BILL & MELINDA GATES foundation

Financial Planning & Analysis

Grant Budgeting & Financial Reporting

FREQUENTLY ASKED QUESTIONS

For use by our external partners

Updated 12/22/2014

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BUDGETING QUESTIONS

Question: What do I do if some members of my staff receive a flat-rate dollar amount for benefits, either in addition to or instead of a % of their salary (example: death benefit of $200USD/month).

Answer: In the Personnel section, add the flat-rate amount as a % of compensation. For example, if an FTE earning $10,000USD per year in compensation also receives a flat-rate death benefit of $200USD/month (or $2,400USD/year), you can include an additional 24% per year in the "% Benefits" column. Since this would take the total benefit rate to a higher number, please be sure to explain in the Budget Narrative.

Q: Why should we enter only one person per line item in the Personnel section?

A: This approach simplifies error-checking since the length of a given period sets a clear maximum for FTE allocations (e.g., the maximum FTE allocation for a 12-month period is 1.0 FTEs, whereas the maximum for a 3-month period would be 0.25 FTEs).

Q: Part of my grant budget includes hosting a convening, where should these expenses be budgeted?

A: Convenings can be budgeted either under Travel or Other Direct Costs, depending on how you would track the costs internally.

Additionally, please keep in mind the recommended materiality threshold when budgeting. Generally speaking, a single line item should not exceed 5% of the total budget or $100k (whichever is less). Where it is not practical or meaningful to break a line item into component parts, you can use the budget narrative to explain the nature of the expenditure.

Q: I'm expecting one of my consultants to travel as part of their scope of work for the grant, should this be budgeted under Travel or Consultants?

A: Consultant travel can be budgeted under either Travel or Consultants, depending on how you would track the costs internally.

If budgeting for consultant travel under Consultants, be sure to indicate it as an expense in column Q "Billing Unit/Expense" and label it as travel expenses under the "Role/Purpose of Engagement" column.

Consultants									
	Consultant Name	Role / Purpose of Engagement	Billing Rate / Project Cost	Period 1 Billable Units	Period 2 Billable Units	Period 3 Billable Units	Period 4 Billable Units	Period 5 Billable Units	Billing Unit / Expense
1		Consultant travel							2,000

If budgeting for consultant travel under Travel, be sure to indicate that in the "Purpose of Trip" field.

Travel						
	Travel Cost Item Description	Purpose of Trip	Cost per Item	Period 1 No. of Items	Period 2 No. of Items	Per No. o
1		Consultant travel	$2,000	1		
2						

Finally, please ensure these expenses are either in travel or consultants, but not both.

Q: What indirect cost rate can my sub-awardees collect when working on a Bill & Melinda Gates Foundation grant as a sub-award.

A: Sub-awardees are subject to the same indirect cost policy as primary grantees. Please see the foundation's IDC policy (linked here) for additional information.

Q: My project has another funder, can I just use their template to submit the budget?

A: No, any request for BMGF funding should be submitted in the BMGF template. In some circumstances, the Program Officer may also ask for additional information on the total project cost, as available, in your own budget template/format.

Q: Can I print my budget from the Excel template?

A: Yes, each sheet of the budget template is formatted for printing on US Letter size paper (8.5 x 11 inches, or 216mm x 279mm). You can re-format for printing in other paper sizes, as needed.

Q: I'm working in a country that has high inflation, how do I include this information in the new budget template?

A: For personnel, you can include inflation in the "% Inflation per Period" section:

Personnel										
	Name	Job Title	Annual Salary per FTE	Period 1 FTE Allocation	Period 2 FTE Allocation	Period 3 FTE Allocation	Period 4 FTE Allocation	Period 5 FTE Allocation	% Inflation per Period	% Benefits
1									5%	

For all other budget categories, please include inflation in the cost per item, and explain in the budget narrative.

Q: I need help determining what my reporting periods should be for this grant.

A: We would be glad to help. Please reach out to your contact at the Gates Foundation for more information on determining your reporting periods.

However, it's worth noting that **Expenditure Responsibility (ER) grantees must report on a fiscal year end schedule**. Please see the Expenditure Responsibility section in the detailed instructions for additional information.

Q: I have included my reporting periods on the "General Information" tab, however, it's not clear when I will receive my payments.

A: Your payments will be scheduled based on when we receive your annual reports, the time it takes for us to review your submission, and a brief administrative period to process the payment. Please reach out to your contact at the Gates Foundation for more information on your specific payment dates.

Q: My Program Officer has asked me to develop my budget by "Additional Dimension" (e.g., by outcome, geography, product candidate, projects within a portfolio, or other). However, I have some line items that support multiple outcomes. How do I budget for these items?

A: You can do this in a couple of different ways.

One way is to split the item evenly between each of the additional dimensions by repeating the line item for each outcome it supports and dividing the allocation evenly between each of the dimensions.

<u>Example 1: Dividing the cost of a Toyota Land Cruiser across Outcomes 1, 2 and 3</u>

Capital Equipment					
	Outcome/Output	Equipment Description	Purpose of Equipment	Cost per Item	Period 1 Quantity
1	Outcome 1	Toyota Land Cruiser	transportation between sites	$60,000	0.33
2	Outcome 2	Toyota Land Cruiser	transportation between sites	$60,000	0.33
3	Outcome 3	Toyota Land Cruiser	transportation between sites	$60,000	0.33
4					

Alternatively, we recommend including "cross-cutting" or "other" as a bucket within the dimension break-down to accommodate costs that cannot be cleanly allocated to other buckets. If you find that the vast majority of budgeted costs fall into the "cross-cutting" bucket, you probably need to either redefine your dimension break-down or reconsider the value of budgeting by an additional dimension.

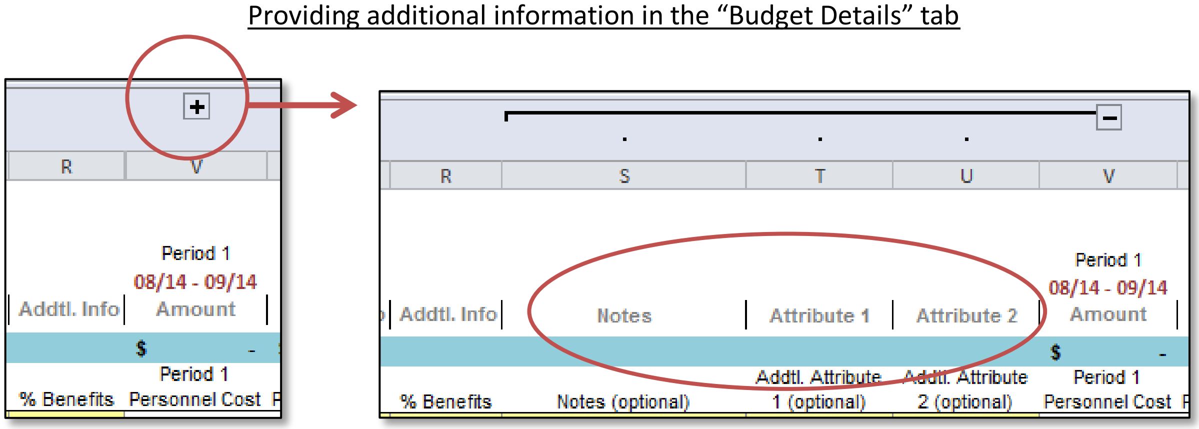
Example 2: Linking the cost of the Toyota Land Cruiser to "Cross-Cutting"

Capital Equipment					
	Additional Dimension	Equipment Description	Purpose of Equipment	Cost per Item	Period 1 Quantity
1	Cross-cutting	Toyota Land Cruiser	Transportation between sites	$60,000	1

Q: My Program Officer asked me to include additional information for each line item in the "Budget Details" tab. However, I do not know where to include this information.

A: On the "Budget Details" tab, there are three columns where you can provide notes and additional detail about each line item (specifically, columns S, T and U). You may have to reveal these columns by clicking on the "+" sign in the gray bar at the top of the spreadsheet.

Providing additional information in the "Budget Details" tab



BILL & MELINDA GATES foundation

REPORTING QUESTIONS

Q: When I include my actual expenses for the reporting period, can I include accruals?

A: No, please only include funds that have actually been spent or disbursed by the primary grantee (e.g., disbursed by the primary grantee to a sub-awardee). Actuals should not include projected spend or projected disbursements by the primary grantee.

If you are submitting a financial report before the end of the reporting period, your actuals will not correspond to the reporting period. In that case, please indicate that in the progress narrative.

Q: In the financial report I submitted last year, I was only able to report on nine months of actual expenses compared to a 12-month budget for the same period. I would like to update the actuals for this period to reflect the entire 12-month period, is this possible?

A: Please reach out to your foundation contact to discuss.

Q: How can I update actual expenses that were provided in a previous progress report?

A: Please reach out to your foundation contact to discuss.

Q: What information should be included in the expenses for sub-awards? Do you want to see how much each of my sub-awardees has spent during the reporting period?

A: In the reporting spreadsheet for sub-awards, please include how much you will allocate (or have allocated) to your sub-awardees in total in the relevant periods.

(See next page for additional detail)

In the progress narrative, there is a table for you to record sub-award expenses and allocations to date for individual sub-awardees.

Sub-award section in the Progress Narrative

4. Sub-awards

Use the chart to provide the name(s) of the sub-grantee(s) or subcontractor(s), actual disbursement for this reporting period, total disbursement to date and total contracted amount. Note: the total of actual disbursements for this reporting period should equal the actual Sub-awards expenses reported on the 'Financial Summary & Reporting' tab for this reporting period.

Organization Name	Actual Disbursement for this Reporting Period ($USD)	Total Dispersed To Date ($USD)	Total Spent to Date ($USD)	Total Contracted Amount ($USD)
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$

The Excel template only allows for reporting of the total amount.

Sub-award section in the Excel Budget Template

FINANCIAL SUMMARY & REPORTING

Expand/Collapse sections to see/hide the initial budget and actuals & projections → Budget

Period 1 | **Period 1 Actuals & Projections**

Prepared by: Actuals as of:

	Period 1 08/14 - 09/14 Actual	Period 2 - Projected	Period 3 - Projected	Period 4 - Projected	Period 5 - Projected	TOTAL	*Budget Variance %*
Cash Flow Summary (BMGF Funds Only)							
Revenue							
BMGF Payment(s)						$ -	
Interest Earned		-	-	-	-	-	
Other Gains / (Losses)		-	-	-	-	-	
Carry-over Amount from Prior Period	-	-	-	-	-	-	-100%
TOTAL REVENUE BY PERIOD	-	-	-	-	-	-	-100%
Expenditure							
BMGF Funds Spent on Direct Cost	-	-	-	-	-	-	-100%
BMGF Funds Spent on Indirect Cost	-	-	-	-	-	-	-100%
Interest Spent		-	-	-	-	-	
TOTAL EXPENDITURE BY PERIOD	-	-	-	-	-	-	-100%
BALANCE AT PERIOD END	$ -	$ -	$ -	$ -	$ -	$ -	

Summary by Expense Category							
Category						TOTAL	*Budget Variance %*
Personnel						$ -	
Travel						-	-100%
Consultants						-	
Capital Equipment						-	
Other Direct Costs						-	
Sub-awards						-	
TOTAL DIRECT COST	-	-	-	-	-	-	-100%
Indirect Cost						-	-100%
TOTAL BUDGET	$ -	$ -	$ -	$ -	$ -	$ -	-100%

Q: I've just received approval for a no-cost extension (NCE) from the foundation, how do I update the reporting periods in the budget template?

A: To add reporting periods to the budget, go the "General Information" tab and update the "Anticipated End Date" information.

Budgeting & Reporting Periods

Anticipated Start Date	01-Aug-14			
Anticipated End Date	01-Aug-16			
Project Duration (months)	24.0			
Preferred Reporting Cadence	12-month increments			
Reporting Periods	Period 1	Period 2	Period 3	Period 4
Period Start Date	**01-Aug-14**	**01-Aug-15**		
Period End Date	**31-Jul-15**	**31-Jul-16**		
Number of Months	12.0	12.0		

<u>IMPORTANT NOTE: Please do not change the "Preferred Reporting Cadence" when updating the anticipated end date.</u> If you would like to adjust your reporting cadence after you've developed your budget, please reach out to your contact at the Gates Foundation for assistance.

Q: My grant has earned interest in the past reporting period and I am not sure where to include this information in the progress report.

A: Interest earned should be reported in the budget template in the Financial Summary & Reporting tab under "Interest Earned" in the reporting period interest was earned. Please see below for additional detail.

Cash Flow Summary (BMGF Funds Only)						TOTAL	*Budget Variance %*
Revenue							
BMGF Payment(s)						$ -	
Interest Earned		-	-	-	-	-	
Other Gains / (Losses)		-	-	-	-	-	
Carry-over Amount from Prior Period	-	-	-	-	-	-	-100%
TOTAL REVENUE BY PERIOD	-	-	-	-	-	-	-100%
Expenditure							
BMGF Funds Spent on Direct Cost	-	-	-	-	-	-	-100%
BMGF Funds Spent on Indirect Cost	-	-	-	-	-	-	-100%
Interest Spent		-	-	-	-	-	
TOTAL EXPENDITURE BY PERIOD	-	-	-	-	-	-	-100%
BALANCE AT PERIOD END	$ -	$ -	$ -	$ -	$ -	$ -	

Q: My project experienced currency exchange fluctuations. Where can I document this information?

A: Currency gains and losses should be included in the Financial Summary & Reporting tab under "Other Gains/(Losses)." Losses should be entered as negative (-) numbers in the spreadsheet. For significant losses that will not be made up with interest earned or currency gains, please consult with your PO to determine whether or not currency losses will be supplemented. Be sure to clearly document in the spreadsheet and your own records when currency was exchanged, at what rates and total amounts.

Please see below for additional detail.

Cash Flow Summary (BMGF Funds Only)						TOTAL	*Budget Variance %*
Revenue							
BMGF Payment(s)						$ -	
Interest Earned		-	-	-	-	-	
Other Gains / (Losses)		-	-	-	-	-	
Carry-over Amount from Prior Period	-	-	-	-	-	-	*-100%*
TOTAL REVENUE BY PERIOD	-	-	-	-	-	-	*-100%*
Expenditure							
BMGF Funds Spent on Direct Cost	-	-	-	-	-	-	*-100%*
BMGF Funds Spent on Indirect Cost	-	-	-	-	-	-	*-100%*
Interest Spent		-	-	-	-	-	
TOTAL EXPENDITURE BY PERIOD	-	-	-	-	-	-	*-100%*
BALANCE AT PERIOD END	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	