms to accomplish the objectives in your plan. For example, you may have projects to create a Race to the Top – Implementation team or to train teachers on new personalized learning strategies.

As mentioned before, applicants must include a project-level budget table and narrative for each project budget. Subpart 3 of the budget section, on page 74 of the application, asks for the project-level budget table, table 3-1, for each project. This table must include the sum of the project level costs as well as the itemized costs described in each project-level budget narrative, that we will review in a moment. Remember, each project-level budget must include table 3-1; it serves as a cover sheet for each project.

# Tables - Project-level Budgets

15

- This should include the sums of project-level itemized costs described in the Project-Level Budget Narrative (Application Page 74).

Table 3-1: Project-Level Budget Summary Table					
Project Name: [fill in the project name the applicant has assigned to this work]					
Primary Associated Criterion and Location in Application: [fill in primary selection criterion, Part number and page numbers]					
Additional Associated Criteria (if any) and Location in Application: [fill in the additional selection criteria (if any), Part number(s) and page numbers]					
Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Total (e)
1. Personnel					
2. Fringe Benefits					
3. Travel					
4. Equipment					
5. Supplies					
6. Contractual					
7. Training Stipends					
8. Other					
<b>9. Total Direct Costs (lines 1-8)</b>					
10. Indirect Costs*					
<b>11. Total Grant Funds Requested (lines 9-10)</b>					
12. Funds from other sources used to support the project					
<b>13. Total Budget (lines 11-12)</b>					

All applicants must provide a break-down by the applicable budget categories shown in lines 1-13.  
 Columns (a) through (d): For each project year for which funding is requested, show the total amount requested for each applicable budget category.  
 Column (e): Show the total amount requested for all project years.  
 \*If the applicant plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget part.

This table, 3-1 from Page 74 of the Application, is the table that must be included for every individual project. Applicants must have one table for each project that will serve as a cover sheet for that project. Therefore the total number of project-level tables will vary for each applicant. This table includes budget categories broken out by year and the total budget amounts for that project.

In addition to the annual expenses and budget category expenses, applicants must include a project title and the primary and associated selection criteria, as indicated at the top of the chart. For example, a project may focus primarily on selection criterion C1, but also addresses work in E3. Applicants may include as many associated selection criteria as necessary. This should be noted for each project.

# Budget Categories

16

(Application page 74)

**Table 3-1: Project-Level Budget Summary Table**

Project Name: [fill in the project name the applicant has assigned to this work]  
 Primary Associated Criterion and Location in Application: [fill in primary selection criterion, Part number and page numbers]  
 Additional Associated Criteria (if any) and Location in Application: [fill in the additional selection criteria (if any), Part number(s) and page numbers]

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Total (e)
1. Personnel					
2. Fringe Benefits					
3. Travel					
4. Equipment					
5. Supplies					
6. Contractual					
7. Training Stipends					
8. Other					
<b>9. Total Direct Costs (lines 1-8)</b>					
10. Indirect Costs*					
<b>11. Total Grant Funds Requested (lines 9-10)</b>					
12. Funds from other sources used to support the project					
<b>13. Total Budget (lines 11-12)</b>					

All applicants must provide a break-down by the applicable budget categories shown in lines 1-13.  
 Columns (a) through (d): For each project year for which funding is requested, show the total amount requested for each applicable budget category.  
 Column (e): Show the total amount requested for all project years.  
 \*If the applicant plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget part.

Budget Categories

We wanted to note that the same budget categories that appear in Table 3-1, or the project-level table, appear throughout the budget section. Applicants will complete a similar table for the overall budget summary table and will address these categories in the budget narrative.

Applicants must use these categories when completing their budgets. We are required to look at these categories as we manage and oversee our Federal funds. These basic categories are the same across all Federal programs. Applicants may not add other categories or edit these categories. If an LEA uses different categories in the local budget process, please review the definitions of the local categories to see how they align with the Federal categories required here to ensure you enter the information in the correct Federal budget category.

Over the next few slides, we will walk through each of the budget categories in more detail.

# Narrative – Project-level Budgets

17

- **Subpart 4: Project-Level Budget Narratives.** The Project-Level Budget Narrative accompanies the Project-Level Budget Summary Table for each project and provides the rationale for the budget. The narrative should address Selection Criterion (F)(1), including an overview of each project for which the applicant requests grant funds and include itemized project costs for each project, by budget category and for each project year (See Budget Table 4-1). (Note: the applicant should complete the electronic budget spreadsheets and copy and paste the information into the application proposal.)

## BUDGET SUBPART 4: PROJECT-LEVEL BUDGET NARRATIVE

*Note: See budget summary narrative and instructions above, in particular "Subpart 4: Project-Level Budget Narratives."*

(Enter narrative here and in Table 4-1 below.)

Applicants must include a narrative for each of their project-level budgets. The budget narrative should address selection criterion F1, including an overview of each project for which an applicant requests to use grant funds. The application includes a space to enter the project-level budget narrative on page 75 of the application.

In addition, applicants must include itemized project costs for each project, by category and year in table 4-1 of the application. We will review this table in more detail over the next few slides.

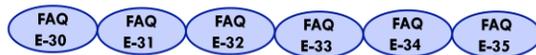
Remember, you will need a budget narrative and itemized project costs for every project, so repeat this section as necessary.

# Budget Narrative Instructions

18

(Application page 69)

- ❑ The applicant's budgets should reflect the work associated with fully implementing the **high-quality plans** and other aspects of its proposal described under the selection criteria and competitive preference priority.
- ❑ Some projects might address one selection criterion or the competitive preference priority, while others might address several selection criteria.
- ❑ The budget narrative should be of sufficient scope and detail for the Department to determine whether the costs are necessary, reasonable, and allowable.
  - ❑ For further guidance on Federal cost principles, an applicant may wish to consult OMB Circular A-87. (See [www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars)).
- ❑ The applicant will provide **summary and itemized costs** for the projects that the applicant believes are necessary in order to implement its proposal.



When completing Part 11 of the application, remember that you are addressing selection criterion F1, so use the budget narrative and tables to address the specific elements that are included in that selection criterion. When creating project-level budgets, some projects may address one selection criterion or the competitive preference priority, while others might address several selection criteria. The budget tables require applicants to note a primary selection criterion and any associated selection criteria. Remember the budget should reflect all of the work associated with implementing the **high-quality plans** and all other aspects of the proposal in the selection criteria and competitive preference priority described in the application narrative. Again, all work that is referenced in the narrative should be reflected in the budget, and all work supported in the budget should be reflected in the narrative of the proposal.

When writing the budget narrative, it should be of sufficient scope and detail for the Department to determine whether the included costs are necessary, reasonable and allowable. The applicant must provide a summary and itemized costs for all projects that the applicant believes are necessary in order to implement its proposal.

# Narrative - Project-level Budgets

19

(Application page 75)

## BUDGET SUBPART 4: PROJECT-LEVEL BUDGET NARRATIVE

Note: See budget summary narrative and instructions above, in particular "Subpart 4: Project-Level Budget Narratives."

(Enter narrative here and in Table 4-1 below.)



Table 4-1: Project-Level Itemized Costs

Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost
<b>1. Personnel:</b>					
Explain the importance of each position to the success of the project and connections back to specific project plans. If curriculum vitae, an organizational chart, or other supporting information will be helpful to reviewers, attach in the Appendix and describe its location.					
<ul style="list-style-type: none"> <li>The title of the position to be compensated under this project</li> <li>The role/responsibility of that position</li> <li>Why the position is necessary to implement the project</li> </ul>	<ul style="list-style-type: none"> <li>The salary of the position</li> <li>The number of employees</li> <li>The amount of time (hours, percent full-time-employee, months, etc.) to be expended</li> <li>Any additional basis for cost estimates or computations</li> </ul>	<ul style="list-style-type: none"> <li>Year 1 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 2 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 3 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 4 Cost</li> <li>Total Cost</li> </ul>
<i>Add more rows as needed</i>					

As mentioned earlier, Part 11 of the application includes a section for the project-level budget narratives. In addition to the budget narrative, applicants should complete table 4-1, the itemized costs for each project for each year. For each budget category, applicants must include a cost description, costs assumptions and the total costs for each item. Applicants should use one row for each expense, so make sure to add as many rows to the table as you need. Table 4-1 includes descriptions of each budget category and several definitions to help you as you develop your budgets.

The first category is personnel. It is important that applicants explain the importance of each position to the success of the project and make connections back to specific project plans, as described in the cost description column. This may include project directors, professional development coaches, data analysis positions, or any other personnel position that is necessary to accomplish the goals of your proposal. If an organizational chart, or other supporting information would be helpful to reviewers, feel free to include those items to the Appendix, with a reference to its location in the narrative.

When addressing the cost assumptions, applicants should include the salary of the position, the number of employees, and the amount of time that position will spend on the project. For example, employees may spend 50% of their time working on Race to the Top - District, so the grant would only fund that portion of the employee's

time. In addition, include any additional basis for cost estimates.

It is also important to note in what years the position will serve. For example, professional development coaches may not be needed until grant year 3 or 4, so make sure to include that detail in the cost column.

# Narrative - Project-level Budgets

20

(Application page 76)

**Table 4-1: Project-Level Itemized Costs**

Cost Description and Justification (including whether the cost is one-time investment or on going operational cost)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost
<b>2. Fringe Benefits:</b> Explain the nature and extent of fringe benefits to be received and by whom.					
<ul style="list-style-type: none"> <li>• The title of the position to be compensated with fringe benefits under this project</li> <li>• The fringe benefit percentages for all personnel in the project</li> <li>• The basis for cost estimates or computations</li> </ul>	• Year 1 Cost	• Year 2 Cost	• Year 3 Cost	• Year 4 Cost	• Total Cost
<i>Add more rows as needed</i>					
<b>3. Travel:</b> Explain the purpose of the travel, how it relates to project goals, and how it will contribute to project success.					
<ul style="list-style-type: none"> <li>• A description of the travel</li> <li>• The parties that will engage in the travel</li> <li>• Purpose of travel</li> </ul>	• Year 1 Cost	• Year 2 Cost	• Year 3 Cost	• Year 4 Cost	• Total Cost
<ul style="list-style-type: none"> <li>• An estimate of the number of trips</li> <li>• An estimate of transportation and or subsistence costs for each trip</li> <li>• Any additional basis for cost estimates or computations</li> </ul>					
<i>Add more rows as needed</i>					

For fringe benefits, applicants must include the amount per personnel position, as indicated in the cost description column. In the cost assumption box, please explain how the fringe rate was applied. For example, if your approved fringe rate is 20%, apply the rate of 20% for the position, for each project year, to obtain the total amount over the grant. If an applicant receives an award, the applicant will be required to provide evidence of the fringe rate during the budget review process.

For travel, applicants must explain the purpose of the travel, how it relates to project goals, and how it will contribute to the project success. This should include the parties that will likely engage in the travel. For the cost assumption, applicants should include, at a minimum, the estimated number of trips per year, the estimated transportation and subsistence costs for each trip for each year, and any additional basis for cost estimates for computations. Each travel item should have its own row in this table.

# Narrative - Project-level Budgets

21

(Application page 76-77)

Table 4-1: Project-Level Itemized Costs						
Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)		Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost
<b>4. Equipment</b>						
Explain what equipment is needed and why it is needed to meet program goals. Consistent with SEA and LEA policy, equipment is defined as tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.						
<ul style="list-style-type: none"> <li>The type of equipment to be purchased</li> <li>Purpose of purchase</li> </ul>	<ul style="list-style-type: none"> <li>The estimated unit cost for each item to be purchased</li> <li>The number of units being purchased.</li> <li>The definition of equipment used by the applicant</li> <li>Any additional basis for cost estimates or computations</li> </ul>	<ul style="list-style-type: none"> <li>Year 1 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 2 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 3 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 4 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Total Cost</li> </ul>
<i>Add more rows as needed</i>						
<b>5. Supplies</b>						
Explain what supplies are needed and why they are necessary to meet program goals. Consistent with LEA policy, supplies are defined as tangible personal property excluding equipment.						
<ul style="list-style-type: none"> <li>The supplies being purchased</li> <li>Purpose of purchase</li> </ul>	<ul style="list-style-type: none"> <li>An estimate of materials and supplies needed for the project, by nature of expense or general category (e.g., instructional materials, office supplies)</li> <li>The basis for cost estimates or computations</li> </ul>	<ul style="list-style-type: none"> <li>Year 1 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 2 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 3 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 4 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Total Cost</li> </ul>
<i>Add more rows as needed</i>						

Consistent with SEA and LEA policy, equipment is defined as tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. For each equipment expense, applicants must explain what equipment is needed and why it is needed to meet program goals. The cost assumption should include the estimated cost per unit, the number of units being purchased, the definition of equipment used by the applicant if it differs from the definition provided here, and any additional information. Applicants must provide the cost per year and total amount of funds for each equipment purchase.

Consistent with LEA policy, supplies are defined as tangible personal property excluding equipment. Applicants must describe what supplies are being purchased and the purpose of the purchases. This should include an estimate of materials and supplies needed for the project, by nature of expense or general category. For example, instructional materials or office supplies. The basis for cost estimates or computations must also be included.

# Narrative - Project-level Budgets

22

(Application page 77)

Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost	
<b>6. Contractual</b>						
Explain what goods/services will be acquired, and the purpose and relation to the project for each expected procurement.						
<b>NOTE:</b> Because grantees must use appropriate procurement procedures to select contractors, applicants do not need to include information in their applications about specific contractors that may be used to provide services or goods for the proposed project if a grant is awarded.						
<ul style="list-style-type: none"> <li>The products to be acquired and/or the professional services to be provided</li> <li>Purpose of acquisition</li> </ul>	<ul style="list-style-type: none"> <li>The estimated cost per expected procurement</li> <li>For professional services contracts, the amount of time to be devoted to the project, including the costs to be charged to this proposed grant award</li> <li>A brief statement that the applicant has followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36</li> <li>For any meeting or logistics support, identify anticipated locations and approximate rates</li> <li>Any additional basis for cost estimates or computations</li> </ul>	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost
<i>Add more rows as needed</i>						

FAQ  
G-16

For contractual costs, applicants must explain what goods or services will be acquired, and the purpose and relation to the project for each expected procurement. This should include the expected deliverables and the associated costs for each project year of the grant. When explaining the cost assumption it is important to describe the estimated cost per expected procurement overall and per year and how that estimate was reached. For example, you may use other contracts you have procured as a basis for new contracts as required to meet your application goals.

For professional services contracts, include the amount of time to be devoted to the project, including the costs to be charged to this proposed grant award. For any meeting or logistics support, identify anticipated locations and approximate rates.

As with other categories, applicants should include any additional information that substantiates the estimated costs.

It is very important that applicants include the cost of the contract per year, and indicate when there may be multiple contracts to accomplish a single product or professional service. This is particularly important when calculating indirect costs, which we will describe in detail in a few minutes.

Please note, because grantees must use appropriate procurement procedures to

select contractors, applicants do not need to include information in their applications about specific contractors that may be used to provide services or goods for the proposed project if a grant is awarded.

# Narrative - Project-level Budgets

23

(Application page 78)

Table 4-1: Project-Level Itemized Costs						
Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost	
<b>7. Training Stipends</b>						
Explain what training is needed, and the purpose and relation to the project. <b>NOTE:</b> The training stipend line item only pertains to costs associated with long-term training programs and college or university coursework, not workshops or short-term training supported by this program. Salary stipends paid to teachers and other school personnel for participating in short-term professional development should be reported in Personnel (line 1).						
<ul style="list-style-type: none"> <li>The training to be acquired, consistent with the note above.</li> <li>Purpose of purchase</li> </ul>	<ul style="list-style-type: none"> <li>The personnel who will participate in the training</li> <li>Cost per session/trainee (if available)</li> <li>The cost estimates and basis for these estimates</li> </ul>	• Year 1 Cost	• Year 2 Cost	• Year 3 Cost	• Year 4 Cost	• Total Cost
<i>Add more rows as needed</i>						
<b>8. Other</b>						
Explain other expenditures that may exist and are not covered by other categories.						
<ul style="list-style-type: none"> <li>Other items by major type or category (e.g., communications, printing, postage, equipment rental).</li> <li>Purpose of the expenditures</li> </ul>	<ul style="list-style-type: none"> <li>The cost per item (e.g., printing = \$500, postage = \$750).</li> <li>Any additional basis for cost estimates or computations</li> </ul>	• Year 1 Cost	• Year 2 Cost	• Year 3 Cost	• Year 4 Cost	• Total Cost
<i>Add more rows as needed</i>						

The next category is training stipends. Please note that the training stipend line item only pertains to costs associated with long-term training programs and college or university coursework, not workshops or short-term training supported by this program. Salary stipends paid to teachers and other school personnel for participating in short-term professional development should be reported in Personnel (line 1).

When there are training stipends, applicants should include the training to be acquired and the purpose of the training. The cost assumption should include the related personnel, cost per session if available, and the cost estimates and basis for the training per year and overall.

The Department understands that there may be other expenses necessary to execute the project that may not fall in any of the earlier categories. Those expenses should be included under "Other." Examples of other expenses are communications, printing, postage, or equipment rental. As with all sections, the applicant should include the cost per item and other information. Be sure to include the year of the expenses, and include multiple lines for all other expenses.

# Narrative - Project-level Budgets

24

(Application page 79)

Table 4-1: Project-Level Itemized Costs						
Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost	
<b>9. Total Direct Costs:</b>						
Sum lines 1-8.						
• n/a	• Sum of lines 1-8	• Sum of lines 1-8	• Sum of lines 1-8	• Sum of lines 1-8	• Sum of lines 1-8	
<i>Add more rows as needed</i>						
<b>10. Total Indirect Costs</b>						
Identify and apply the indirect cost rate.						
• Identify and apply the indirect cost rate	• Indirect Cost Rate as indicated in the Budget Indirect Cost Information part	• Year 1 Cost	• Year 2 Cost	• Year 3 Cost	• Year 4 Cost	• Total Cost
<i>Add more rows as needed</i>						
<b>11. Total Grant Funds Requested</b>						
Sum lines 9-10.						
• n/a	• Sum of lines 9-10	• Sum of lines 9-10	• Sum of lines 9-10	• Sum of lines 9-10	• Sum of lines 9-10	

In line 9, applicants should include the total direct costs for each project year and overall. This is the sum of lines 1 through 8.

After determining the total direct costs, applicants will need to calculate the indirect costs. We will walk through how to calculate indirect costs in the next section of the webinar.

Line 11 is the total grant funds requested, or the sum of lines 9 and 10, including direct and indirect costs, for each project year and overall.

# Narrative - Project-level Budgets

25

(Application page 79-80)

Table 4-1: Project-Level Itemized Costs						
Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost	
<b>12. Funds from other sources used to support the project</b> Identifies all non-grant funds that will support the project (e.g., external foundation support; LEA, State, and other Federal funds)						
<ul style="list-style-type: none"> <li>Project or activity to be funded or other description of use of funds</li> <li>Source of funds and amount of funding from each source</li> </ul>	<ul style="list-style-type: none"> <li>Year 1 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 2 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 3 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Year 4 Cost</li> </ul>	<ul style="list-style-type: none"> <li>Total Cost</li> </ul>	
<i>Add more rows as needed</i>						
<b>13. Total Budget</b> Sum lines 11-12.						
<ul style="list-style-type: none"> <li>n/a</li> </ul>	<ul style="list-style-type: none"> <li>Sum of lines 11-12</li> </ul>	<ul style="list-style-type: none"> <li>Sum of lines 11-12</li> </ul>	<ul style="list-style-type: none"> <li>Sum of lines 11-12</li> </ul>	<ul style="list-style-type: none"> <li>Sum of lines 11-12</li> </ul>	<ul style="list-style-type: none"> <li>Sum of lines 11-12</li> </ul>	

As indicated in Selection Criterion F1, applicants should identify all funds that will support the project. In addition to Race to the Top - District grant funds, this may include for example, external foundation support, LEA, State, and other Federal funds. In this category, applicants should identify all other sources of funds that will support each of the projects.

Line 13 is the sum of the total Race to the Top - District funds and funds from other sources (lines 11 and 12) that will be used to support the project.

# Narrative - Project-level Example

26

**Table 4-1: Project-Level Itemized Costs**

Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)	Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost
<b>1. Personnel:</b> Explain the importance of each position to the success of the project and connections back to specific project plans. If curriculum vitae, an organizational chart, or other supporting information will be helpful to reviewers, attach in the Appendix and describe its location.					
<ul style="list-style-type: none"> <li>Project Director: The Project Director will be responsible for the overall leadership and management of the Race to the Top – District Grant. The Project Director will be responsible for the day-to-day management and operations of grant activities.</li> <li>One Position: 100% FTE</li> </ul>	<ul style="list-style-type: none"> <li>\$50,000 (to ensure adequate time to hire a project director)</li> </ul>	<ul style="list-style-type: none"> <li>\$75,000</li> </ul>	<ul style="list-style-type: none"> <li>\$75,000</li> </ul>	<ul style="list-style-type: none"> <li>\$75,000</li> </ul>	<ul style="list-style-type: none"> <li>\$50,000</li> <li>+\$75,000 x 3 years = \$ 275,000</li> </ul>

Note: Applicants must include the total amount for **each project year** and the total amount across **all four years** of the grant.

In this example, the grant will fund a project director that will manage the day-to-day activities and management for the Race to the Top - District grant. The employee will work on the project 100% of the time for all four years of the grant. However, there is time allotted to hire a project director and as a result, will not pay the full salary in year 1.

In the total column, we summed the totals for each project year to determine the total amount over the course of the grant.

As shown here, some expenses may not cost the same across each year of the grant, particularly in contractual expenses. Therefore applicants must include the total amount for each expense by project year AND over the grant period.

# Indirect Costs

27

- Indirect costs are those:
  - Incurred for a common or joint purpose benefiting more than one cost objective, and
  - Not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. (See OMB Circular A-87, Attachment A, Section F.1.)
- Indirect costs represent the expenses of doing business that are not readily identified with a particular grant project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.
- Indirect costs are generally administrative costs such as the salaries and expenses for staff engaged in organization-wide (general) activities.
- A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned as a direct cost.

Note: For more information about indirect cost rates, please refer to the Department's Cost Allocation Guide for State and Local Governments. This guide may be found at:  
<http://www2.ed.gov/about/offices/list/ocfo/fipao/guideicwebsite.pdf>.

FAQ  
G-8

Now we will talk a little bit more about indirect costs, which is one of the budget categories we just mentioned.

An LEA or consortium of LEAs may use Race to the Top – District funds for indirect costs, consistent with its approved Race to the Top – District budget. Indirect costs are those that are

- (a) Incurred for a common or joint purpose benefiting more than one cost objective, and
- (b) Not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Indirect costs represent the expenses of doing business that are not readily identified with a particular grant project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. Indirect costs are generally administrative costs such as the salaries and expenses for staff engaged in organization-wide (general) activities. Typical indirect costs include the costs of procurement, payroll, personnel functions, maintenance and operations of space, data processing, accounting, auditing, budgeting, or communications. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned as a direct cost.

For more information about indirect cost rates, please refer to the Department's *Cost Allocation Guide for State and Local Governments*. The link to this document can be found on this slide and in the Race to the Top – District Frequently Asked Questions document, on the Race to the Top - District website.

## Indirect Costs

28

- ❑ An LEA or consortium of LEAs may use Race to the Top – District funds for indirect costs, consistent with its approved Race to the Top – District budget.
- ❑ If an LEA chooses to include such costs, it must use the current approved indirect cost rate approved by the State education agency (SEA) in a manner consistent with 34 CFR 75.561. The indirect cost rate must be applied in accordance with the terms and procedures established by the SEA.
- ❑ If multiple LEAs apply as a consortium, the indirect costs for the consortium are limited to the amount derived by applying the rate of the Lead LEA (34 CFR 75.564(e)).
- ❑ As there is no “supplement, not supplant” requirement for Race to the Top – District grants, applicants may use either the unrestricted or the restricted indirect cost rate, at their discretion, when developing their Race to the Top – District budget.

FAQ  
G-9

If an LEA chooses to include such costs, it must use the current approved indirect cost rate approved by the State education agency in a manner that is consistent with the Education Department’s General Administrative Regulations (EDGAR). The indirect cost rate must be applied in accordance with the terms and procedures established by the State educational agency.

If multiple LEAs apply as a consortium, the indirect costs for the consortium are limited to the amount derived by applying the rate of the Lead LEA.

As there is no “supplement, not supplant” requirement for Race to the Top – District grants, applicants may use either the unrestricted or the restricted indirect cost rate, at their discretion, when developing their Race to the Top – District budget.

# Indirect Costs Example

29

Cost Description and Justification (including whether the cost is one-time investment or ongoing operational cost)		Year 1 Cost	Year 2 Cost	Year 3 Cost	Year 4 Cost	Total Cost
<b>10. Total Indirect Costs</b> Identify and apply the indirect cost rate.						
Project Director - \$75,000 per year	Approved Indirect Cost rate: 10%	\$7,500	\$7,500	\$7,500	\$7,500	\$30,000
Contract A - \$30,000 per year	Approved Indirect Cost rate: 10% applied to \$25,000 per year	\$2,500	\$2,500	\$2,500	\$2,500	\$10,000

Note: An applicant may apply its indirect cost rate only against the first \$25,000 of each contract on a yearly basis (subject to that being consistent with its Indirect Cost Rate Agreement), and not against the full amount of each contract.

An applicant may apply its indirect cost rate only against the first \$25,000 of each contract on a yearly basis (subject to that being consistent with its Indirect Cost Rate Agreement), and not against the full amount of each contract.

In this example, the indirect cost rate is applied against the total amount of funds for personnel, in this case, one position. However, for Contract A, the indirect cost rate is only applied against the first \$25,000 dollars per year. Thus, for contract A, the applicant can only claim \$2,500 per year for the contract, for a total of \$10,000 over four years.

# Indirect Costs

30

- An applicant should submit verification of a valid indirect cost agreement with its application. For more information about indirect cost rates, please refer to the Department's *Cost Allocation Guide for State and Local Governments*. This guide may be found at: <http://www2.ed.gov/about/offices/list/ocfo/fipao/guideigcwebsite.pdf>.

(Application page 81)

1. Does the applicant have an Indirect Cost Rate approved by its State Educational Agency?

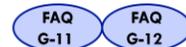
YES  NO

If yes to question 1, please provide the following information:

Period Covered by the approved Indirect Cost Rate (mm/dd/yyyy):  
From: \_\_\_/\_\_\_/\_\_\_ To: \_\_\_/\_\_\_/\_\_\_

Current approved Indirect Cost Rate: \_\_\_\_\_

Approving State agency: \_\_\_\_\_  
(Please specify agency)



If an applicant requests reimbursement for indirect costs, it must complete the form in part 11 of the application, on page 81 of the application.

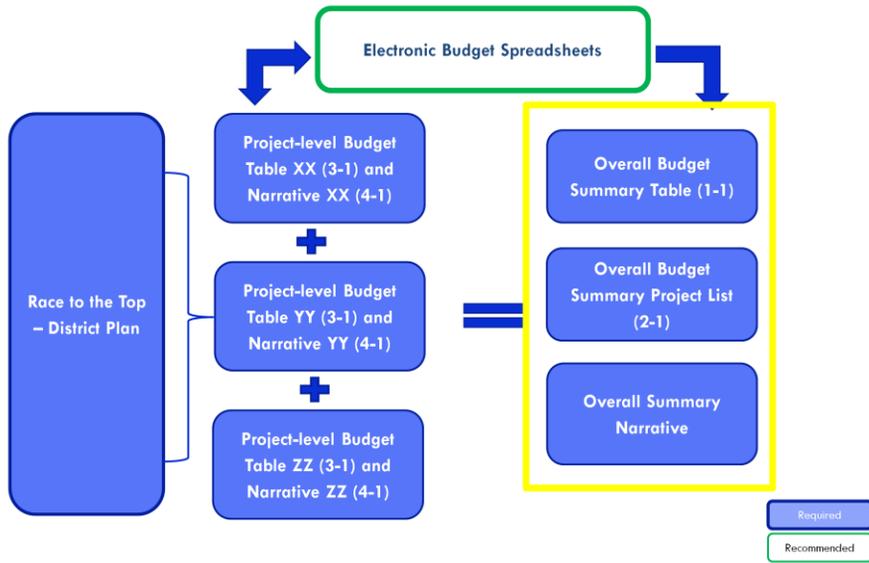
An applicant should submit verification of a valid indirect cost agreement with its application.

In this form on page 81 of the application, applicants must:

- 1) Indicate whether or not the applicant has an Indirect Cost Rate that was approved by its State educational agency.
- 2) If “No” is checked, the applicant should contact the business office of its State educational agency.
- 3) If “Yes” is checked, indicate the beginning and ending dates covered by the approved Indirect Cost Rate. In addition, indicate the name of the State agency that approved the approved rate.
- 4) If “Yes” is checked, the applicant should include a copy of the Indirect Cost Rate agreement in the Appendix.

# Overview of the Budget

31



The overall budget summary table, project list, and narrative flow from the project-level budgets we just reviewed.

## Table - Overall Budget Summary

32

- **Subpart 1: Overall Budget Summary Table.** This is the cover sheet for the budget summary (see Budget Table 1-1). In the Overall Budget Summary Table, the applicant should include the budget totals for each budget category and each year of the grant. These line items are derived by adding together the line items from each of the Project-Level Budget Summary Tables.
  - (Note: the electronic budget spreadsheet should generate these sums automatically, which the applicant should copy and paste into the application proposal.)

Subpart 1 in Part 11 of the application is for the Overall budget summary table. This table, table 1-1, is the sum of the project-level tables. This should include the budget totals for each category and year across all projects in the grant.

# Table - Overall Budget Summary

33

(Application page 72)

The overall budget summary table is the sum of all project-level budget tables.

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Total (e)
1. Personnel					
2. Fringe Benefits					
3. Travel					
4. Equipment					
5. Supplies					
6. Contractual					
7. Training Stipends					
8. Other					
<b>9. Total Direct Costs (lines 1-8)</b>					
10. Indirect Costs*					
<b>11. Total Grant Funds Requested (lines 9-10)</b>					
12. Funds from other sources used to support the project					
<b>13. Total Budget (lines 11-12)</b>					

All applicants must provide a break-down by the applicable budget categories shown in lines 1-13.  
 Columns (a) through (d): For each project year for which funding is requested, show the total amount requested for each applicable budget category.  
 Column (e): Show the total amount requested for all project years.  
 \*If the applicant plans to request reimbursement for indirect costs, complete the Indirect Cost Information form at the end of this Budget part.

FAQ  
B-4

Similar to the project-level budget table, the overall budget summary table, table 1-1 from page 72 of the application, asks for the annual expenses and expenses by project category. Again, this table is the sum of all of the project-level budget tables. The amount in line 11, column e, or the total amount of grant funds requested for the four years of the grant, must be within the required award range in the program requirements. Therefore, if you are serving 4,500 students in your proposal, your total budget in line 11, column e, circled in the chart, must fall between \$4 and 10 million dollars.

# Narrative - Overall Budget Summary

34

- **Subpart 2: Overall Budget Summary Narrative.** The budget narrative that accompanies the Budget Summary Table should respond to Selection Criterion (F)(1) and be of sufficient scope and detail for the Department to determine whether the costs are necessary, reasonable, and allowable. This subpart should also include a summary of the projects that the applicant has included in its budget, including the project name, associated criteria, total grant funds requested, and total budget (see Budget Table 2-1).
- (Note: the electronic budget spreadsheet should generate this summary automatically, which the applicant should copy and paste into the application proposal.)

## BUDGET SUBPART 2: OVERALL BUDGET SUMMARY NARRATIVE

*Note: See budget summary narrative and instructions above, in particular "Subpart 2: Overall Budget Summary Narrative."*

(Enter narrative here.)

In the budget narrative for the overall budget summary, applicants should respond to selection criterion (F)(1). The peer reviewers will assess the extent to which an applicant's budget meet selection criterion (F)(1).

This overall budget summary narrative should be of sufficient scope and detail for the Department to determine if the costs across the applicant's budget are necessary, reasonable, and allowable. This should also include a summary of the projects that the applicant has included in its budget, including the project names, associated criteria, total grant funds requested, and total budget (which includes outside sources of funds).

As you can see at the bottom of this slide, there is a space for applicants to complete the overall budget summary narrative in part 11 of the application.

# Table - Summary Project List

35

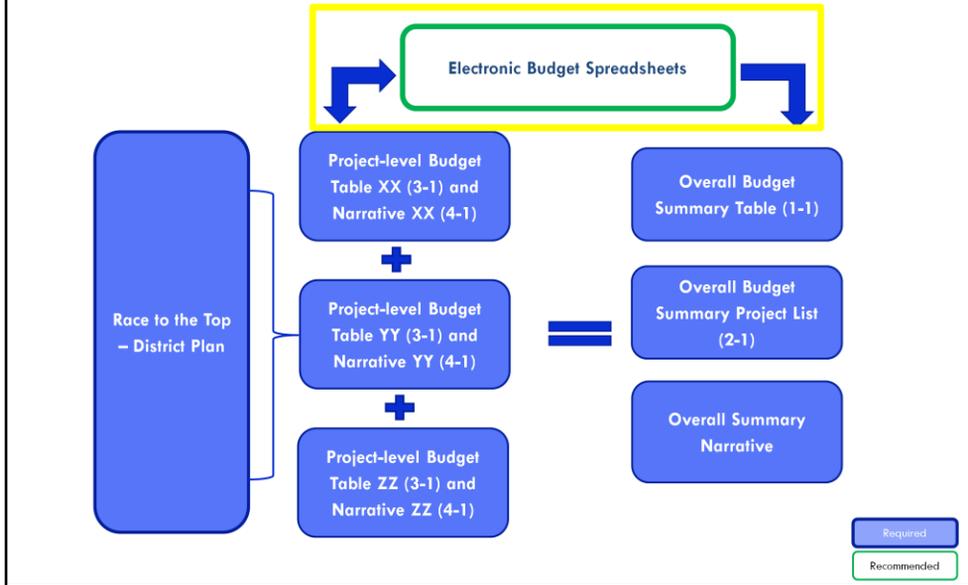
(Application page 73)

Budget Table 2-1: Overall Budget Summary Project List				
Project Name	Primary Associated Criterion and location in application	Additional Associated Criteria and location in application	Total Grant Funds Requested	Total Budget
			<b>Total for Grant Funds</b>	<b>Total Budget</b>

As mentioned on the previous slide, the overall budget summary project list, table 2-1, includes a summary of all projects that are included in the Race to the Top - District proposal. As mentioned before, it is important that each project include a title and the associated application criteria for the project in addition to the total amount of grant funds requested and total budget. This table helps highlight the connection between the grant proposal and the budget and is a good way to check that you have included all of your commitments in your budget.

# Overview of the Budget

36



I will now turn it back over to Melissa, who will review the electronic budget spreadsheets.

## Electronic Budget Spreadsheets

37

- To support the budgeting process and in addition to instructions and forms included in this application package, we strongly suggest that applicants use the FY 2013 Race to the Top – District electronic budget spreadsheets prepared by the Department to build the applicant’s budget.
  - These electronic budget spreadsheets have formulas built into them that are intended to help applicants produce the budget tables that they submit as part of their response to selection criterion (F)(1).
  - Applicants must include the relevant tables in the appropriate place in their proposal (e.g., by copying and pasting from the electronic budget spreadsheets into the appropriate place in the Applicant’s proposal).

Note: The FY 2013 Race to the Top – District electronic budget spreadsheets will not be used by peer reviewers to judge or score the applicant’s proposal. Only the budget summaries and narratives in the applicant’s proposal will be reviewed and scored by peer reviewers. However, the electronic budget spreadsheets will be used by the Department to conduct its budget review for potential grantees.

We will now review the electronic budget spreadsheets and will discuss how this tool can help you as you develop your budget.

We know there are a lot of moving pieces as you develop your proposal, so to support the applicant in developing their budgets, we strongly suggest that applicants use the Race to the Top – District electronic budget spreadsheets to build the budget. The Department developed these spreadsheets based on feedback from previous applicants and grantees. We know that many applicants were using excel to develop their budgets, so the electronic budget spreadsheets have formulas built into them that are intended to help applicants produce the budget tables that they submit as part of their response to selection criterion (F)(1). Applicants should include the relevant tables in the appropriate place in their proposal by copying and pasting from the electronic budget spreadsheets into the appropriate place in the Applicant’s proposal.

Please note that the Race to the Top – District electronic budget spreadsheets will not be used by peer reviewers to judge or score the applicant’s proposal. Only the budget summaries and narratives in the applicant’s proposal will be reviewed and scored by peer reviewers. However, the electronic budget spreadsheets will be used by the Department to conduct its budget review for grantees and can help you as you develop your budget. The spreadsheets will help expedite the Department’s review of

budgets, which we will discuss shortly.

# Electronic Budget Spreadsheets

38

## Instructions:

- ❑ Begin with Project 1 for tables 3-1 and 4-1. This project includes sample numbers to demonstrate how this workbook works. Update the fields with white cells and yellow cells, but do not change the purple cells.
- ❑ Add worksheets as needed by copying and pasting the existing template sheets as needed. Fifteen project worksheets are currently included for your use. Make sure to check that Tables 1-1 and 2-1 include all project worksheets as well.
- ❑ If you are NOT using 15 projects, be sure to delete any extra project-level budget worksheets out of this workbook before submitting.
- ❑ Be sure to include the Applicant Name on every worksheet.
- ❑ Copy and paste the data from the electronic budget spreadsheets into your application proposal. The electronic budget spreadsheets will not be used by peer reviewers to judge or score the applicant's proposal. Only the budget summaries and narratives in the applicant's proposal will be reviewed and scored by peer reviewers. However, the electronic budget spreadsheets will be used by the Department to conduct its budget review for potential grantees.
  - ❑ The information in the electronic budget spreadsheets **must** match your application narrative.

When completing the electronic budget spreadsheets, applicants should begin with project-level budget 1. In the spreadsheet, we have included sample numbers to demonstrate how the workbook functions.

The electronic budget spreadsheets include 15 project worksheets. Applicants should add worksheets, as necessary, by copying and pasting the existing template sheets. Make sure to delete any extra project sheets that you may not be using.

It is very important that the applicant name is on every worksheet, so please check before submitting them to the Department!

Once the electronic budget spreadsheet is complete, applicants should copy and paste the data from the electronic spreadsheets into the application, where required. We know that budgets often change until the last minute, so please make sure that you update BOTH the electronic budget spreadsheet AND tables in the application narrative when making any changes to the budget.

# Electronic Budget Spreadsheets

39

## Project-level Summary Table:

Project 1					
Applicant Name:	[XYZ]				
Project Name:	[SAMPLE: Test 1]				
Priority:	[SAMPLE: C(1), Section IX, page 43-44]				
Additional Associated Criteria (if any) and Location in Application:	[SAMPLE: C(2), Section IX, page 45-46; D(1), Section IX, page 48]				
Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Total (e)
1. Personnel	\$ 210,000.00	\$ 270,000.00	\$ 220,000.00	\$ 310,000.00	\$ 1,010,000.00
2. Fringe Benefits	\$ 60,000.00	\$ 80,000.00	\$ 110,000.00	\$ 30,000.00	\$ 320,000.00
3. Travel	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00	\$ 80,000.00
4. Other	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 80,000.00	\$ 80,000.00
5. Other	\$ 5,000.00	\$ 145,000.00	\$ 25,000.00	\$ 200,000.00	\$ 200,000.00
6. Contractual	\$ 185,000.00	\$ 100,000.00	\$ 80,000.00	\$ 390,000.00	\$ 390,000.00
7. Training Stipends	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00	\$ 30,000.00
8. Other	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00	\$ 30,000.00
<b>9. Total Direct Costs (lines 1-8)</b>	<b>\$ 502,500.00</b>	<b>\$ 637,500.00</b>	<b>\$ 382,500.00</b>	<b>\$ 567,500.00</b>	<b>\$ 2,090,000.00</b>
10. Indirect Costs	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 200,000.00
<b>11. Total Grant Funds Requested (lines 9-10)</b>	<b>\$ 552,500.00</b>	<b>\$ 687,500.00</b>	<b>\$ 432,500.00</b>	<b>\$ 617,500.00</b>	<b>\$ 2,290,000.00</b>
12. Funds from other sources used to support the project	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 80,000.00
<b>13. Total Budget (lines 11-12)</b>	<b>\$ 572,500.00</b>	<b>\$ 707,500.00</b>	<b>\$ 452,500.00</b>	<b>\$ 637,500.00</b>	<b>\$ 2,370,000.00</b>

When completing the spreadsheets, applicants should update all yellow fields and the white budget fields. Purple fields contain formulas and will automatically populate as you include data in the budget fields. Do not manually enter numbers in purple cells, but check the calculations and ensure the right information is in all cells.

# Electronic Budget Spreadsheets

## Project-level Summary Table:

Project 1					
Applicant Name:	[XYZ]				
Project Name:	[SAMPLE: Test 1]				
Primary Associated Criterion and Location in Application:	[SAMPLE: C(1), Section IX, page 43-44]				
Additional Associated Criteria (if any) and Location in Application:	[SAMPLE: C(2), Section IX, page 45-46; D(1), Section IX, page 48]				
Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Total (e)
1. Personnel	\$ 210,000.00	\$ 270,000.00	\$ 220,000.00	\$ 310,000.00	\$ 1,010,000.00
2. Fringe Benefits	\$ 60,000.00	\$ 80,000.00	\$ 70,000.00	\$ 110,000.00	\$ 320,000.00
3. Travel	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00
4. Equipment	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 80,000.00
5. Supplies	\$ 5,000.00	\$ 145,000.00	\$ 25,000.00	\$ 25,000.00	\$ 200,000.00
6. Contractual	\$ 185,000.00	\$ 100,000.00	\$ 25,000.00	\$ 80,000.00	\$ 390,000.00
7. Training Stipends	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00
8. Other	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00
<b>9. Total Direct Costs (lines 1-8)</b>	<b>\$ 502,500.00</b>	<b>\$ 637,500.00</b>	<b>\$ 382,500.00</b>	<b>\$ 567,500.00</b>	<b>\$ 2,090,000.00</b>
10. Indirect Costs	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 200,000.00
<b>11. Total Grant Funds Requested (lines 9-10)</b>	<b>\$ 552,500.00</b>	<b>\$ 687,500.00</b>	<b>\$ 432,500.00</b>	<b>\$ 617,500.00</b>	<b>\$ 2,290,000.00</b>
12. Funds from other sources used to support the project	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 80,000.00
<b>13. Total Budget (lines 11-12)</b>	<b>\$ 572,500.00</b>	<b>\$ 707,500.00</b>	<b>\$ 452,500.00</b>	<b>\$ 637,500.00</b>	<b>\$ 2,370,000.00</b>

This is a project-level budget table, or table 3-1. As we already discussed, applicants should include the applicant name, project name, the primary selection criterion and location in the application, and any additional associated selection criteria. In the electronic budget spreadsheets, the tables are labeled on the tabs at the bottom of the worksheet and on most worksheet pages. After including the project expenses for each budget category by project year, the table will automatically calculate the project totals in the purple cells.

Remember to include a project-level budget summary table for each project.

# Electronic Budget Spreadsheets

41

## Project-level Narrative Table:

Project						
Applicant Name:						
Project Name:						
Primary Associated Criterion and Location in Application:						
Additional Associated Criteria (if any) and Location in Application:						
Budget Categories	Cost Description and Assumption	Cost Project Year 1	Cost Project Year 2	Cost Project Year 3	Cost Project Year 4	Total
Budget Year		MM/DD/YYYY-MM/DD/YYYY	MM/DD/YYYY-MM/DD/YYYY	MM/DD/YYYY-MM/DD/YYYY	MM/DD/YYYY-MM/DD/YYYY	
1. Personnel	<i>add new rows as needed</i>					
2. Fringe Benefits	<i>add new rows as needed</i>					
3. Travel	<i>add new rows as needed</i>					
9. Total Direct Costs (lines 1-8)						
the project						
13. Total Budget (lines 11-12)						

Note: Table 4-1 is now available in electronic format. Be sure to fill in the appropriate information for this table in the electronic budget spreadsheets.

The project-level narrative table, table 4-1, was not available in electronic format for the FY 2012 application but is included in the FY 2013 electronic budget spreadsheets. Similar to the 3-1 project level budget tables, applicants should include the applicant name, project name, the primary selection criterion and location in the application, and any additional associated selection criteria. Applicants should also enter the start and end dates for each of the four project years. The tables are labeled on the tabs at the bottom of the worksheet and on most worksheet pages. The information entered into the 4-1 tables should be copied into the application where necessary.

Remember to include a project-level budget table with itemized costs for each project.

# Electronic Budget Spreadsheets

42

## Project-level Narrative Table:

Budget Categories	Cost Description and Assumption	Cost Project Year 1	Cost Project Year 2	Cost Project Year 3	Cost Project Year 4	Total
Budget Year		MM/DD/YYYY- MM/DD/YYYY	MM/DD/YYYY- MM/DD/YYYY	MM/DD/YYYY- MM/DD/YYYY	MM/DD/YYYY- MM/DD/YYYY	
1. Personnel	The title of the position to be compensated under this project. The role/responsibility of that position. Why the position is necessary to implement the project. The salary of the position. The number of employees. The amount of time (hours, percent full-time-employee, months, etc.) to be expended. Any additional basis for cost estimates or computations. <i>add new rows as needed</i>	\$ 210,000.00	\$ 270,000.00	\$ 220,000.00	\$ 310,000.00	\$ 1,010,000.00

The project-level narrative in budget table 4-1 requires a description of each cost in the project. The information and table included in table 4-1 in the electronic budget spreadsheets is the same as the information and tables found in part 11 of the application. Be sure to update the information in both places when making changes to your budget.



# Electronic Budget Spreadsheets

44

**Overall Budget Summary Table:**

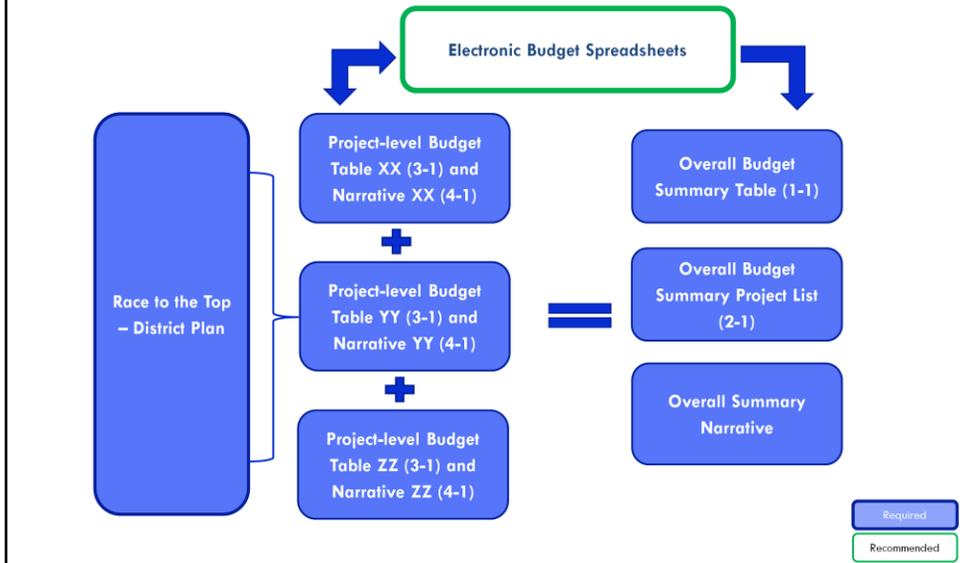
APPLICANT NAME	[XYZ]					
Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Total (e)	
1. Personnel	\$ 210,000.00	\$ 270,000.00	\$ 220,000.00	\$ 310,000.00	\$ 1,010,000.00	
2. Fringe Benefits	\$ 60,000.00	\$ 80,000.00	\$ 70,000.00	\$ 110,000.00	\$ 320,000.00	
3. Travel	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00	
4. Equipment	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 80,000.00	
5. Supplies	\$ 5,000.00	\$ 145,000.00	\$ 25,000.00	\$ 25,000.00	\$ 200,000.00	
6. Contractual	\$ 185,000.00	\$ 100,000.00	\$ 25,000.00	\$ 80,000.00	\$ 390,000.00	
7. Training Stipends	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00	
8. Other	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 30,000.00	
<b>9. Total Direct Costs (lines 1-8)</b>	<b>\$ 502,500.00</b>	<b>\$ 637,500.00</b>	<b>\$ 382,500.00</b>	<b>\$ 567,500.00</b>	<b>\$ 2,090,000.00</b>	
10. Indirect Costs	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 200,000.00	
<b>11. Total Grant Funds Requested (lines 9-10)</b>	<b>\$ 552,500.00</b>	<b>\$ 687,500.00</b>	<b>\$ 432,500.00</b>	<b>\$ 617,500.00</b>	<b>\$ 2,290,000.00</b>	
12. Funds from other sources used to support the project	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 80,000.00	
<b>13. Total Budget (lines 11-12)</b>	<b>\$ 572,500.00</b>	<b>\$ 707,500.00</b>	<b>\$ 452,500.00</b>	<b>\$ 637,500.00</b>	<b>\$ 2,370,000.00</b>	

Finally, the overall budget summary table, Table 1-1, contains formulas that will automatically pull from your project-level budgets to create the overall budget summary. Please check for accuracy.

Remember to copy and paste all of the tables into Part 11 of your application for the peer reviewers. The electronic budget spreadsheets will not be judged by peer reviewers; they will be used by the Department and may expedite the budget review process for grantees.

# Review

45



To review, the Race to the Top – District plan should be the foundation of the project-level budgets. Please note that grantees are responsible for executing all of the commitments in their applications, even if they are not included in the project-level budgets so it is important that you think carefully about what commitments are in your application and how that translates into your project budget. Applicants must also justify all costs in the budget, so applicants must use the project-level itemized costs in table 4-1 to explain the cost basis for each expense.

Applicants should use the electronic budget spreadsheets as they develop their proposals. This tool can be used to check budget calculations, try different budget scenarios, or determine funds available for a specific purpose.

Once the project-level tables are complete, the electronic budget spreadsheets will automatically populate the overall budget summary table, table 1-1, and the summary project list, table 2-1. All you need to do for those tables is double-check the numbers and copy and paste those tables into the application narrative. Finally, the overall summary narrative should address why the budget is necessary, reasonable, and allowable.

# Review

46

## Application Part XI:

- Overall Budget Summary
  - **Subpart 1:** Overall Budget Summary Table (Table 1-1)
  - **Subpart 2:** Overall Budget Summary Narrative
    - Overall Summary Project List (Table 2-1)
- Project-Level Detail
  - **Subpart 3:** Project-Level Budget Summary Tables (Table 3-1)
  - **Subpart 4:** Project-Level Budget Narratives (including Table 4-1)

## Selection Criteria:

- (F)(1) Budget for the project – *Respond in Part XI (10 points)*
- (F)(2) Sustainability of project goals – *Respond in Part IX (10 points)*

Again, in Part 11 of the application, applicants must include:

- 1) The overall budget summary table, table 1-1
- 2) The overall budget summary narrative
- 3) The overall summary project list (table 2-1)

For EACH project, applicants must include:

- 1) Project-level budget summary table (table 3-1)
- 2) Project-level budget narratives, including itemized cost descriptions in table 4-1.

Remember, you are responding to selection criterion (F)(1)1 in part 11 of the application. Peer reviewers will evaluate the overall narratives, the project-level narratives, and the tables. You are responding to selection criterion (F)(2), or budget sustainability, in part 9 of the application. Although part 9 of the application only asks for a narrative response, feel free to include budget tables or any other information in your response.

# Agenda

47

- ❑ Overview of the Budget Requirements
  - ❑ How the Pieces Fit Together
  - ❑ Project-level Budgets
  - ❑ Overall Budgets
  - ❑ Electronic Budget Spreadsheets
- ❑ Lessons Learned about Completing the Budget
- ❑ Department Review of Budgets
- ❑ Resources
- ❑ Questions

Now we wanted to review a few Lessons Learned about completing your budget based on feedback from previous grantees and applicants and our experiences with other grant programs, particularly the Race to the Top State competitions.

## Lessons Learned About Completing the Budget

48

- ❑ Make sure the budget aligns with application proposal.
  - ❑ All activities in the budget should be reflected in the application narrative.
  - ❑ Conversely, all plans referenced in the application narrative should be reflected in the budget.
- ❑ Think through budget timelines.
  - ❑ For example, allot time to hire staff and draft and issue RFPs.
  - ❑ Consider, if school-level implementation will not occur until fall 2014, what activities will occur from January-September 2014?
  - ❑ Make sure that the start and end dates of the *grant* and *each project* are properly accounted for in the budget.
    - ❑ Activities set to occur in Years 2-4 should not be budgeted in Year 1.
    - ❑ Applicants may set the start and end dates of the budgets years at any point (i.e. to align with State or Federal fiscal year). However, the project period ends four years from the date of award (FAQ E-32)

When completing the budget, make sure that the budget aligns with the application. This means that all activities in the budget should be reflected in the application narrative. If the district or consortium plans to fund a project under the Race to the Top– District grant, it must first be introduced and explained in the application narrative. Conversely, all plans referenced in the application narrative should be referenced in the budget. If the district or consortium plans to fund a project with Race to the Top-District dollars, be sure that funding for this project is included in the budget. If the application narrative describes a project that is funded in whole or in part with non-Race to the Top-District dollars, funding for this project should be included in the budget line item “funds from other sources used to support the project.”

As you prepare the budget, be sure to think through budget timelines. Allot time to hire staff and draft and issue RFPs. For example, if you plan to hire an individual to support the Race to the Top-District grant, make sure that the budget accounts for the time it will take to hire the individual. If it will take three months to fill the position and the individual will only work for nine months in the first year of the grant, then the year one budget for that position should be adjusted accordingly. In addition, consider when school-level implementation will occur. For example, if school-level implementation will not occur until fall 2014, be thoughtful about the activities that will need to occur leading up to that time.

Make sure that the start and end dates of the grant and each project are properly accounted for in the budget. If your plan includes issuing a contract for program support in years three and four, do not budget for the contract in year one. Note that applicants may set the start and end dates of the budget years at any point within the project period, which begins on the date of award and ends four years later. This may be beneficial if you would like to align your project year with your State or the Federal fiscal year.

For more information, see FAQ E-32

## Lessons Learned About Completing the Budget

49

- ❑ Use consistent estimates for similar items (for example, similar equipment should be estimated at the same cost throughout)
- ❑ Ensure that the figures you describe in the budget narratives match what you use in the budget table
- ❑ Ensure that costs are categorized correctly within the budget tables (as contractual, personnel, etc.)
- ❑ Ensure that numbers in the budget tables add-up correctly
- ❑ Be sure to select the appropriate budget band
- ❑ Justify all costs, including contractual costs.

When completing the budget, be sure that you are using consistent estimates for similar items. For example, if you are budgeting for the cost of a computer in two project budgets, we would expect the cost of the computer to be the same in both budgets. If there are differences in the estimated costs for similar items, these differences should be clearly explained in the budget narrative.

Applicants should also ensure that the figures you describe in the narrative match what you use in the budget table. For example, if the budget narrative describes a need for two computers at an estimated cost for \$500 each, then the budget table should reflect this cost at a total of \$1,000 (two computers times \$500 each). This may seem like an obvious point, but in the past, we have seen budgets that have inconsistencies between the budget narrative and the budget table.

Next, ensure that costs are categorized correctly within the budget table. If you plan to fund a Race to the Top - District supported position and the individual will be hired as an employee of the LEA, then the funds for the position should be categorized as personnel. However, if you plan to contract for services for the position, then the funds should be categorized as contractual.

Additionally, ensure that numbers in the budgets add-up correctly. This may seem

very obvious, but it is a place where mistakes are easily made. Check and recheck to make sure that line items in each budget table equal the total in the budget table. Check and recheck to make sure that the totals from each budget category on each budget table and the overall total from each project budget add up to the totals listed in the overall summary budget table. We know that applicants make last minute changes to their budgets before submitting their application, so make sure to update the tables in the electronic budget spreadsheets AND copy them into the application in Part 11 before submitting your application.

Next, be sure to select the appropriate budget band based on the number of participating students in your proposal.

Finally, the budget narrative should include a justification for all costs, including contractual costs. Justifications can be based on similar costs incurred by the district or other research the district has done to obtain an estimated cost for the expense. The justification should include sufficient detail such that the Department can clearly understand how the cost estimates were derived.

# Agenda

50

- ❑ Overview of the Budget Requirements
  - ❑ How the Pieces Fit Together
  - ❑ Project-level Budgets
  - ❑ Overall Budgets
  - ❑ Electronic Budget Spreadsheets
- ❑ Lessons Learned About Completing the Budget
- ❑ Department Review of Budgets
- ❑ Resources
- ❑ Questions

We will now discuss the Department's review of the budget.

## Department Review of Budgets

51

- The Department is required to conduct a review of the budgets in discretionary grant awards.
- Potential grantees must cooperate with the Department during the budget review process until budgets are finalized.
  - This may include a number of follow up conversations and request for additional information/rationale throughout December 2013.
  - Please be prepared to have appropriate staff available in December 2013 if awarded a grant.
- The Department has discretion in determining the final amount of any discretionary grant award. The Department has authority to reduce budgets.
- When reviewing budgets, the Department looks to ensure that all costs are **allowable, allocable, necessary and reasonable, and consistent.**

The Department is required to conduct a review of the budgets in discretionary grant awards before making awards. This review will include a check to ensure that all costs are allowable, allocable, necessary and reasonable and consistent. Once we have completed the initial budget review, we will reach out to potential grantees in December 2013. These conversations may include a request for additional information or rationale for certain budget items. Potential grantees must cooperate with the Department until budgets are finalized. Note that the Department has discretion in determining the final amount of any discretionary grant award. This includes the authority to reduce proposed budgets. The extent to which the items and activities in the budget are allowable, allocable, necessary and reasonable, consistent, and well justified will help the Department in determining the final amount of the grant award.

Please note, in order to maximize the amount of time districts have to complete their applications, we have a very tight window to conduct budget reviews. Please take the time to create thoughtful, clear budgets. This process will move much faster if you begin the process with clear and accurate budgets, and additionally ensure that you have the right people on-hand for the budget reviews throughout December.

# Department Review of Budgets

52

- ❑ **Allowable** (or not prohibited) by the statute, regulations, or governing cost principles
  - ❑ *Is the cost allowed (or not prohibited) by statute, regulation, or the governing cost principles?*
- ❑ **Allocable** to the project
  - ❑ *Does the item or activity specifically benefit this project?*
- ❑ **Necessary and reasonable** for the proper and efficient administration and performance of the grant
  - ❑ *Would a prudent person have paid this price?*
  - ❑ *Are the costs adequately documented and justified?*
- ❑ **Consistent treatment**
  - ❑ *Is the cost being treated consistently by the grantee?*

Please see OMB Cost Circular A-87 for further explanation of these principles.

FAQ  
G-1

In checking for allowable costs, the Department will review the budget to ensure that budgeted items and activities are allowable under the relevant statute, regulations, and governing cost principles.

We will also be reviewing the budget to determine if the budgeted items are allocable. In other words, that the activity or item specifically benefits the project.

We will be checking the budgeted items and activities to determine if they are necessary and that the costs are reasonable. This is why it is important to justify your cost estimates.

Finally, we will be checking for consistent treatment. As previously mentioned, consistent estimates should be used for similar items and any discrepancies should be clearly explained.

# Agenda

53

- ❑ Overview of the Budget Requirements
  - ❑ How the Pieces Fit Together
  - ❑ Project-level Budgets
  - ❑ Overall Budgets
  - ❑ Electronic Budget Spreadsheets
- ❑ Lessons Learned about Completing the Budget
- ❑ Department Review of Budgets
- ❑ Resources
- ❑ Questions

To assist you in preparing your application, the Department has developed a number of resources that we reviewed at the beginning of the presentation.

# FY 2013 Race to the Top - District Competition Resources

54

## **FY 2013 Application Resources:**

- ❑ FY 2013 Executive Summary
- ❑ Application
  - ❑ Electronic Budget Spreadsheets
  - ❑ Application Formatted for Added Accessibility
- ❑ Frequently Asked Questions
- ❑ FY 2013 Notice of Final Priorities (NFP)
- ❑ FY 2013 Notice Inviting Applications (NIA)
- ❑ Fast Facts
- ❑ Background on FY 2013 Race to the Top - District Competition
- ❑ These resource are available at:

[www.ed.gov/programs/racetothetop-district](http://www.ed.gov/programs/racetothetop-district)

As we discussed earlier, the documents listed on this slide provide information about the program and are available on our website.

## Technical Assistance Resources

55

- Overview of the FY 2013 Race to the Top – District competition webinar
  - Held on August 7, 2013
- Race to the Top – District: Applying as a Consortium webinar
  - Held on August 13, 2013
- Application and Submission Details
  - Held on August 27, 2013
- Answers to Questions Submitted to the Email Box
  - Held on August 15, 2013
- Materials from all webinars are available at:  
<http://www2.ed.gov/programs/racetothetop-district/resources.html>
- Information on future webinars including completing the budget, updates to FAQs, and all other resources are available at:  
[www.ed.gov/programs/racetothetop-district](http://www.ed.gov/programs/racetothetop-district)

To support Districts in completing the Race to the Top - District application, the Department also held multiple webinars.

The August 7<sup>th</sup> webinars provided an overview of the Race to the Top-District competition. The August 13<sup>th</sup> webinar focused on applying as a consortium. These slides are available on the Department's website.

If you have any questions, please email 2013.racetothetop (one word) dot district at ed.gov and we will respond as soon as possible.

The Department may continue to update the FAQ document as needed and will offer additional technical assistance resources over the next few months. Again, all of this information will be able on the Race to the Top – District website.

## Competition Timeline

56

- Applications Due: October 3, 2013
- Grant Award Announcements: December 2013

As a reminder, applications must be received by the Department no later than 4:30 PM EST on October 3, 2013. We will be providing an application tip sheet for applicants that will be available on the Race to the Top - District website later this month.

Finally, the Department will award Race to the Top - District grants by December 31, 2013.

## Questions

57

- ❑ We will only be answering questions that are specific to completing the budget portion of the application.
- ❑ Please feel free to send in technical, clarifying, or logistics questions through the chat feature. We are unable to answer questions about a specific approach or individual proposal.
- ❑ We will not answer individual questions through the chat feature; however, the questions we will answer will be provided over the audio portion of the conference to all participants.
- ❑ We will be muting the line periodically while we review the questions submitted through the chat feature. We will return momentarily.
- ❑ If you have questions that are not addressed during the webinar or in the FAQs, please submit them by email to [2013.racetothetop.district@ed.gov](mailto:2013.racetothetop.district@ed.gov).

As a reminder, we will only answer questions that are specific to completing the budget portion of the application on this webinar and we are unable to answer questions about a specific approach or individual proposal.

We will respond to all questions over the audio so all participants can hear the response.

I am now going to turn it over to my colleagues who will answer some of the questions that we received through the chat feature throughout the presentation.

AS NEEDED:

Please give us a few minutes to review some of the additional questions that we have received. We will mute the line for a few moments, but will be back soon.

# Thank you

58

- Frequently Asked Questions (FAQs):  
[www.ed.gov/programs/racetothetop-district](http://www.ed.gov/programs/racetothetop-district)
- Submit questions by email to:  
[2013.racetothetop.district@ed.gov](mailto:2013.racetothetop.district@ed.gov)
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Thank you for joining today's webinar.