


HELLO 

Idaho Commerce

Idaho Regional Travel & Convention Grant
Administrative Expense, Apportionment & Fulfillment

WELCOME



Agenda

- Administrative Expense
 - Wages, Benefits & Overhead
- Apportionment
- Fulfillment

Important dates

March 2, 2018

Temporary Rule adopted to permit wages, benefits and overhead as defined in Idaho Administrative Procedures Act (IDAPA) 28.02.03.018

Wages, benefits and overhead costs incurred prior to March 2, 2018 cannot be reimbursed.

IDAPA 28.02.03.18

018. ADMINISTRATIVE EXPENSES.

01. Program Purpose. It is not the purpose of this grant program to fund the day-to-day, administrative expenses of organizations that have a travel or convention promotion element. Projects that have alternative funding sources (for example, regular Chamber of Commerce budgets) or that have been funded previously with the agency's own funds may be deemed ineligible. (3-2-18)T

02. Administrative Expense. The following administrative and overhead costs are allowable: (3-2-18)T

a. Wages and Benefits. Wages and benefits of one (1) designated grant administrator for time directly related to the task of grant administration. Other employee wages and benefits incurred in the execution of the grant program may be used as cash match with documentation. (3-2-18)T

b. Overhead. Reasonable, apportioned overhead costs of the grantee organization required to execute the grant program shall be approved by the Idaho Travel Council. The Department shall recommend preferred apportionment methods. (3-2-18)T

c. Grant Writing. No expenses related to grant writing, or grant application are eligible. (3-2-18)T

Administrative Expense

What is “Administrative Expense”

Defined in IDAPA 28.02.03.18 it is the grantee organization’s combined reasonable costs for

- (1) Wages & Benefits of grant administrator
- (2) Overhead

What is NOT “Administrative Expense”

- Any expense associated with executing the marketing plan of the grant;
- Grant writing and travel for grant presentations

(1) Grant Administration

The **time** that one grant administrator spends on activities associated with managing the financial and compliance aspects of the Idaho Regional Travel & Convention (ITC) grant.

Grant Administration includes, but may not be limited to:

- Creating & submitting Requests for Funds (RFFs)
- Writing & submitting quarterly narrative reports
- Tracking, paying or allocating costs that will be reimbursed by the grant
- Invoicing for co-operative advertising
- Submitting advertisement approvals & resolving any issues so that approval can be obtained
- Participation in ITC program audits, grant administration related meetings with staff, ITC or other grantee staff, phone calls & correspondence
- Other direct grant administration tasks

(2) Overhead

The **actual costs** of grantee expenses related to the ongoing expense of operating the organization and which are apportioned respective to the ITC grant.

Overhead includes, but may not be limited to:

- Rent
- Utilities (power, water, sewer, gas, internet, trash, etc.)
- Landline phones (+actual cost of long distance)
- Insurance (Property, Building, etc.)
- Property tax
- Accounting and legal expenses
- Office equipment and supplies
- Building maintenance

Generally, Overhead cost categories will not change year over year.

How do I get reimbursed for Administrative Expenses?

- The ITC Grant is cost reimbursable.
- Provide documentation of the cost.
- Provide documentation of the payment.
- Submit the reasonable and allowable cost of wages, benefits and overhead on an RFF, alone or with other marketing expenses.
- Indicate the Administrative Expense amount in the “Admin” box in the online portal.

How do I document wages?

- Wages include remuneration paid under IRS forms W-2 or Form 1099 and are defined by the IRS as hourly or salaried wage.
- Provide backup:
 - Timesheets or time logs signed by an authorized person of the grantee organization
 - Payment of the wages, such as a paystub or check
- You **should** redact personal information from paystubs such as address, non claimed deductions, SSN, etc.

How do I document benefits?

- Benefits include:
 - Employee life insurance
 - Employee health and dental insurance
 - Unemployment, and worker's compensation insurance
 - Other similar benefits paid on the employee's behalf by the employer
- Provide backup for:
 - Benefits paid and the amount of each benefit
 - Payment of the benefits (such as a paystub or check)
- You **should** redact personal information from paystubs such as address, non claimed deductions, SSN, etc.
- Apportion the value of the benefit in relation to the overall wages paid. Example: if the employee worked 10% of time on grant administration, 10% of the benefit cost would be reimbursable.

Volunteers

Q: *“Our grant administrator is a volunteer. Can I use the value of their time and be reimbursed for in-kind?”*

A: No. The ITC grant is cost reimbursable; only actual expenses paid can be reimbursed.

Q: *“Can I use the volunteer time as cash match?”*

A: No. What you are describing is “in-kind” match, the ITC grant requires “cash match” per Idaho Code.

How do I document Overhead?

Provide back up for the expense in the form of an invoice.

Provide proof of payment of the overhead, such as a check.

Claim the Approved Apportionment Rate (AAR) of the expenses.

Example: The grantee organization had the following expenses incurred and paid in May 2018:

Description	Expense	AAR	Cost Eligible for Reimbursement
Rent	\$1,800	36%	\$648
Power	\$75	36%	\$27
Telephone	\$45	36%	\$16
Total Overhead Costs			\$691

Apportionment Explained

Annual Apportionment Rate (AAR)

- Apportionment is the percentage of an overhead cost that may be reimbursed with ITC funds.
- An Approved Apportionment Rate (AAR) will be requested annually, with each grant application.
- Requests for an AAR will be reviewed by the Council and Department for allowability and reasonableness.
- The Council may approve, reduce or increase the requested AAR.
- Once approved the AAR is locked in for the term of the grant and may not be changed.

How do I propose an Apportionment Rate?

- Grant applicant is solely responsible for researching, selecting and applying for the apportionment method that best meets their needs.
- The Council and Department recommends four apportionment methods be considered to determine the organization's AAR:
 - % of Full Time Employees
 - % of Payroll Expenses
 - % of Square Footage
 - % of Revenue

Method: % of Full Time Employees

A percentage determined by dividing the organization's number of full time tourism marketing FTEs by the total number of the organization's FTEs.

Example:

The Grantee has five (5) FTEs, with one (1) FTE dedicated to tourism marketing.

$$1 / 5 = 20$$

The annual apportionment rate is 20%

Method: % of Total Payroll

A percentage determined by dividing the amount of the payroll expenses of each tourism marketing employee by the payroll expenses of all the organization's activities.

Method: % of Total Payroll (continued)

Example:

The Grantee has eight (8) full time employees; three (3) of those employees work part of the time on tourism marketing and one (1) works full time on tourism marketing.

Annualize the salary of the full time employees and determine the % of time that they work on the tourism marketing program.

<i>Grantee Employee</i>	<i>Annualized Salary</i>	<i>% of time dedicated to tourism marketing</i>	<i>Salary allocable to the tourism marketing program</i>
<i>Director</i>	<i>\$65,000</i>	<i>30%</i>	<i>\$19,500</i>
<i>Marketing Manager</i>	<i>\$52,000</i>	<i>50%</i>	<i>\$26,000</i>
<i>Graphic Designer</i>	<i>\$42,000</i>	<i>25%</i>	<i>\$10,500</i>
<i>Social Media Coord.</i>	<i>\$35,700</i>	<i>100%</i>	<i>\$35,700</i>
	<i>\$194,700</i>		<i>\$91,700</i>

The total wages of all full time employees are \$194,700.

The wages incurred as a result of tourism marketing are \$91,700.

$$\$91,700 / \$194,700 = 47$$

The annual apportionment rate is 47%

Method: % of Square Footage

A percentage determined by dividing the square footage utilized by tourism marketing employees by the organization's total square footage.

Example:

The organization's entire office space is 2,000 sq. ft.

There is one employee who works on tourism marketing full time and their office is 200 sq. ft.

The social media coordinator and accountant both work 50% of the time on the tourism marketing program and each has a desk area that is approximately 120 sq. ft.

The receptionist's time on tourism marketing is estimated to take about 10% and their desk area is approximately 75 sq. ft.

There is also a storage closet that is used solely to store tourism marketing collateral and other tourism supplies that is 50 sq. ft.

Method: % of Square Footage *(continued)*

<i>Grantee Employee</i>	<i>Square Feet Occupied</i>	<i>% of time dedicated to tourism marketing</i>	<i>Square footage allocable to the tourism marketing program</i>
<i>Marketing</i>	<i>200</i>	<i>100%</i>	<i>200</i>
<i>Social Media Coord.</i>	<i>120</i>	<i>50%</i>	<i>60</i>
<i>Accountant</i>	<i>120</i>	<i>50%</i>	<i>60</i>
<i>Receptionist</i>	<i>75</i>	<i>10%</i>	<i>7.5</i>
<i>Storage Closet</i>	<i>50</i>	<i>100%</i>	<i>50</i>
			<i>377.5</i>

$$377.5 \text{ sq. ft.} / 2,000 \text{ sq. ft.} = 19$$

The annual apportionment rate is 19%

Method: % of Revenue

A percentage determined by dividing the total revenue reported on the grantee organizations most recent IRS Form 990 by the value of the ITC grant for the same year.

Example: The organization reported \$150,000 total revenue on IRS Form 990 and of the total revenue reported, \$78,000 was from the ITC Grant.

$$\$78,000 / \$150,000 = 52$$

The annual apportionment rate is 52%

Fulfillment

What is “Fulfillment”

The process of packaging, shipping, and distributing orders for tourism marketing collateral funded by the ITC grant. Effective March 2, 2018, Fulfillment is an allowable **MARKETING** cost.

What is NOT “Fulfillment”

Wages paid to an employee to perform fulfillment, fulfilling the terms of the grant agreement, or executing the marketing plan.

How do I get reimbursed for Fulfillment?

- Allowable fulfillment costs include:
 - Envelopes, packaging tape, mailing equipment
 - Postage costs
 - Storage
 - Vendor fulfillment fees such as set up, receiving, storing, etc.
- Propose a fulfillment line item in the marketing budget of your grant application.
- Post award you can submit an RFF and request reimbursement of fulfillment costs.
- Provide back up documentation including the vendor invoice, and proof of payment for the expense.

2017 Grantees

Q: “We have a 2017 grant and don’t have an Approved Apportionment Rate. What should we do?”

A: You should submit a proposal for an approved apportionment rate as soon as possible to grants@commerce.idaho.gov

2018 Grant Applicants

Q: “We don’t have time to figure out an Approved Apportionment Rate (AAR) before the grant application deadline on May 23, 2018. What should we do?”

A: You should do your best to submit a proposed AAR with your 2018 grant application. If you cannot, upload a letter citing the reason for the delay then submit your proposed AAR to grants@commerce.idaho.gov **no later than June 30, 2018.**

2018 Grant Applicants

Q: “Where should I upload my proposed AAR in the 2018 grant application?”

A: Question 27 of the application has been revised to:

“Upload the completed Budget Detail Spreadsheet and your proposal for an Annual Apportionment Rate (AAR) here.”

2018 Grant Applicants

Q: “This is our first year asking for Administrative Expenses this way. I’m concerned we won’t have a good estimate or ask for enough admin. What should we do?”

A: We understand this concern and we do not want anyone to fall short of Administrative funding. For the 2018 grant we recommend requesting the full value permitted by Idaho code (10% of the grant award). Any 2018 unused funds will be reverted to the same region and redeployed in 2019. You can then refine your budget for future applications.

Questions?



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