

# ARC Area Development Q&A: Budgeting

**Local Match**

**50%**



**50%**

**ARC Funding**



**SOUTHERN TIER 8**

R E G I O N A L B O A R D

# Why Proper Grant Budgeting Matters

*(Especially at the Application Stage)*

A well-prepared budget:

- Ensures project feasibility with available resources
- Strengthens your application, showing clarity and alignment
- Prevents cost disallowances by justifying expenses
- Sets up compliance with federal rules and ARC requirements
- Supports early match planning by identifying eligible sources
- Aids implementation by serving as a fund management blueprint
- Minimizes audit risk with proper documentation of fund usage.



# Why Proper Grant Budgeting Matters

*(Especially at the Application Stage)*

## Best Practices

- Start early and coordinate with finance staff
- Use realistic, documentable cost estimates
- Avoid vague line items
- Align with procurement and grant management policies
- Double-check alignment between budget and narrative
- Include letters of commitment for match



# MEET THE MATCH



## Local Match

- ↙ LOCAL FUNDS *General fund allocations, municipal bonds, capital funds, revenues*
- ↙ STATE GRANTS *CFA, DRI, Others*
- ↙ IN-KIND *Municipal staff time, materials, equipment, fringe, indirect, etc.*
- ↙ PHILANTHROPIC CONTRIBUTIONS *Foundation grants, donations, funds raised by non-profit partners*
- ↙ PRIVATE INVESTMENTS *Direct investments, land/building donations, equipment/training/infrastructure support*
- ↙ OTHER FEDERAL PROGRAMS *EDA, USDA, DOL, CDBG, other non-ARC funds*

50%



50%

**ARC Federal Funding**

➔ **Up to \$250,000**

# Eligible Expenses

<b>Personnel and Labor</b>	Salaries and wages directly tied to the project Fringe benefits proportional to time spent on the project
<b>Contracted Services</b>	Feasibility studies, planning, and engineering Architectural and design services Legal services (specific to project execution)
<b>Site Development Costs</b>	Predevelopment work Materials and equipment installed as part of infrastructure Environmental review services
<b>Equipment</b>	Only if essential and allocable to the project (i.e. workforce training equipment) Must follow federal definition of equipment per useful life and cost
<b>Travel</b>	Travel costs directly related to project tasks (e.g., site visits, stakeholder engagement)
<b>Supplies</b>	Office or project-specific supplies necessary for implementation Software or licenses (if specific to project delivery)
<b>Indirect Costs</b>	Federally negotiated indirect cost rate or 15% de minimis rate

# Unallowable Costs

- General-purpose expenses for government operations (i.e. vehicle or equipment)
- Lobbying and political activities
- Cost of applying for funding
- Entertainment and fines (social functions, fines, penalties or legal judgements)
- Arbitrary or lump-sum contingency not tied to specific needs
- Pre-award costs
- Costs charged to another grant
- Unsupported match or vague budget lines

# Match Guidelines

- ARC treats cash and in-kind match identically on most grants.
- Cash: Grantee or a partner on the project covers a portion of the matching costs through their own funds
  - Examples: contracted services, supplies, advertisement, equipment
- In-Kind: Non-cash contributions of goods or services that directly support the project and would otherwise be an allowable cost if paid for with grant funds.
  - Examples: staff time, volunteer time, use of property/equipment
- Regardless of Cash or In-Kind, grantees must document:
  - Value of Match
  - Usage/Time on the project
- Consumables (Supplies/Equipment) must be used during the grant. Don't wait to the end to purchase... not allowed

# Tracking In-kind

Type of Contribution	How to Value It	Documentation Needed
Volunteer Time	Use hourly rate based on job function or Independent Sector's published volunteer rate (or local wage data)	Sign-in sheets, timesheets, description of duties
Staff Time from Partners	Use actual hourly wage + fringe benefits of the employee	Payroll records, time logs, letter of commitment
Donated Services (e.g., legal, engineering)	Use fair market rate charged by provider for similar work	Invoice or rate sheet, signed donation letter
Donated Materials/Supplies	Use current retail or wholesale price of similar item	Supplier quotes, receipts, valuation memo
Use of Equipment	Use rental rate for similar equipment (daily/hourly)	Equipment logs, rental rate source

# Value of Volunteer Time

Find here:

<https://independentsector.org/resource/value-of-volunteer-time/>

National Value  
(2026):  
\$36.14 per hour

New York State Value  
(2026):  
\$39.50 per hour

# Indirect Costs

*Indirect costs are general overhead expenses that benefit multiple projects or functions and cannot be easily traced to a specific project.*

*2 CFR Part 200*

**Not directly attributable to a single grant but necessary for the overall operation of the organization.**

## **Examples include:**

- Administrative salaries (e.g., HR, finance)
- Office space and utilities
- General office supplies
- IT support services

## **Two types:**

- **De Minimis Rate:** Flat 15% of modified total direct costs (MTCD)
- **NICRA (Negotiated Indirect Cost Rate Agreement):** Negotiated rate with federal government. Must be used for all federal grants at organization.

# Documenting Indirect Costs

- State your rate in the application (15% de minimis or NICRA) and include in budget forms
- Keep supporting docs (internal policies, calculations, agreements, cost tracking, rates)
- Maintain clear financial records: separate direct/indirect costs, retain invoices & timesheets
- Apply allocation method consistently across projects
- Track indirect used as match.
- Retain all documentation for at least 3 years post-closeout
- ARC or your LDD (Southern Tier 8) may request source documentation during monitoring so keep a clean file with all this information.

# Presenting Your Grant Budget

## By Funding Source:

	Amount (identify amount per agency/program)	Status ("funded," "pending," or "to apply")	Type (cash, loan or in-kind)
ARC	250,000	pending	cash
Other Federal			
State/CFA	200,000	awarded	cash
Local	150,000	committed	cash
Other			

Where is the money coming from?

## By Expense Category:

Proposed Expenditures:	Total		
	ARC	Match (Cash)	Match (In-Kind)
Personnel, Fringe, Travel	100000	150000	
Equipment, Supplies, Construction			
Contractual & Other	150000	200000	
Indirect			
Total	250000	350000	

Shows how the money will be spent.

# Waverly Center for Innovative Studies

## Waverly CSD, Tioga County

A half-day innovative career program for Waverly Central School District students lets them tackle real-world problems. By collaborating with local industry leaders, students develop viable solutions. Guided by teachers and business mentors, they cultivate essential technical and soft skills, preparing them as workforce-ready employees for local businesses.

- ARC Grant Funds (\$150,000):
  - Support for the Coordinator of Work-Based Learning
  - Support for WCIS Classroom Teacher
  - Support for WCIS Clerical Support
  - Bus transportation to the WCIS
  - Purchase of educational and consumable materials

- Waverly Central School District (\$162,000):
  - Matching support for personnel costs
  - Bus transportation to the WCIS
  - Educational technology
  - Program supplies

Businesses Served: 4  
 Businesses Improved: 3  
 Students served: 108  
 Students improved: 46



### Proposed Expenditures:

	ARC	Match (Cash)	Match (In-Kind)
Personnel, Fringe, Travel	130000	161000	
Equipment, Supplies, Construction	20000	1000	
Contractual & Other			
Indirect			
<b>Total</b>	<b>150000</b>	<b>162000</b>	

**ARC grants require a 50% match. Please identify your project funding sources, if known. If you have not yet identified a match, please explain in the comment box, below.**

	Amount (identify amount per agency/program)	Status ("funded," "pending," or "to apply")	Type (cash, loan or in-kind)
ARC	150000	pending	cash
Other Federal			
State/CFA			
Local	162000	committed	cash, WCSC Gen Fui
Other			
<b>TOTAL</b>	<b>312000</b>		