

DOE Vehicle Technologies Office (VTO) Funding Opportunity Announcement (FOA) Information Session Series



Part 2: Budget and Other Application Components

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On behalf of the U.S. Department of Energy Vehicle Technologies Office (VTO)

VTO FOA Information Session Series: Part 2

1. Budget

- Budget Overview
- Application for Federal Assistance SF 424
- Allowable Project Costs
- Budget Justification
- Cost Share

2. Project Team

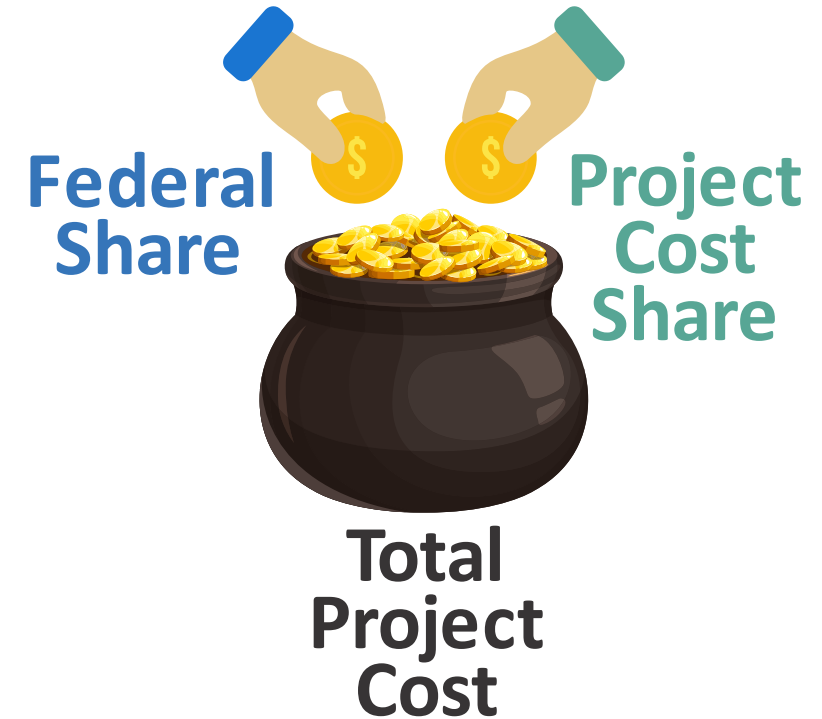
3. Letters of Commitment (LOC)

4. Statement of Project Objectives (SOPPO)

Budget Overview

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- **Budget purpose** is to explain how the project funds will accomplish the project goals
- Key Application Components with budget information:
 - Application for Federal Assistance SF 424
 - Budget Justification
 - Letter of Commitments
- It is critical to ensure the **Total Project Costs** are consistent across all submitted application files
- Project Cost Share requirements range from **0%-50%** depending on the topic
- Any proposed project costs (both federal costs and cost share) for the prime recipient and subrecipients **must not include profit**
- VTO FOAs provide anticipated **award size minimum and maximum** to help applicants set the project scope; they are not hard limits



Application for Federal Assistance SF 424

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- Project budget provided in the SF 424 is the **official application funding request**
- SF 424 includes
 - Basic legal information about the applicant (name, address, telephone number, type of applicant, etc.)
 - Funding (Federal, Applicant, etc.) - *Providing information in c-f is unusual for VTO projects (i.e., State, Local, Other, Program Income)*

18. Estimated Funding (\$):	
* a. Federal	
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	



View Burden Statement

OMB Number: 4040-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424

* 1. Type of Submission:
☐ Preapplication
☐ Application
☐ Changed/Corrected Application

* 2. Type of Application:
☐ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s):
* Other (Specify):

* 3. Date Received:
4. Applicant Identifier:

5a. Federal Entity Identifier:
5b. Federal Award Identifier:

State Use Only:
6. Date Received by State:
7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:
* b. Employer/Taxpayer Identification Number (EIN/TIN):
* c. UEI:

d. Address:
* Street1:
Street2:
* City:
County/Parish:
* State:
Province:
* Country: USA: UNITED STATES
* Zip / Postal Code:

e. Organizational Unit:
Department Name:
Division Name:

f. Name and contact information of person to be contacted on matters involving this application:
Prefix:
* First Name:
Middle Name:
* Last Name:
Suffix:
Title:
Organizational Affiliation:
* Telephone Number:
Fax Number:
* Email:

Allowable Project Costs – Watch for The Code!

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To ensure that proposed project costs are allowable, follow FOA instructions including **reviewing the Code of Federal Regulations (CFR)** and Federal Acquisition Regulation (FAR).



WARNING

If a budget includes a substantial amount of unallowable costs, it may negatively impact the application's merit review

Key Resources

- 2 CFR Part 200 <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>
- 2 CFR Part 910 <https://www.ecfr.gov/current/title-2/subtitle-B/chapter-IX/part-910>
- FAR Part 31.2 <https://www.acquisition.gov/far/part-31>

Budget Justification Overview

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Budget Justification spreadsheets are required for:

- Prime Applicant (*includes total project costs*)
- Subrecipients over \$250K or 25% of project cost (*includes federal and cost share only for the subrecipient*)

Reminders:

- Separate tabs for different budget categories
- Include total project costs (federal and cost share) throughout each budget category
- Costs in the Budget Justification should identify the relevant tasks from the workplan
- Include costs for audits in the budget (if not part of indirect costs or if organization has many projects)

The screenshot displays the 'Instructions and Summary' tab of a budget justification spreadsheet. The 'Award Number' and 'Award Recipient' fields are empty. The 'Date of Submission' and 'Form submitted by' fields are also empty. A red banner states: 'Please read the instructions on each worksheet tab before starting. If you have any questions, please ask your DOE contact!'. Below this, a list of instructions (1-8) provides detailed guidance on how to use the spreadsheet, including instructions on filling out the 'Summary of Budget Category Costs Proposed' table. The table is shown with columns for 'Federal', 'Cost Share', 'Total Costs', 'Cost Share %', and 'Proposed Budget Period Dates'. The 'Proposed Budget Period Dates' column contains the example '01/01/2014 - 12/31/2014'. The table is divided into two sections: 'Section A - Budget Summary' and 'Section B - Budget Categories'. Section A includes rows for 'Budget Period 1', 'Budget Period 2', 'Budget Period 3', and 'Total'. Section B includes rows for various budget categories: 'a. Personnel', 'b. Fringe Benefits', 'c. Travel', 'd. Equipment', 'e. Supplies', 'f. Contractual', 'g. Construction', 'h. Other Direct Costs', 'i. Indirect Charges', and 'Total Direct Costs'. The 'Total Costs' row shows a total of \$0.00% for all categories. The 'Additional Explanation (as needed)' field is empty.

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED					
The values in this summary table are from entries made in subsequent tabs, only blank white cells require data entry					
Section A - Budget Summary	Federal	Cost Share	Total Costs	Cost Share %	Proposed Budget Period Dates
Budget Period 1	\$0	\$0	\$0	0.00%	Example!!! 01/01/2014 - 12/31/2014
Budget Period 2	\$0	\$0	\$0	0.00%	
Budget Period 3	\$0	\$0	\$0	0.00%	
Total	\$0	\$0	\$0	0.00%	

Section B - Budget Categories	Budget Period 1	Budget Period 2	Budget Period 3	Total Costs	% of Project	Comments (as needed)
a. Personnel	\$0	\$0	\$0	\$0	0.00%	
b. Fringe Benefits	\$0	\$0	\$0	\$0	0.00%	
c. Travel	\$0	\$0	\$0	\$0	0.00%	
d. Equipment	\$0	\$0	\$0	\$0	0.00%	
e. Supplies	\$0	\$0	\$0	\$0	0.00%	
f. Contractual	\$0	\$0	\$0	\$0	0.00%	
g. Construction	\$0	\$0	\$0	\$0	0.00%	
h. Other Direct Costs	\$0	\$0	\$0	\$0	0.00%	
i. Indirect Charges	\$0	\$0	\$0	\$0	0.00%	
Total Direct Costs	\$0	\$0	\$0	\$0	0.00%	
Total Costs	\$0	\$0	\$0	\$0	0.00%	

Worksheets/Tabs in the Budget Justification Workbook

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Instructions and Summary

Award Number: _____ Date of Submission: _____
Award Recipient: _____ Form submitted by: _____

Please read the instructions on each worksheet tab before starting. If you have any questions, please ask your DOE contact!

1. If using this form for award application, negotiation, or budget justification, fill out the blank white cells in workbook tabs a. through j. with total project costs. If using this form for invoice submission, fill out tabs a. through j. with total costs for the proposed invoice and fill out tab k. per the instructions on that tab.
2. Blue colored cells contain instructions, headers, or summary calculations and formulas. Do not enter data in these cells.
3. Enter detailed support for the project costs identified for each category and item in each worksheet tab to autopopulate the summary tab.
4. The total budget presented on tabs a. through i. must include both Federal (DOE) and Non-Federal (cost share) portions.
5. All costs incurred by the preparer's sub-recipients, vendors, and Federal Research and Development (FRDC) could be entered only in section f. Contractual. All other sections are for the costs of the preparer only.
6. Ensure all entered costs are allowable, allocable, and reasonable in accordance with the instructions required by 48 CFR 201.60, the applicable cost principles for each entity type: FAR Part 31 for For-Profit entities; and 48 CFR Part 201.60 for State, Local, and Indian entities.
7. Add rows as needed throughout tabs a. through j. If rows are added, formulas/calculations may need to be adjusted by the preparer. Do not add rows to the Instructions and Summary tab. If your project contains more than three budget periods, consult your DOE contact for instructions on additional budget period rows or columns.
8. ALL budget period cost categories are rounded to the nearest dollar.

BURDEN DISCLOSURE STATEMENT
Public reporting burden for this collection of information is estimated to average 24 minutes per response, including reviewing existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Office of Management and Budget, Paperwork Reduction Project (1910-5162), U.S. Department of Energy, 1000 Independence Avenue, SE, Washington, DC 20585; and to the Office of Management and Budget, Paperwork Reduction Project (1910-5162), Washington, DC 20503.

SUMMARY OF BUDGET CATEGORY COSTS PROPOSED

The values in this summary table are from entries in subsequent tabs. Only blue cells require data entry.

Section A - Budget Summary	Federal	Cost Share	Total	Cost Share %	Budget Period Dates
Budget Period 1	\$0	\$0	\$0	0.00%	Example: 10/01/2014 - 12/31/2014
Budget Period 2	\$0	\$0	\$0	0.00%	
Budget Period 3	\$0	\$0	\$0	0.00%	
Total	\$0	\$0	\$0	0.00%	

Section B - Budget Categories	Budget Period 1	Budget Period 2	Budget Period 3	Total Costs	% of Project	Comments
CATEGORY						
a. Personnel	\$0	\$0	\$0	\$0	0.00%	
b. Fringe Benefits	\$0	\$0	\$0	\$0	0.00%	
c. Travel	\$0	\$0	\$0	\$0	0.00%	
d. Equipment	\$0	\$0	\$0	\$0	0.00%	
e. Supplies	\$0	\$0	\$0	\$0	0.00%	
f. Contractual						
Sub-recipient	\$0	\$0	\$0	\$0	0.00%	
Vendor	\$0	\$0	\$0	\$0	0.00%	
FFRDC	\$0	\$0	\$0	\$0	0.00%	
Total Contractual	\$0	\$0	\$0	\$0	0.00%	
g. Construction	\$0	\$0	\$0	\$0	0.00%	
h. Other Direct	\$0	\$0	\$0	\$0	0.00%	
Total Direct Costs	\$0	\$0	\$0	\$0	0.00%	

Instructions and Summary | a. Personnel | b. Fringe | c. Travel | d. Equipment | e. Supplies | f. Contractual | g. Construction | h. Other | i. Indirect | j. Cost Share

- ☐ Introductions and Summary
- ☐ a. Personnel
- ☐ b. Fringe Benefits
- ☐ c. Travel
- ☐ d. Equipment
- ☐ e. Supplies
- ☐ f. Contractual
- ☐ g. Construction
- ☐ h. Other
- ☐ i. Indirect
- ☐ j. Cost Share
- ☐ SF-424A Minus FFRDC
- ☐ SF-424A Cost Categories

Budget Justification – Common Points of Confusion



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Equipment vs Supplies

- Equipment – tangible property with a useful life more than a year and a value of \$5K or more; does not include installation;
- Supplies – items/expendables under \$5k.
- For equipment worth \$5K+ at the end of the project, government's vested interest continues beyond end of project (*2 CFR Part 200)

Contractual: Subrecipient vs vendor

- Subrecipient – partner on the project team; has performance measures; contributes to decision-making; can provide cost share
- Vendor - supplier for commercial products/services; do not provide cost share

Cost Share is a component of the total project costs and should be included in the relevant categories in the Budget Justification. The cost share tab of the budget justification details how much of the total project cost is cost share for each budget category

Personnel – Only include personnel hours from the entity named on the form (prime recipient or subrecipient)

Cost Justification

- Make sure to address Basis of Cost and Cost Justification
 - Basis of Cost – What the dollar amount is based on (e.g., established salaries, vendor quotes, catalog prices, prior invoices) and
 - Cost Justification – Why is this cost needed for the project objectives, (e.g., prototype development/testing for Task X, data collection etc.)

Budget Justification “Other” tab example content:

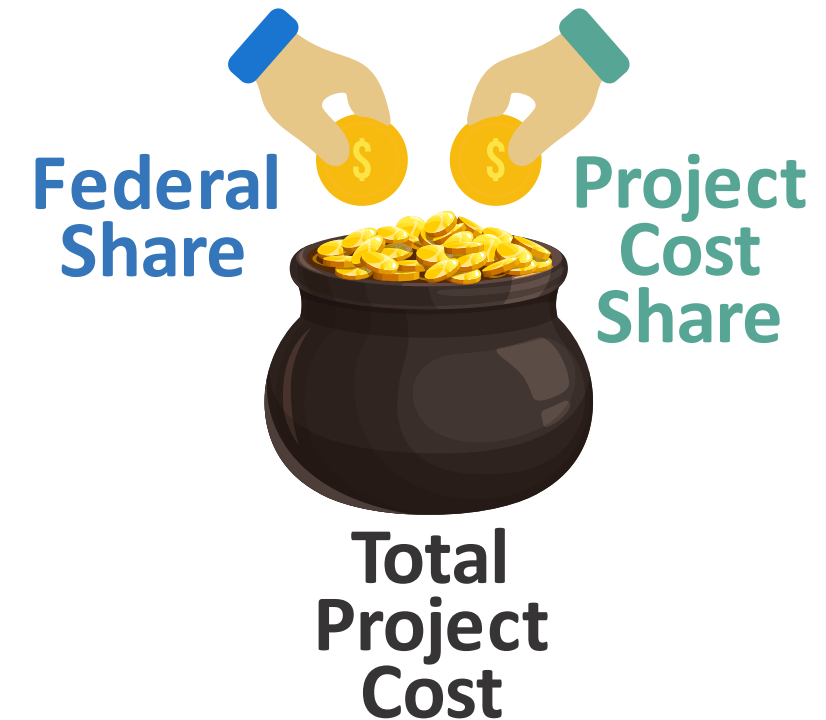
- Intended for costs not covered by other budget categories (e.g., tuition, service fees, leases etc.)
- If including software fees, allocate the appropriate portion of the fee directly relevant to the project objectives.

*<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2/section-200.313>

Cost Share Basics

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- **Recipient is responsible for ensuring the minimum Cost Share requirement of the FOA is met** (if a subrecipient does not meet their Cost Share commitment, the recipient will be responsible for finding new Project Cost Share)
- Minimum Cost Share must be met **for each budget period**
- If project partners are contributing Cost Share, **document the Cost Share amount in a Letter of Commitment to the recipient**
- Ensure the Cost Share amounts in the Letters of Commitment **match the Budget Justification**



Cost Share – The Good, The Bad, and the Questionable

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Good	Bad	Questionable (<i>Strong basis of cost and cost justification necessary for DOE validation</i>)
Cash (i.e., financial commitment associated with specific project costs identified in Budget Justification)	Federal \$ are UNALLOWABLE as Project Cost Share	Software fees (e.g., when used for many projects beyond the proposed work or for objectives not included in the SOPO)
Established/Documented In-Kind (e.g., personnel hours, share of equipment)	“TBD”	Data fees
Leasing (e.g., vehicles, land, equipment)	Purchase of Land	Energy/Fuel Cost
	Rebates / Tax Incentives	Lease (must be used solely for the project, or an appropriate %)
		Parking space
		non-commercial products/equipment
		Insurance



Calculating Cost Share

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- FOA topics specify a minimum non-federal cost share percentage ranging from 0%-50%.
- Project cost share must meet (and may exceed) that required percentage.

Cost Share Formulas:

$$\text{TPC} = \text{FS\$} + \text{PCSS\$}$$

$$\text{TPC} = \text{FS\$} / \text{FS\%}$$

$$\text{PCSS\$} = (\text{FS\$} / \text{FS\%}) - \text{FS\$}$$

$$\text{PCSS\$} / \text{TPC} = \text{PCS\%}$$

TPC is Total Project Cost
FS\$ is Federal Share \$
PCSS\$ is Project Cost Share \$
FS% is Federal Share %
PCS% is Project Cost Share %

Calculating minimum
Project Cost Share (PCS)
based on Total Project
Cost (TPC) and Required
Project Cost share %
(PCS%)

Total Project Cost (\$)	Required Project Cost Share %	Minimum Project Cost Share (\$) = TPC x PCS%	Maximum Federal Share (\$) = FS\$ + PCSS\$
\$1,000,000	0%	\$0	\$1,000,000
\$1,000,000	20%	\$200,000	\$800,000
\$1,000,000	50%	\$500,000	\$500,000

Calculating minimum
Total Project Cost (TPC)
based on Federal Share
(FS\$) and Required
Project Cost Share%
(PCS\$)

Federal Share (\$)	Required Project Cost Share %	Minimum Project Cost Share (\$) = (FS\$ / FS%) - FS\$	Minimum Total Project Cost (\$) = FS\$ + PCSS\$
\$1,000,000	0%	\$0	\$1,000,000
\$1,000,000	20%	\$250,000	\$1,250,000
\$1,000,000	50%	\$1,000,000	\$2,000,000

Project Team

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- Pay attention to the AOI for specific **teaming suggestions and/or requirements**
- **Be strategic** in selecting partners to carry out specific activities.
- **Clearly define/describe** team qualifications, roles and responsibilities in the Project Team and Qualifications section of the Technical Volume
- Consider **Federal objectives** to advance the following three objectives when creating a project team:
 - advance diversity, equity, inclusion and accessibility (DEIA);
 - contribute to energy equity; and
 - invest in America's workforce
- Work based in a **foreign country** will require foreign work waivers and/or further review
- If partnering with a Federally Funded Research and Development Center (FFRDCs), aka **DOE National Laboratory**, pay attention to whether the FOA topic has a "Limit on FFRDC Effort"



Letters of Commitment (LOCs)

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A Letter of Commitment (LOC) is documentation from a project partner to a prime applicant describing a commitment to participate in the project including financial commitments.

LOCs should specify:

- ✓ **Who** is making the commitment? (e.g., organization, staff positions)
- ✓ Why is this entity a **meaningful project partner**? (e.g., relevant qualifications or expertise)
- ✓ What is the **technical contribution** to the proposed project? What role does the partner have?
- ✓ What is the **level of effort** that is being committed to the project? (e.g., labor hours)
- ✓ What is the **cost share commitment** \$ amount being made by the project partner?

Tips:

- LOC financial commitments should match the Budget Justification
- LOCs should be addressed to the Principal Investigator (i.e. not Sec. of Energy)
- Do not submit Letters of Support – *if the organization is not a project partner, the letter is not relevant to the application and does not contribute value to its merit review*

Statement of Project Objectives (SOPo)


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A Statement of Project Objectives (SOPo):

- Establishes fundamental project objectives and success criteria
- Provides a detailed, concise, and understandable description of the tasks and subtasks by which the overall project scope will be achieved

SOPo should:

- Clearly describe the project objective
- Follow the template provided in the FOA
- Match the workplan in the Technical Volume
- Include high level task/subtask objectives
- Include specific deliverables as required by the FOA and as proposed by the recipient
- Define outcomes for each budget period
- Establish SMART milestones for each budget period
- Establish a Go/No-Go decision point for each budget period



If project is selected for funding, the application SOPo serves as the basis for the SOPo negotiated within the financial assistance package

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EERE Exchange:

<https://eere-exchange.energy.gov/>

Exchange Applicant User Guides:

<https://eere-exchange.energy.gov/Manuals.aspx>

Recipient Guide to Award Negotiations with EERE:

https://www.energy.gov/sites/default/files/2022-08/EERE_G_540.127_Recipient_Guide_to_Negotiating_with_EERE.pdf

2 CFR 200:

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>

