**Guidelines for Financial Information**

The *Guidelines for Financial Information* provide guidance and context to questions and requested financial documents in the “Financial Documents – Attachments Required” section of the application.

The Foundation strongly encourages new and returning applicants to read and follow these guidelines carefully while completing and before submitting a grant application.

**Budget Spreadsheet**

The following information applies to the *Budget Spreadsheet* section of the application. Follow the instructions in the application to download the Excel spreadsheet and refer to these guidelines for further guidance.

* In the budget spreadsheet, include the budget for the **specific funding request** described in the grant application.
* The budget should include only the expenses and revenues allocated to the funding request.
* If requesting funding for **general operations**, the organization’s entire operating budget must be included in the budget spreadsheet. Itemize expenses in each category and include the funding request under the “VBLF Grant Request Column.”
* All numbers must be rounded to the nearest whole dollar.
* Expense and revenue line-item titles may be changed to match the organization’s line items.
* Additional rows may be added to fit the organization’s need. If additional rows are added, ensure all category subtotals and totals are captured in the Excel formulas.
* Total program expenses and anticipated revenues should balance.
* The budget spreadsheet must be uploaded to the application in Excel format.

*A sample budget spreadsheet can be found on the 2nd tab of the Excel worksheet for your reference.*

* The budget spreadsheet requires the following information:
  + *Personnel Expenses*: provide the position title, individual(s) name holding position, salary, percent of time allocated to the grant, number of staff per position, and the total allocation.
  + *Personnel Fringe Benefits*: include benefits provided including payroll taxes, health insurance, retirement, etc. Fringe benefits should not exceed 25% to 30% of total Personnel Expenses (i.e., salaries).
  + *Outside Fees & Services*: Examples of Outside Fees & Services include Contractors, Consultants, Engineering, Architectural, Legal, or Accounting services, etc. Line items exceeding $5,000 will require supporting documentation. See “Supporting Documents – Capital Expenses and Contract Services” section in the application and these Guidelines for more information.
  + *Travel*: We don’t require the use of the GSA per diem rates. Travel expenses for Hotel/Lodging and Meals/Incidentals should not be excessive and should remain within a reasonable amount. We’ve provided the link to the GSA rates for reference: <https://www.gsa.gov/perdiem>
  + *Mileage*: Use the IRS mileage rate in effect at the time the grant application is submitted: <https://www.irs.gov/tax-professionals/standard-mileage-rates/>
  + *Equipment & Supplies*: Identify each equipment item and its cost. For supplies, it is not necessary to identify each supply item, but a total cost is required. For both equipment and supplies, supporting documentation will be required for line items exceeding $5,000. See “Supporting Documents – Capital Expenses and Contract Services” section in the application and these Guidelines for more information.
  + *Other Expenses*: Expenses that don’t fit into any of the budget categories above can be included in this section. Provide a description or additional information for each line item. This should be accompanied with a justification for requesting Other Expenses items in the Budget Narrative.
  + *Indirect Costs*: The Foundation allows up to 10% of expenses (the sub-total) for indirect costs.
    - If the funding request is for general operations and includes the entire budget for the year, then enter $0 for Indirect Costs.
    - If the funding request is for a specific program or project, do not allocate personnel expenses for non-program staff in the Personnel Expenses section. These are indirect costs and should be accounted for in the Indirect Costs line item, subject to the 10% limitation.
    - Describe the nature of the Indirect Costs in the Budget Narrative.
* Information provided throughout the application and in the budget narrative section should match the budget spreadsheet.
* Double check the totals and ensure the formulas built into the budget spreadsheet include all applicable cells, *particularly if rows were added to the spreadsheet.*
* When listing **Other Revenue Sources** at the bottom, only list committed or pending funding sources applicable to the Legacy Foundation’s funding period request. Complete columns for all Other Revenue Sources listed. Status of the funding request must be indicated (e.g., applied, pending, will submit on specified date) and the anticipated or actual date must be provided.
* The Foundation must authorize **multi-year grant** requests prior to submission. Contact the Foundation for further information.
* **Multi-year grant** requests must include the following information:
  + Include a cumulative budget (must include all expenses and revenues allocated to the VBLF Grant Request and Amount from Other Sources by line item for all years) in one tab.
  + Include separate tabs with a budget for each year. The tabs for each year must reflect the same line items as the cumulative budget and allocate revenues and expenses to the VBLF Grant Request and Amount from Other Sources columns.

Key Takeaways:

* Summary of Specific Requirements for Operating Grant Requests:
  + Prepare the Budget Spreadsheet with the organization’s total operating budget information.
  + Do not include any amounts on the Indirect Costs line item since all expenses are already included in the operating budget.
* Summary of Specific Requirements for Program/Project or Division/Department-Specific Grant Requests:
* Prepare the Budget Spreadsheet for the program, project, division, or department only (not the entire organizational budget)
  + The grant request may include up to 10% of expenses (the sub-total) for indirect costs to cover expenses such as administrative salaries, occupancy costs, office supplies, and other indirect expenses (e.g., overhead) that aren’t specific to the program, project, division, or department.

The Budget Spreadsheet is a required document. An application *without the Budget Spreadsheet* is **incomplete and will not be considered for funding**. *An incomplete Budget Spreadsheet* will result in the **application being removed from review and will not be considered for funding**. Contact our office with any questions.

**Budget Narrative**

The following information applies to the Budget Narrative section of the application. Follow the instructions in the application and refer to these guidelines for further guidance.

* The **budget narrative** must include all information required in the instructions. Expand on any line item included in the budget if additional explanation is necessary to help the Foundation reviewers better understand the funding request. The budget narrative must address:
  + All assumptions and projections used in developing each line item in the budget. Explain the derivations and calculations used to generate the total amount for each line item.
  + If the budget includes subcontracts, provide an explanation for the need of the contract services, as well as a breakdown of the costs of each subcontract. Attach copies of subcontracts in the “Supporting Documents – Capital Expenses and Contract Services” section of the application. Reference these supporting documents on the Budget Spreadsheet and/or the Budget Narrative.
  + Relevance of any equipment expense (provide bids if over $5,000). Explain why the equipment expenditure is necessary for the grant request. Attach three supporting documents (bids, quotes, or estimates) in the “Supporting Documents – Capital Expenses and Contract Services” section of the application. Reference these supporting documents on the Budget Spreadsheet and/or the Budget Narrative and indicate why one is being chosen over the others.
  + Identify the purpose and number of attendees included in travel expense. Include hotel nightly rate, number of nights, number of rooms, meals (at federal per diem rate), airfare, ground transportation, and any other travel expense.
* Mileage must follow current federal standard rate for business. Describe the purpose of mileage in relation to the grant request. Identify the number of personnel that will be reimbursed for mileage, as well as the estimated number of miles that will be driven. Use the IRS mileage rate in effect at the time the grant application is submitted: <https://www.irs.gov/tax-professionals/standard-mileage-rates/>

Click the links below to find the current applicable rates:

* [Federal Per Diem Rates](https://www.gsa.gov/travel/plan-book/per-diem-rates)
* [Federal Standard Mileage Rate](https://www.irs.gov/tax-professionals/standard-mileage-rates)
* You may include reasonable allocations for indirect costs, up to 10% of total expenses, when applicable (see Project/Program Budget section above for clarification on eligibility). Please describe the nature of the Indirect Costs in the Budget Narrative (example: administration/central office salaries, utilities, insurance, office supplies, etc.)

The **Budget Narrative** is a required item in the application. An application *without a Budget Narrative* is **incomplete and will not be considered for funding**. An *incomplete Budget Narrative* will result in the **application being removed from review and will not be considered for funding**. Contact our office with any questions.

**Supporting Documents for Capital Expenses and Contract Services**

The following information applies to the Supporting Documents for Capital Expenses and Contract Services section of the application. Follow the instructions in the application and refer to these guidelines for further guidance.

Supporting documents for **capital expenses or contract services** are required for all line items greater than $5,000 listed under the VBLF grant request column in the Budget Spreadsheet. The supporting documents should not be dated older than 90 days prior to the application due date.  
  
The organization **must request and submit** supporting documents from **three different vendors** for each capital expense or contract service line item greater than $5,000, indicate which vendor is being chosen, and why the vendor was chosen over the other options.  
  
Supporting documents include:

* Bids
* Quotes
* Scope of Work
  + Scope of work should address the following elements: Timeline, Deliverables, and Budget
* Estimates

Examples of capital expenses and contract services include:

* Capital Expenses:
  + Construction
  + Remodeling
  + Equipment
* Contract Services
  + Consultants
  + Evaluators
  + Accounting or Legal Services
  + Other Professional Services (Engineers, Architects, etc.)

**Supporting Documents for Capital Expenses and Contract Services** are required. An application *without Supporting Documents* is **incomplete and will not be considered for funding**. An *incomplete Supporting Documents section*, meaning that either not all three supporting documents or no documents at all are submitted for each line item(s), will result in the **application being removed from review and will not be considered for funding**. Contact our office with any questions.

If approved for funding, updated supporting documents for capital expenses or contract services will be required for the vendor(s) selected by the organization. This ensures the organization has the most recent amount and allows the organization to determine if additional funds from other sources will be needed to cover a price difference. If an updated bid, quote, scope of work, or estimate is larger than the allocated amount(s) in the approved VBLF budget, the organization will be responsible to cover the price difference. The Foundation will not increase the grant amount to cover the price difference.

**Financial Summary Spreadsheet**

The purpose of this document is to allow the Foundation to compare the applicants’ financial summary and financial statement information side-by-side to conduct a line-item analysis. This document is on an Excel template to provide the following financial information (columns in order from left to right on the spreadsheet):

1. Fiscal Year Operating Budget for Current Year
   1. Enter current fiscal year budget. If Budget Spreadsheet relates to the following fiscal year, enter that fiscal year instead, if available.
   2. If the grant is benefitting one department/fund or division of the organization, then include the budget for only that department/fund or division. If you have questions as to whether to report that vs the entire organization, please call our office and we can help decide which makes more sense.
2. Current Year-to-Date Actual Revenues and Expenses
   1. Enter which month-end date the financial data is reported through. Report the most recent information available.
   2. The information should match (or be easily reconcilable to) the organization’s financial statements attached in the Financial Documents section.
3. Prior fiscal year Actual Revenues and Expenses
   1. The information should match (or be easily reconcilable to) the organization’s prior year financial statements (i.e., organization’s audit report or unaudited financial statements) that submitted in the Audited Financial Statements section.
4. Two fiscal years prior Actual Revenues and Expenses
   1. The information should match (or be easily reconcilable to) the organization’s financial statements from two full fiscal years prior.

The **Financial Summary Spreadsheet** is a required document. An application *without the Financial Summary Spreadsheet* is an **incomplete application and will not be considered for funding**. An *incomplete Financial Summary Spreadsheet* will result in the **application being removed from review and will not be considered for funding**. Contact our office with any questions.

**Financial Summary Narrative**

The purpose of this section is to give the organization the opportunity to explain details regarding the information provided on the Financial Summary Spreadsheet. Explain the following items:

* Significant year over year line-item variances
* Variances between the Financial Summary and the audit provided (this should be rare), by line item, total revenues, total expenses, and Increase (Decrease) in Net Assets (i.e., this is the organization’s net income/loss)
* Details/breakdown of Program Fees (revenue), including any program fees discussed in the budget narrative or budget spreadsheet
* Details/breakdown of Program Expenses (breakdown of what types of expenses are included here)
* Details/breakdown of Other Revenues and Other Expenses if > 10% of Total Revenues and Total Expenses
* Explain any Decrease in Unrestricted Net Assets (i.e., net loss)
  + What operational factors caused the net loss?
  + Provide the organization’s plan for financial recovery if there are 2 or more consecutive years of “Decrease in Unrestricted Net Assets”

The **Financial Summary Narrative** is a required document. An application *without the Financial Summary Narrative* is an **incomplete application and will not be considered for funding**. An *incomplete Financial Summary Narrative* will result in the **application being removed from review and will not be considered for funding**. Contact our office with any questions.

**Top Staff Positions and Salaries**

List the three highest compensated positions within the organization. Include the Name, Title, and Salary.

This information helps the Foundation determine whether the compensation of the top officials in the organization is at risk of being flagged by a government regulatory agency (such as the IRS) to be excessive and actionable. It also gives the Foundation the opportunity to inquire if the compensation seems outside of an expected range. Furthermore, it helps us become familiar with the names of the top officials so that we might notice turnover in those positions should that occur in the future.

The **Top Staff Positions and Salaries** are required information. An application *without Top Staff Positions and Salaries* information is **an incomplete application and will not be considered for funding**. An *incomplete Top Staff Positions and Salaries* section will result in the **application being removed from review and will not be considered for funding**. Contact our office with any questions.

**Audited Financial Statements**

**If the organization does not have an audit:** Upload a note on the organization’s letterhead to that effect, and a copy of the internally prepared prior year financial statements (balance sheet and income statement) in the section titled “Financial Documents.”

**For organizations with audited financial statements, read the guidelines below.**

An audited financial statement is the report produced by an independent accounting firm engaged by the organization to attest to the accuracy of the organization’s accounting records. The audited financial statements include an audit opinion by the firm completing the audit.

As a byproduct of the audit work, the firm may also produce a Management Letter, otherwise known as Advisory Comments, recommending improvements to internal controls within the organization.

The Legacy Foundation **does not require applicants or grantees to have an audit**, although it is recommended organization’s conduct an audit on a periodic basis in order to lend credibility to the financial information reported to the organization’s management and the Board of Directors.

What to include in the application:

* Upload the most recent copy of the organization’s audited financial statements.
* Include the Management Letter (or Advisory Comments), if any, providing auditor recommendations on internal controls that accompanies the audit report.
* Include all compliance audit reports if applicable (Yellow Book and OMB A-133).

**If the organization’s audit is more than one fiscal year old (i.e. two or more fiscal years prior):**

* Include a copy of the internally prepared prior year financial statements (balance sheet and income statement) in the “Financial Documents” section of the application

**Financial Documents**

**For organizations without audited financial statements, read guidelines in this section:**

* Provide the organization’s current year-to-date financial statements. A complete set of financial statements includes BOTH of the following reports:
  + Balance sheet (statement of financial position) – lists assets, liabilities, and net assets
  + Income statement (statement of activities, Profit and Loss) – lists revenues, expenses, and net income/loss (increase/decrease in net assets)
* Provide the organization’s financial statements for the most recent prior fiscal year.
* Make sure the Balance Sheet date matches the date through which the Income Statement is run (i.e. same month-end)
* Remember to scan both reports AS ONE DOCUMENT prior to uploading the file.
* If any of the following line items are found in the organization’s financial statements, then provide an explanation or detailed information:
  + Loans Receivable from Officers, Directors, Trustees and/or Key Employees (provide names, titles, and terms)
  + Details of Other Assets
  + Loans Payable to Officers, Directors, Trustees and/or Key Employees (provide names, titles, and terms)
  + Working capital line of credit, mortgages, and notes payable (institution name and terms)
  + Detail of Other Liabilities

**For organizations with audited financial statements, read guidelines in this section:**

* **If the organization’s audited financial statements are for the most recent prior fiscal year,** then the organization does not need to upload the internally produced financial statements for last year. Upload a note on the organization’s letterhead to that effect in this section.

**If the organization’s audited financial statements above are not for the most recent prior fiscal year, then:**

* Provide the organization’s current year-to-date financial statements. A complete set of financial statements includes BOTH of the following reports:
  + Balance sheet (statement of financial position) – lists assets, liabilities, and net assets
  + Income statement (statement of activities, Profit and Loss) – lists revenues, expenses, and net income/loss (increase/decrease in net assets)
* Make sure the Balance Sheet date matches the date through which the Income Statement is run (i.e. same month-end)
* Remember to scan both reports AS ONE DOCUMENT prior to uploading the file.
* If any of the following line items are found in the organization’s financial statements, then provide an explanation or detailed information:
  + Loans Receivable from Officers, Directors, Trustees and/or Key Employees (provide names, titles, and terms)
  + Details of Other Assets
  + Loans Payable to Officers, Directors, Trustees and/or Key Employees (provide names, titles, and terms)
  + Working capital line of credit, mortgages, and notes payable (institution name and terms)
  + Detail of Other Liabilities

The **Financial Documents** are required information, except when specified. An application *without Financial Documents* is an **incomplete application and will not be considered for funding**. An *incomplete Financial Documents* section will result in the **application being removed from review and will not be considered for funding**. Contact our office with any questions.

**Form 990 (Return of Organization Exempt from Income Tax)**

Upload the organization’s most recently filed Form 990.

* Submit the **signed** and dated version (by paid preparer and the organization). By submitting this, you represent that the return was effectively filed with the IRS before the due date, or otherwise point out that it was filed delinquently.
* If the form is too large for the file byte size that is allowed, then scan in one page to satisfy the question – and email the whole document to bperez@vblf.org

The **Form 990** is a required document. An application *without the Form 990* is an **incomplete application and will not be considered for funding**. An *incomplete Form 990* will result in the **application being removed from review and will not be considered for funding**. Contact our office if you have any questions.

**Other Financial Documents**

Upload any additional financial documents relevant to the funding request.