

Module 4: Financial Planning

Executive Summary

This module equips you with the knowledge to accurately complete the financial portion of the THV grant application, ensuring alignment with grant requirements. It will guide you in translating your operational budgets into the standardized format required for submission, covering eligible programmatic costs.

Topics:

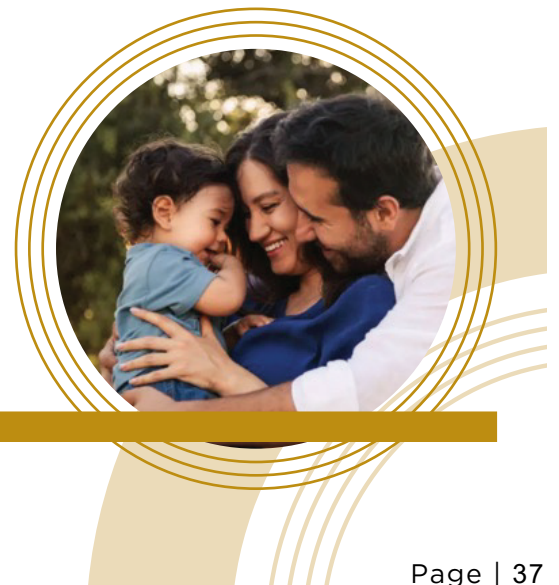
- ☐ Understanding the Grant Budget
- ☐ Translating Organizational Budget into Grant Budget
- ☐ Subgrantees (optional)

Resources Needed:

- ☐ Organization's programmatic budget
- ☐ 5-year projections of programmatic costs
- ☐ Salary and fringe cost for employees
- ☐ Optional: Organization's Indirect Cost Rate Agreement
- ☐ Optional: Subgrantee's programmatic budget

Resources Needed:

- ☐ Financial Manager
- ☐ Home Visiting Program Manager(s)
- ☐ Optional: Subgrantee's Program and Financial Managers



► Understanding the Grant Budget | 4.1

Learning Objective: Participants will be able to understand the THV grant's financial requirements, including cost reimbursement and relevant guidelines, and will be able to complete required financial forms.

Grant Overview

The THV grant is a Cost Reimbursement Grant and follows Uniform Grant Guidelines (UGG) and Texas Grant Management Standards (TXGMS). As a reimbursable grant, organizations need to be able to provide/manage programming in advance of receiving funding. Grantees will then need to submit monthly invoices to the state outlined in Form 2030 (see below for more on Form 2030). Grantees will need to include all reimbursable expenses in the month that the expense appears on the grantee's general ledger. For example: If an organization purchases program supplies at the end of March but does not recognize them on their general ledger until they arrive in April, the supplies should be included in the April invoice.

Expenditure Proposal

The primary financial document providers will need to complete for the application is the Expenditure Proposal workbook. The Expenditure Proposal is also known as Form 2030, which is a standardized form used for different RFAs issued by the state of Texas.

Form 2030 is not only where providers will fill out their Expenditure Proposal and Budget Summary, but also outlines, if approved, how the provider will issue invoices to the state for payment and how to track subgrantees expenses (see Topic 3.3 for more on subgrantees).

The Excel workbook has several formulas built in so that information entered in one place will automatically populate in other locations.

- Quick tip: If you are unfamiliar with Form 2030, we recommend filling in a few placeholder numbers before inputting your organization's actual information to understand the different formulas.

► Additional Forms

While Form 2030 is the primary financial document needed, there are additional forms the organization will need to fill out as part of their application.

One form that will likely be requested is Form 4116, which is used to organize data for entry into the Texas Health and Human Services Commission (HHSC) accounting system.

Additionally, you will likely be asked to fill out an Internal Control Structure Questionnaire. Roughly 70 questions, the questionnaire is comprised primarily of Yes/No questions with space to justify answers. The questions are geared to understanding the financial practices, internal controls and overall financial health of your organization.

We recommend when the RFA is released, your financial manager reviews for additional financial forms required to complete the application.

► Translating Organizational Budget into Grant Budget | 4.2

Learning Objective: Participants will be able to accurately classify organizational expenditures into the six THV grant budget categories (Salaries, Fringe Benefits, Travel, Supplies/Controlled Assets, Capital Equipment, Other Costs).

THV grant expenditures are organized into six distinct budget categories, each with specific reporting requirements. You will learn how to classify costs correctly and ensure compliance with funding guidelines. Each category requires detailed financial data, including allowable expenses, documentation and justifications. This guidance will help you accurately complete your budgets and maximize the use of available funds.

When listing expenses on Form 2030, **for each expense** you will need to provide 5 pieces of information.

1. Expense title
2. \$ amount that will be charged to the grant
3. Methodology for Grant Budget Narrative: a brief explanation of what the expenditure is and what it will be used for.
Use the same description from the Project Work Plan
4. Match Budget
5. Methodology for Match Budget Narrative: a brief explanation of what match funding will be used to cover the expense.

► What is a match?

If expenditures will not be 100% covered by the proposed grant, your organization will need to explain how the funding for the remainder of the expense will be covered. For example, if a position is 50% funded by another grant, that would be represented in the match columns.

Expenditure Check List

To complete the Expenditure Proposal, you'll need the list of expenses below. Please review to make sure you have the information in the checklist prior to beginning the workbook.

Category 1: Salaries

- ☐ Job title (not the staff person's name)
- ☐ Number of employees with each job title
- ☐ Is the position FTE? If not, what % is the position based on a 0.00 to 1.00 scale
- ☐ What percentage of the position is covered by the requested grant and what percentage will be covered by a match
- ☐ If the position is considered direct service or administrative
- ☐ Position narrative (Use the same description from the Project Work Plan)
- ☐ Number of months the position will be funded by the grant

Category 2: Fringe Benefits for Employees

Form 2030 offers two different ways to list fringe benefits: by employee or by type of benefit. **It's important to select one option and only fill out the form accordingly. Filling out both options will show fringe expenses twice on your total budget.**

Regardless of the way selected for allocating fringe benefits, the below is needed to fill out the workbook.

- ☐ Type of benefit and brief description of the benefit.
- ☐ Percentage that will be covered by the grant and percentage covered by the match.

Category 3: Travel

When budgeting for travel expenses such as meals, lodging, mileage and transportation, you can choose between two reimbursement methods: per diem or cost-incurred.

The per diem methodology provides a fixed reimbursement based on predetermined rates, ensuring consistency but requiring adherence to set limits.

In contrast, the cost-incurred methodology reimburses actual expenses based on receipts, offering flexibility but requiring detailed documentation. Regardless of the chosen method, you must use it consistently and specify it in your budget submission.

- ☐ Mileage budget
- ☐ Airfare budget
- ☐ Meals budget
- ☐ Lodging budget
- ☐ Miscellaneous transportation budget (car rentals, toll road fees, etc.)

Category 4: Supplies and Controlled Assets

Controlled assets are property with a lifespan under one year and a cost under \$5,000. You should refer to the Comptroller's State Property Accounting User Manual for the latest guidelines.

- ☐ Office supplies budget
- ☐ Program curriculum budget
- ☐ Outreach materials/program literature
- ☐ Technology (controlled assets)
- ☐ Other supplies or controlled assets

Category 5: Capital Equipment

Any purchase of equipment that is over \$5,000, which must have a useful life of more than a year, can be listed in this section. Note that any equipment purchased by grant dollars will need to be inventoried at least annually.

Category 6: Other Costs

This section is for costs that do not fit into the above 5 categories.

- ☐ Leased equipment and space rentals
- ☐ Software, including administrative software like accounting
- ☐ Technology, cell phone expenses
- ☐ HR costs, like background checks or professional development costs

Including Indirect Costs

You, the applicant, do not have to include indirect costs but if you choose to charge indirect costs, you must use one of the below methods:

Federally Negotiated Rate: An agreement between the federal government and the applicant that established an approved amount of indirect costs. This allows the organization to include the approved percentage for reimbursement and not provide expense justifications. The agreement is valid for years, for more information, visit <https://www.hhs.texas.gov/business/grants/indirect-cost-rates>.

If you do not have a Federally Negotiated rate, then you may select a de minimis rate of 10%. The de minimis rate of 10% applies indefinitely to **Modified Total Direct Costs (MTDC)** and does not require additional justification.

If you do not have a negotiated rate and opt out of the de minimis rate, you must submit a **custom allocation plan** for approval.

Occasionally multiple community providers apply for a single grant. If this is not pertinent to your application, you may skip this section.

If you are part of a multi-provider application, there are a few additional steps to complete.

All providers must report their budget in the same manner as laid out in section 3.1 and 3.2 of this module. But for the final Form 2030 and Expenditure proposal, each subgrantee's total expenses will be listed under contractual subawards.

