

EXAMPLES: ENTERING MULTIPLE SOURCES OF FUNDS

While the NIST-1022 “Family of Forms” were developed to help applicants prepare budgets and budget narratives, they may be confusing to an applicant with multiple sources of funds. Therefore, to help illustrate how the sources of funds should be entered, we propose the following examples that include a simple worksheet for each year of the proposed project and each recipient. In this worksheet (Exhibit A) the sources of funds used to meet project expenses are listed in rows and how the funds are used (i.e., as either direct or indirect costs) are listed in columns. Note that the worksheet in Exhibit A is intended for illustrative purposes only and should not be submitted with the proposal.

Single Company Example

In our example, we assume that a company, Acme, Inc. is preparing a budget for a single company TIP proposal. The proposal requests \$3 million from TIP over a three year period. In the first year Acme, Inc. plans to receive \$1 million from TIP. These funds are used to cover the project’s direct cost and so the amount is entered on line 1 of our worksheet (Exhibit A) under Direct Cost Contributions.

| Single Company Award Worksheet Annual Source of Funds Provided | | | | FOR ILLUSTRATIVE PURPOSES ONLY! DO NOT SUBMIT WITH THE PROPOSAL! |
|---|---------------------------|-----------------------------|---------------------|---|
| Year 1 | Direct Cost Contributions | Indirect Cost Contributions | Total Contributions | |
| Federal Funds Provided | | | | |
| 1. TIP Award | \$ 1 000 000 | X | \$ 1 000 000 | |
| Total Federal Funds Provided | \$ 1 000 000 | X | \$ 1 000 000 | |
| Nonfederal Funds Provided | | | | |
| 2. (Acme, Inc.) | \$ 225 000 | \$ 400 000 | \$ 625 000 | |
| 3. Baker International (Informal Collaborator) | \$ 200 000 | \$ 0 | \$ 200 000 | |
| 4. Contributores, Inc. (Third Party Contributor) | \$ 200 000 | X | \$ 200 000 | |
| Total Nonfederal Funds Provided | \$ 625 000 | \$ 400 000 | \$ 1 025 000 | |
| Total Federal and Nonfederal Funds Provided | \$ 1 625 000 | \$ 400 000 | \$ 2 025 000 | |

Exhibit A: Worksheet Example for Acme, Inc. in Year 1

Acme, Inc. provides \$225,000 a year from internal sources to cover direct costs and \$400,000 a year from internal sources to cover indirect costs. These amounts are entered on line 2 as shown. Acme, Inc. will also be working with an informal collaborator, Baker International, who agrees to provide \$200,000 per year to cover direct costs. This amount is contributed to the project through Acme, Inc. and so it is entered on line 3 under Direct Cost Contributions. Another company, Contributores, Inc., is a third party contributor who agrees to provide a piece of essential machinery to Acme, Inc. This piece of machinery has an annual market value of \$200,000 and is entirely dedicated for use on the TIP project. The amount of this contribution is entered on line 4 under Direct Cost Contributions.

With this information we can now fill out Section H “SOURCE OF FUNDS” on Acme, Inc.’s NIST-1022C form for Year 1 as shown in Exhibit B. From our worksheet, “Total Federal Funds Provided” in the first year amounts to \$1 million. “Total Nonfederal Funds” used for direct costs only for the first year amounts to \$625,000 (\$225,000+\$200,000+\$200,000). “Total Nonfederal Funds” used for indirect costs only for the first year amount to \$400,000. The “Total Federal and Nonfederal Funds Provided” is therefore \$2,025,000. Note that this amount must also equal the total annual project costs of this project in year 1 which will also appear in Section J of this form.

| | |
|--|---------------------|
| H. Source of Funds | |
| Federal direct costs only: | \$ 1 000 000 |
| Nonfederal direct costs only: | \$ 625 000 |
| Nonfederal indirect costs only, which must be the same amount in section G: | \$ 500 000 |
| TOTAL PROJECT COST (FED DIRECT COST + NONFED DIRECT COST + NONFED INDIRECT COST): | \$ 2 125 000 |

Exhibit B: Section H. Source of Funds from Acme, Inc.'s Year 1, NIST-1022C form.

Once the NIST-1022C form is filled out, a set of NIST-1022F "Multi-Year Budget" forms are generated and automatically populated with the expense data from each of the annual NIST-1022C forms. **However, the source of funds data is not automatically entered and must be done so manually.**

Using data from the year 1 worksheet, \$1 million is entered on Line A for Year 1 on the NIST-1022E form as shown in Exhibit C. Again this is the amount provided by TIP. The name of the recipient, Acme, Inc. is then entered on line B1 along with their Year 1 contribution which is \$625,000 (\$225,000 direct + \$400,000 indirect). The name of the informal collaborator, Baker International is entered on line B2 and \$200,000 is entered as their Year 1 contribution. Finally the name of the third party in-kind contributor, Contributores, Inc. is entered on line B3 and \$200,000 is entered for their Year 1 contribution. The total amount of Year 1 contributions is \$2,025,000 which again equals the total project cost for year 1.

| | Year 1 | Year 2 | Year 3 | Total |
|--|--------------|--------|--------|-------|
| 2. ALL SOURCES OF FUNDS (applicant, subrecipients, third party, state, etc.) | | | | |
| A. Federal (same as H) | \$ 1 000 000 | | | |
| B1. Acme Incorporated | \$ 625 000 | | | |
| B2. Baker Internation | \$ 200 000 | | | |
| B3. Contributores, Inc. (In-Kind) | \$ 200 000 | | | |
| | | | | |
| C. Total of all sources of funds (same as line K) | \$ 2 025 000 | | | |

Exhibit C: Section 2. Source of Funds from Acme, Inc.'s NIST-1022E form.

After the first year's project narrative is prepared, the process is repeated for the remaining two years of this single company proposal. In our example, the completed "ALL SOURCES OF FUNDS" table in Acme, Inc.'s NIST-1022E form appears as follows (Exhibit D):

| | Year 1 | Year 2 | Year 3 | Total |
|--|--------------|--------------|--------------|--------------|
| 2. ALL SOURCES OF FUNDS (applicant, subrecipients, third party, state, etc.) | | | | |
| A. Federal (same as H) | \$ 1 000 000 | \$ 1 000 000 | \$ 1 000 000 | \$ 3 000 000 |
| B1. Acme Incorporated | \$ 625 000 | \$ 625 000 | \$ 625 000 | \$ 1 875 000 |
| B2. Baker Internation | \$ 200 000 | \$ 200 000 | \$ 200 000 | \$ 600 000 |
| B3. Contributores, Inc. (In-Kind) | \$ 200 000 | \$ 200 000 | \$ 200 000 | \$ 600 000 |
| | | | | |
| C. Total of all sources of funds (same as line K) | \$ 2 025 000 | \$ 2 025 000 | \$ 2 025 000 | \$ 6 075 000 |

Exhibit D: Section 2. Source of Funds from Acme, Inc.'s NIST-1022E form.

With the budget and budget narrative complete, the recipient's cost share can now be calculated. For any point in time, the recipient's share of the project is calculated by dividing the total amount of nonfederal funds received to date by the total amount of funds from all sources received to date and then multiplied by 100. In our example, the recipient's share for the entire project is

$$\text{Recipient Cost Share (\%)} = \frac{\text{NonFederal Funds}}{\text{Federal} + \text{Nonfederal Funds}} \times 100 = \frac{\$3,075,000}{\$6,075,000} \times 100 = 50.62\%$$

The proposed project budget in this example is therefore in compliance with TIP's cost share requirement because single company award recipients must cost share at least 50% of the yearly total project costs (direct plus indirect costs.) The proposer should note that

if the budget is accepted and an award made, the proposer will be responsible for maintaining the project’s annual cost share ratios throughout the life of the award.

Joint Venture Example

Entering the source of funds for a joint venture proposal can also be simplified using the same worksheet for each member of the joint venture in each year of the proposal. In our joint venture example, we assume that two eligible companies, Xample, Inc. and DeltaEx, LLC have agreed to submit a joint venture proposal that requests \$6.5 million from TIP over a five year period.

In the first year Xample, Inc. plans on receiving \$600,000 from TIP. These funds are used to cover a portion of their annual direct cost and so they are entered on line 1 of our worksheet under Direct Cost Contributions. Xample, Inc. will provide \$300,000 per year to cover direct project costs and \$125,000 per year to cover indirect project costs. These amounts are entered on line 2.

| Single Company Award Worksheet | | | | FOR ILLUSTRATIVE PURPOSES ONLY! DO NOT SUBMIT WITH THE PROPOSAL! |
|--|----------------------------------|------------------------------------|----------------------------|---|
| Year 1 Source of Funds Provided by Xample, Inc. | | | | |
| Year 1 | Direct Cost Contributions | Indirect Cost Contributions | Total Contributions | |
| Federal Funds Provided | | | | |
| 1. TIP Award | \$ 600 000 | X | \$ 600 000 | |
| Total Federal Funds Provided | \$ 600 000 | X | \$ 600 000 | |
| Nonfederal Funds Provided | | | | |
| 2. Xample, Inc. | \$ 300 000 | \$ 125 000 | \$ 425 000 | |
| 3. DeltaEX, LLC (contribution by a JV member) | \$ 100 000 | \$ 40 000 | \$ 140 000 | |
| 4. iDNK, Inc. (Subrecipient) | \$ 50 000 | \$ 0 | \$ 50 000 | |
| Total Nonfederal Funds Provided | \$ 450 000 | \$ 165 000 | \$ 615 000 | |
| Total Federal and Nonfederal Funds Provided | \$ 1 050 000 | \$ 165 000 | \$ 1 215 000 | |

Exhibit E: Worksheet Example for Xample, Inc. in Year 1

To meet their cost share requirement, Xample, Inc. has sought additional funds from two other nonfederal sources. The first source is their JV partner, DeltaEx, LLC. DeltaX, LLC agrees to provide Xample, Inc. an additional \$100,000 per year to cover Xample, Inc.’s direct costs and \$40,000 per year to help cover Xample, Inc.’s indirect costs. The second source of funds is from iDNK, Inc. who is a subrecipient of a subaward issued by Xample, Inc. In addition to being paid for the work they perform on the subaward, the company iDNK, Inc. agrees to provide an annual contribution of \$50,000 to help Xample, Inc. cover their cost share. This annual contribution to Xample, Inc.’s cost share is then entered on line 3.

From our worksheet we see that the total amount of federal funds provided by TIP to Xample, Inc. in Year 1 is \$600,000 and the total amount of nonfederal funds is \$615,000 (\$450,000 for direct costs and \$165,000 for indirect costs.) This information can now be entered into Xample, Inc.’s NIST-1022C form as show in Exhibit F.

| | |
|--|---------------------|
| H. Source of Funds | |
| Federal direct costs only: | \$ 600 000 |
| Nonfederal direct costs only: | \$ 450 000 |
| Nonfederal indirect costs only, which must be the same amount in section G: | \$ 165 000 |
| TOTAL PROJECT COST (FED DIRECT COST + NONFED DIRECT COST + NONFED INDIRECT COST): | \$ 1 215 000 |

Exhibit F: Section H. Source of Funds from Xample, Inc.’s Year 1 NIST-1022C form.

Once a NIST-1022C form is filled out for each of the joint venture members and for each year of the project, a set of NIST-1022F “Multi-year budget” forms are generated. These forms show the annual budget data for each member of the joint venture.

Note that when these forms are generated, expense data from the NIST-1022C form is automatically entered on the NIST-1022F form. **However, the source of funds data must be entered by manually.**

To do this we take data from Xample, Inc.'s worksheet and enter it in Section 2 "ALL SOURCES OF FUNDS" under the column for Xample, Inc. As show in Exhibit F, on line A enter \$600,000 to identify the funds that come from TIP. On line B1 enter the name "Xample, Inc." and the amount \$425,000 (\$300,000 direct plus \$125,000 indirect.) On line B2 enter the name "DeltaEx, LLC" and their total contribution to Xample, Inc. of \$140,000 (\$100,000 direct plus \$40,000 indirect.) On line B3 enter the name "iDNK, Inc. (Subrecipient)" and their contribution of \$50,000.

To simplify matters, we will assume that similar worksheets are prepared for DeltaEX, LLC and that in Year 1 the total amount of federal funds provided by TIP to DeltaEX, LLC is \$700,000 and the total amount of nonfederal funds provided by DeltaEx, LLC is \$750,000. These amounts are then entered on line A and line B2 under the column for DeltaEx, Inc.

| | Year 1 | Year 2 | Year 3 | Total |
|--|--------------|--------------|--------|--------------|
| 2. ALL SOURCES OF FUNDS (applicant, subrecipients, third party, state, etc.) | | | | |
| A. Federal (same as H) | \$ 600 000 | \$ 700 000 | | \$ 1 300 000 |
| B1. Xample, Inc. | \$ 425 000 | | | \$ 425 000 |
| B2. DeltaEx, LLC | \$ 140 000 | \$ 750 000 | | \$ 890 000 |
| B3. iDNK, Inc. (Subrecipient) | \$ 50 000 | | | \$ 50 000 |
| | | | | |
| C. Total of all sources of funds (same as line K) | \$ 2 025 000 | \$ 1 450 000 | | \$ 2 665 000 |

Exhibit C: Section 2. Source of Funds from Acme, Inc.'s NIST-1022E form.

After the first year's project narrative is prepared, the process is repeated for the remaining years of this five year joint venture proposal. In our example, the completed "ALL SOURCES OF FUNDS" table in the NIST-1022E form appears as follows (Exhibit G):

| | Year 1 | Year 2 | Year 3 | Year 3 | Year 3 | Total |
|--|--------------|--------------|--------------|--------------|--------------|---------------|
| 2. ALL SOURCES OF FUNDS (applicant, subrecipients, third party, state, etc.) | | | | | | |
| A. Federal (same as H) | \$ 1 300 000 | \$ 1 300 000 | \$ 1 300 000 | \$ 1 300 000 | \$ 1 300 000 | \$ 6 500 000 |
| B1. Xample, Inc. | \$ 425 000 | \$ 425 000 | \$ 425 000 | \$ 425 000 | \$ 425 000 | \$ 2 125 000 |
| B2. DeltaEx, LLC | \$ 890 000 | \$ 890 000 | \$ 890 000 | \$ 890 000 | \$ 890 000 | \$ 4 450 000 |
| B3. JDoe (3rd party cash) | \$ 50 000 | \$ 50 000 | \$ 50 000 | \$ 50 000 | \$ 50 000 | \$ 250 000 |
| B4. JDoe (3rd party, In-Kind Contribution) | | | | | | |
| | | | | | | |
| C. Total of all sources of funds (same as line K) | \$ 2 665 000 | \$ 2 665 000 | \$ 2 665 000 | \$ 2 665 000 | \$ 2 665 000 | \$ 13 325 000 |

Exhibit D: Section 2. Source of Funds from Acme, Inc.'s NIST-1022E form.

With the budget and budget narrative complete the recipient's cost share can be calculated. For any point in time, the recipient's share of the project is calculated by dividing the total amount of nonfederal funds received to date by the total amount of funds from all sources received to date and then multiplying by 100. In our example, the recipient's share for the entire project is

$$\text{Recipient's Cost Share (\%)} = \frac{\text{Nonfederal Funds}}{\text{Federal} + \text{Nonfederal Funds}} \times 100 = \frac{\$6,825,000}{\$13,325,000} \times 100 = 51.22\%$$

The proposed project budget in this example is therefore in compliance with TIP's cost share requirement because joint venture award recipients must cost share at least 50% of the yearly total project costs (direct plus indirect costs.) The proposers should note that if the budget is accepted and an award made, the proposers will be responsible for maintaining the project's annual cost share ratios throughout the life of the award.