FY27 AEFLA Budget FAQ

Below are the most commonly asked questions from the FY27 AEFLA Budget webinar. Please reach out to your **Program Support Specialist** with questions. If your Program Support Specialist was Ben Greer, please contact Kathy Olesen-Tracey.

Post Allocation budgets are Due August 31st.

Understanding the Allocation Document

There are 8 columns:

1. APC #
2. 25% State Match – this is the 25% of the State Basic funds that were matched to the Federal Basic Award.
3. Federal Basic – The total Federal Basic Allocation
4. **WIOA Budget #1. This is the combined amount of the State Match and Federal Basic for the WIOA Opportunity and this amount is used for your WIOA Budget Category.**
5. Performance Grant – the total Performance Funding
6. Non-Match State – The remaining portion of the State Basic funds
7. **State Budget #2. – The combined amount of both the Performance Grant and the remaining portion of the State Basic for the Non-Match State Opportunity and this amount is used for the Non-Match State Opportunity**.
8. Total Grants – this is the total funding received by each entity.

Submitting Budgets in Euna

There are two budgets, (WIOA Budget #1 and State Budget #2) to be completed in Euna. For each opportunity, upload the GATA budget ***and*** complete the Built in Budget.

Remember, each budget category should have a sufficient narrative that supports the budget.

An Indirect Cost Calculation Tool can be found here: https://www.iccb.org/grants/grant-resources/

Federal Payment Requests

- The Allocation document and the Grant Agreement will indicate the Federal dollars awarded.
- The Program can only submit payment requests for the **Federal portion** of the award.
- We encourage, at a minimum, quarterly payment requests and monthly requests are preferred.

State Vouchering of Funds

- While the state basic funds have always been used for our State match, by creating these two opportunities in this manner, we are pairing the 25% match with the Federal funds in one award. However, when the state funds are vouchered upon grant execution, you will receive 100% of the State Basic funds and 100% of the Performance funds. This means that the State Basic payment is applicable to both opportunities. As State Basic Grant funds support activities under both grant opportunities, book the State Basic revenue to both grant accounts, in the correct proportion. Booking the revenue to two grant accounts shows where the money comes from. actual grant expenses must be independently tracked through discrete funds, program, or project codes to maintain an accurate audit trail for each award. Once you split and book the State Basic revenue into the two separate grant revenue accounts, the accounting process going forward works exactly like managing two completely independent grants.
- The grant agreement will match the allocation document, so the State amounts are easily identifiable

Quarterly Expenditure Reports

- Programs must submit Quarterly Expenditure Reports in both the WIOA Opportunity and the Non-Match State Opportunity.
- The Expenditure reports will reflect expenditure by the budget categories in each submitted budget.

WIOA Opportunity: Budget Guidance

- Combines the Federal Basic Allocation plus 25% of that allocation from State Funds.
- Only 1 budget is submitted in the WIOA Opportunity
- The entire award is limited to 5% admin costs pursuant to the federal funding agency requirements. Local administrative costs for AEFLA are defined in WIOA Sec 233.
- For indirect costs, which are a component of the 5% administrative charges cap, a program must use their NICR percentage if available, if not the DEMINIMUS.
    - This must be identified in the GATA Budget (Tab: Section A -ICI)
- Charges for indirect costs are a part of the 5% limitation on local administrative costs which also includes planning, administrative oversight, professional development, activities in alignment with local workforce plans, and supporting one-stop operations.
- Administrative staff performing grant activities, such as entering test scores and tracking student performance data, are performing programmatic activities, not administrative ones so those are direct administrative costs that would not count to the 5% admin cap. Time spent on general accounting, financial reporting, and

payroll can be charged directly in the direct administrative category; those costs would count towards the overall 5% cap.

- For contracts, only the first $50,000 of a contract may be used to charge indirect costs.

Example:

- If the total award is $75,000 in Fed basic and $25,000 is State Match, the one budget is for a total of $100,000.
- The Admin limitation is $5,000.00; this is the cap, not an automatically permissible charge against the grant award.
- For indirect charges, , the Indirect Cost Rate would be the rate elected on the GATA system (DeMinimus or NICR)
- The rate is used on the applicable budget categories included in the entity's indirect cost rate until the admin cap (5%) is reached. At that point, the fully allowable admin charges have been accrued.
    - Indirect charges on contractual expenses is limited to the first $50,000 of any one contract

Budget Category: Non-Match State

- The budget consists of the State Performance and remaining 75% of the State Basic.
- There is no prescribed administrative expense limitation or indirect cost cap. The indirect cost rate selected and approved on the GATA system is the indirect cost rate that may be used. Grantees may opt to budget an amount that's less than the permissible charges under the indirect cost rate.
    - This must be identified in the GATA Budget (Tab: Section A -ICI)
- Direct administrative costs must be excluded from the direct cost base when calculating indirect cost recovery. Because administrative costs are already the "type" of costs meant to be covered by an indirect rate, layering indirect percentage fees on top of direct administrative line items creates compounded administrative charges, which is why it's unallowable.