**Section 254.2245 Budgetary Guidelines**

All budgets submitted as a part of a proposal for vocational education funding under this Subpart shall be shown in three columns, specifically: Budget Request from Illinois State Board of Education, Local Contribution, and a Total Budget column. Local Contribution includes all auditable project expenditures incurred by an agency. Nonauditable in-kind contributions may be listed on a separate sheet attached to the budget. Local contributions are not required, except as specified by federal regulations, the authority for which will be identified on the application form for the affected program. Where none are provided, a zero must be entered in the budget line. The presence or absence of in-kind contributions where they are not required will be in no way affect the rating of an applicant's proposal. All budget amounts should be rounded up to the nearest whole dollar. Budgets must be itemized under the following six budget categories as set forth in 23 Ill. Adm. Code 110 (Program Accounting Manual): Salaries; Employee Benefits; Purchased Services; Staff Travel; Supplies and Materials; and Indirect Costs. An expenditure function code is required for each object code. State Board of Education staff will assist project personnel in determining appropriate expenditure function codes during final contract negotiations. Budgets should be itemized under the allowable budget categories as follows:

a) Salaries – Projected expenditures for salaries, including anticipated annual salary increases for personnel performing direct project services. Indicate job title, percentage of time for the project, and a benchmark such as per day or per month.

b) Employee Benefits – Benefits such as health insurance and retirement contributions.

c) Purchased Services – Anticipated expenditures for services rendered through agreements with an individual or agency. Individuals performing contractual services are not eligible for employee benefits accruing to staff members. They may be eligible to receive consulting fees plus travel, lodging, and per diem at rates in accordance with the applicant's locally adopted policy. Consultant travel must be shown here and not under the travel category. Items rented for use during the term of a funding agreement are considered to be a purchased service. Funds may not be spent to pay for meals served in conjunction with a meeting, conference, or other such gathering required as part of the funded agency's contractual responsibilities to the state.

d) Staff Travel – Anticipated project staff travel. Travel shall be computed according to rates set forth in the applicant's locally adopted policy and include travel, per diem, lodging, and other expenses such as tolls and parking. No out-of-state travel is authorized unless approved in advance by the State Board of Education, Department of Adult, Vocational and Technical Education. If out-of-state travel is a required project activity, detailed budget notes for each trip must be developed to include names of travelers, type of activity planned, date of activity, estimated expenses of trip, and justification for participation in the activity. Out-of-state travel will be approved only if it has direct relationship or benefit to the conduct of a project. For any such trip not included and approved in the original project budget, specific written request must be made and approved prior to the trip occurring.

e) Supplies and Materials – Include anticipated expenditures for those materials and supplies required to conduct the project. Only expenses in excess of the regular agency operational costs and necessary to conduct the project should be shown. Costs must be itemized. Unless otherwise approved by the State Board of Education, nonconsumable materials such as resource materials, reference books, or reports remain the property of, and must be delivered to, the State Board of Education at the end of the project's funding.

f) Indirect Costs – Indirect costs for universities and private firms are restricted to 8% of the total direct costs. Indirect costs for community colleges and educational service regions are computed at the statewide average. Elementary and secondary schools are limited to their restricted indirect cost rate. Local educational agencies which do not comply with all requirements of the State Board of Education accounting system are not eligible to claim indirect costs against the funding agreement.

(Source: Added at 13 Ill. Reg. 8459, effective May 22, 1989)