

# Project Funding and Budget

## Project Funding

Grantees must list **all of the funding sources** that will be used to complete the project. This information will be included in the contract. The project funding must match the total project cost.

If your project requires any additional sources in order to be fully funded, Commerce requires proof of all committed funds prior to a contract being executed. Proof of funding can be in the form of: Bank statements, letter of commitment (*a formal binding agreement between lender and borrow*), loan documents, etc.

### In-Kind donation (Competitive Programs Only)

In-kind donations may be applied to a non-state match requirement. Eligible donations, depending on the grant, may include property, materials, or equipment as long as their value can be properly assessed and documented. **Commerce will not reimburse for in-kind donation.**

## Project Budget/Costs

Compiling a list of project costs is important for the contract. Please note that the cost categories should line up with your original legislative request or your application for funding.

Total project costs must equal the total funding sources to be listed in your contract. The cost categories must correspond with the activities outlined in your Scope of Work. The information will later become a part of your contract.

Please note that this is a **reimbursement-style grant**. A finalized project budget is required before we can begin writing the contract. Internal project management is NOT an eligible cost for reimbursement.

### Examples of eligible/ineligible cost:

#### Eligible Costs

*Capital Budget funds may generally be used to pay for the following project expenses incurred as far back as three years for Local and Community projects, Capital competitive projects and Direct appropriations from the date of the applicable biennium. (Confirm with your project manager if this applies to your grant):*

Design, architectural, and engineering work  
Building permits/fees

Archeological/historical review  
Construction labor and materials  
Demolition/site preparation  
Capitalized Equipment  
Information technology infrastructure (cable and wiring)  
Construction management (from external sources only)\*  
Initial Furnishings\*\*  
Landscaping  
Acquisition of real property when purchased specifically for the project and associated costs. (For land purchase,

### **Ineligible Costs**

*The following costs are not eligible for reimbursement under this program:*

Internal administrative activities and staffing cost  
Mortgage or loan payments  
Project management (from any source) \*\*\*\*  
Fundraising Activities  
Feasibility Studies  
Computers or office equipment  
Rolling stock (such as vehicles)  
Lease payments for rental of equipment or facilities  
Any maintenance or operating costs  
Property leases (including long-term)  
The moving of equipment, furniture, etc., between facilities  
Any in-kind labor

\*Construction management and observation is on-site management and/or supervision of the work site and workers thereon. This is an eligible project cost. Construction management does not include work performed by off-site consultant organizations, grant writers, project managers, or employees of the grantee, unless the employee is hired solely and specifically to perform on-site construction management as defined above and in accordance with the Office of Financial Management Ten Year plan.

\*\*Furnishing and equipment are considered eligible project costs as long as the average useful life of the item purchased is 13 years or more.

\*\*\*Costs directly associated with property acquisition include appraisal fees, title opinions, surveying fees, real estate fees, title transfer taxes, easements of record, and legal expenses.

\*\*\*\* In no way shall funds be used to supplant or subsidize operating costs such as ordinary maintenance or administrative staff expenses

**Note: Please do not include operating costs in your project scope and budget.**

**Example of Budget:**

**Local & Community Projects/Direct Appropriations Budget Example:**

Overall Contract Budget

<b>Line Item</b>	<b>Amount</b>
Architecture & Engineering	\$4,000.00
Site Acquisition	\$0.00
Construction	\$180,000.00
Capitalized Equipment	\$110,000.00
Contract Management	\$0.00
Other	\$0.00
<b>Total Contracted Amount:</b>	<b>\$294,000.00</b>

Funding Availability

<b>Non-State Funds</b>	<b>Amount</b>	<b>Total</b>
Bank Loan	\$20,000.00	
ABC Organization Campaign	\$50,000.00	
Cash on Hand – Organization Bank account	\$30,000.00	
	\$0.00	
	\$0.00	
	\$0.00	
<b>Total Non-State Funds</b>	<b>\$100,000.00</b>	<b>\$100,000.00</b>
<b>State Funds</b>		
<b>State Capital Budget – Commerce Awarded Amount</b>	<b>\$194,000.00</b>	<b>\$194,000.00</b>
<b>Total Non-State and State Sources</b>		<b>\$294,000.00</b>

When updating the budget for Local and Community projects, please note that all current and previous state funding identified in the legislative intent and scope of work for the current project will be reflected in the budget under “State funds.”

An invoice can only be submitted once for reimbursement to Community Capital Facility Grants. “Double dipping” is **not** authorized.

## Competitive Projects Budget Example One:

### Example One:

#### Overall Contract Budget

Line Item	Amount
Architecture & Engineering	\$100,000.00
Site Acquisition	\$1,950,000.00
Construction	\$5,200,000.00
Capitalized Equipment	\$110,000.00
Contract Management	\$0.00
Permitting	\$1,575,426.00
<b>Total Contracted Amount:</b>	<b>\$8,935,426.00</b>

#### Funding Availability

#### Certification of the Availability of Funds to Complete the Project

Non-State Funds	Amount	Total
Private Community Donations	\$6,985,426.00	
<b>Total Non-State Funds</b>	<b>\$6,985,426.00</b>	<b>\$6,985,426.00</b>
State Funds		
State Capital Budget	\$1,950,000.00	\$1,950,000.00
<b>Total Non-State and State Sources</b>		<b>\$8,935,426.00</b>

\* Related State Capital Budget Funds that are not an eligible Building for the Arts grant match source include:

- State Capital Budget 19-21 (Grant #20-96621-008) \$1,078,640.00
- State Capital Budget 19-21 (Grant #21-96633-044) \$1,455,000.00
- State Capital Budget 21-23 (Grant #22-96640-008) \$1,950,000.00
- State Capital Budget 21-23 (Grant #23-96643-030) \$242,500.00

When updating budget for all Capital competitive programs, **no additional State funding** can serve as match toward project budget for the described scope of work. However, all funding associated with project will be identified as such. These programs include:

Building Communities Fund (BCF)

Building for the Arts (BFA)

Youth Recreational Facilities (YRF)

## Competitive Projects Budget Example Two:

Attachment B

### Project Budget

Line Item	BHF Grant Amount	Other Funding Source	Project Total Amount
Acquisition Costs		\$1,501,553.00	\$1,501,553.00
Planning, Design, Engineering & Architecture	\$20,000.00	\$5,425.00	\$25,425.00
Construction Costs	\$1,221,905.00		\$1,221,905.00
Capitalized Equipment	\$200,000.00		\$200,000.00
WA State Sales Tax	\$13,095.00		\$13,095.00
<b>Total Project Budget Amount:</b>	<b>\$1,455,000.00</b>	<b>\$1,506,978.00</b>	<b>\$2,961,978.00</b>

Attachment C

### Certification of the Availability of Funds to Complete the Project

Non-State Funds	Amount	Total
Lake Whatcom Residential and Treatment Center	\$1,501,553.00	
Lake Whatcom Residential and Treatment Center	\$5,425.00	
	\$0.00	
	\$0.00	
	\$0.00	
	\$0.00	
<b>Total Non-State Funds</b>	<b>\$1,506,978.00</b>	<b>\$1,506,978.00</b>
State Funds		
State Capital Budget Direct Appropriation	\$1,455,000.00	\$1,455,000.00
<b>Total Non-State and State Sources</b>		<b>\$2,961,978.00</b>

When updating budget for all Community competitive programs, **no additional State funding** can serve as match toward project budget for the described scope of work. However, all funding associated with project will be identified as such. These programs include:

Behavioral Health Facilities (BHF)

Early Learning Facilities (ELF)

