Ministry of
Social Development
and Poverty Reduction

WorkBC CEP Fund Budget Guidelines

The information contained in the WorkBC Community and Employer Partnership Fund Guidelines will assist proponents in determining costs which may be eligible for project funding. Eligible costs are those expenses considered necessary to support the purpose of the funding. The following list of items was developed as a guide to determining costs which may be eligible for project funding. The listing is comprehensive, though not exhaustive. Items included are examples of those types of costs which may contribute to the success of the project.
Eligible costs for CEP projects can be categorized into three categories:

- **Direct Project Costs –** activity-related project costs;
- **Administrative Costs -** the proponent's administrative overhead costs necessary for project administration but related to the organization as a whole as opposed to the Direct Project Costs.
- **Capital Costs -** costs for the purchase of capital assets of more than $1000 which are necessary for the project;

Category	Sub-category
Direct Project Costs	• **Staff Wages and other related staff costs** • **Participant Costs** • **Professional Fees** • **Other Project Costs**
Administrative Costs	• **Administrative Costs**
Capital Costs	• **Capital Assets**

1. Direct Project Costs

Direct Project Costs are project specific costs that have been itemized, cost estimated and rationalized in the proposal. They are expenses specific to the project activities included in the proposal and are costs related to project functions. For example, wages/salaries and related office costs of management or other staff whose time is spent specifically on management or delivery of project activities.

Eligible Direct Project Costs do not include costs that the applicant would incur, whether the agreement was entered into or not, that are required to support the proposed activities. Only costs which are incremental to the organization and necessary to carry out the project activities are eligible. Direct Project Costs must be eligible incurred costs and must be itemized and negotiated. Some examples of direct project costs include:

a) **Staff Wages and other related staff costs** refers to wages, mandatory employer related costs (MERCs) and benefits paid to or on behalf of staff working directly on the project;
b) **Participant Costs** refers to participant supports (living supports, stipend, wages), project-related participant travel, disability-related supports and equipment, and supplies;
c) **Professional Fees** refers to fees paid to professionals who provide service to the project for the benefit of the Clients and/or fees paid to a professional who provides services essential to the project's success or for expertise not available through the project sponsor or partners;
d) **Other Project Costs** refers to **new** costs specifically related to undertaking the project and they must be incremental to the organization's day-to-day operational costs. Some examples of Other Project Costs include:

- Basic telephone and internet (including fax lines and installation if required);
- Insurance (fire, theft, liability);
- Postage and courier;
- Rent and utilities (if applicable);
- Equipment repair and maintenance (includes photocopy meter charges);
- Bank charges;
- Materials and supplies (e.g. pens, pencils, paper, envelopes, cleaning supplies);
- Equipment/furniture under $1,000;
- Operational printing contracted externally (ad hoc unanticipated print jobs, project specific printing jobs, reports, brochures, etc.).
- Advertising (newspaper ads, website ads, flyers, etc.);
- Conference attendance fees;
- Conference fees (meeting room rental, guest speakers, etc.);
- Memberships fees (professional and organizational), affiliation fees and business licenses and permits;
- Reference materials (books, periodicals, subscriptions, etc., which can be easily traced/tracked back to usage by project participants);
- Signage;

- Significant project costs associated with the following types of expenditures (non-standard/non-basic amounts over and above the regular, day-to-day operational costs):
    1. Contracting (if contracted specifically to support the project) (e.g. bookkeeping, janitorial services, Information Technology (IT), equipment maintenance services, security, audit costs, legal fees, translator, training);
    2. Internet (web page design, etc.) and other IT requirements (significant costs associated with project activities, which increase expected internet related costs beyond normal operating requirements);
    3. Printing fees (significant costs associated with project activities, which increase expected printing costs beyond normal operating requirements);
    4. Professional development for Staff (courses required by staff, which are not part of the routine development courses required by the organization's policies);
    5. Telephone (installation and extraordinary costs related to telephones and/or fax lines required over and above regular operating requirements);
- Staff disability supports (duty to accommodate);
- Staff training for disability-related issues (e.g. sign language training);
- Costs associated with purchase of training (for PBLMT)

2. Administrative Costs

Administrative Costs are administrative overhead costs necessary for the organization to effectively manage the project. The costs relate to the organization as a whole as opposed to costs associated with direct delivery of the project.

Administrative Costs are based on percentage up to 15% of the Direct Project Costs. Proponents must supply a rationale for the percentage level proposed. These in-direct delivery costs are paid as a flat rate and do not need to be detailed or negotiated. However, for audit purposes, it is important to keep in mind that costs in this category include the following:

- Audit fees;
- Bank fees;
- Basic telephone fees (including fax lines);

- Contracting (if not contracted specifically to support the project), bookkeeping, janitorial services, Information Technology (IT), equipment maintenance services, security, translator, training fees, consultant fees, printing contracts fees (i.e. large job);
- Equipment repair and maintenance (includes photocopy meter charges);
- Insurance (fire, theft, liability);
- IT maintenance;
- Legal fees;
- Materials and office supplies (e.g. pens, pencils, paper, envelopes, cleaning supplies, subscriptions);
- Monthly internet fees;
- Management and administrative staff wages not working on outcome of projects including Mandatory Employment Related Costs (MERCs), Employment Insurance (EI), Canada Pension Plan (CPP), vacation pay and benefits as per organization HR policies and provincial standards;
- Operational printing contracted externally (business cards, letterhead, ad hoc unanticipated print jobs, minor updates and/or printing of organizational or program brochures, etc.);
- Other non-participant-based costs (e.g. water where public water is not safe for drinking, staff and volunteer recognition);
- Postage and courier fees;
- Rent, lease (including applicant owned premises), repairs and leasehold improvements which do not specifically support the project;
- Professional development for management and administrative staff - amount to cover basic training needs as per organization's existing policies and employment related requirements; and
- Staff and volunteer transportation (bus fare, taxi and parking required for delivery of project activities but not part of travel claims; does NOT include monthly parking fees nor bus pass).

3. Capital Costs

Capital Assets mean any asset over $1,000, before taxes, that is required for the project activity. A capital asset paid for, in whole or in part, by Ministry funding requires that the disposition of the asset is agreed to prior to the project start and at the time the funding agreement is signed. Capital assets are expected to be paid for by the proponent or cost-shared with the Ministry and/or other partners in the project. Some examples of capital assets include computers, furniture and software.
All capital purchases require prior written approval from the Ministry and must include a plan for disposal upon completion of the project. Also, it is a sound business practice to

obtain more than one quote when purchasing capital assets. For WorkBC Community and Employer Partnership (CEP) agreements, Project Agreement Holders are encouraged to pay for any capital asset purchases using their own funds and/or costing-sharing the purchase with other partners in the project. Capital Costs must be eligible incurred costs and must be itemized and negotiated.

Ineligible Project Costs

Ineligible project costs include, but are not limited to, costs associated with:

- fundraising activities;
- CRA or payroll penalties;
- parking tickets;
- fines or penalties;
- entertainment costs;
- depreciation on fixed assets;
- board membership fees;
- capital costs for the construction of a building (other than minor repairs or renovations) or the purchase of land or buildings;
- purchase of motor vehicles;
- legal fees and court awards for inappropriate dismissal or other inappropriate/illegal activity;
- membership fees for privates clubs, etc. (golf clubs, gyms, etc.) unless part of existing (non-monetary) employment benefits package;
- staff salary bonuses if not originally negotiated into agreement;
- purchase of alcoholic beverages;
- purchase of any illegal substances;
- unreasonable gifts or unreasonable payments for recognition; and
- other costs ineligible as per program terms and conditions.

Additional notes

All project costs can be based on historical data but they must also reflect current rates of similar costs in the geographical location of the project.

Depending upon your organization's taxable status, you may be entitled to receive a portion of the taxes paid on goods and services reimbursed by the Canada Revenue

Agency. As such, you must declare your organization's reimbursement rate on your application for funding. In your proposal, the budgeted amount of a cost item should include only the tax portion eligible to be claimed.

No costs are eligible as a contingency option. Costs must be foreseeable to be negotiated in the agreement and will otherwise require a negotiation and amendment of the agreement.

Funds from Other Sources

All organizations applying for project funding are expected to contribute to the costs of the project. In most cases, where other organizations are involved in the project, stakeholders in the partnership are also expected to contribute either by providing direct funding or by providing an 'in-kind' contribution to the project costs. The applicant needs to include all costs for the project. Note: In-kind contributions can include the use of applicant's or a partner's equipment, premises or other owned asset (furniture, computers, and photocopiers).

In-Kind Contributions

In-Kind contributions involve non-cash assets transactions (i.e. securities, land, buildings, equipment, and use of facilities, labour, goods.) that are provided by the applicant or a partner in support of the project. Generally, in kind contributions are considered: if they are new or incremental assets provided for the project, are specific to the project, are quantifiable and are essential to the project going forward.

To be considered as an in-kind contribution the good or service must be:

- Provided specifically for the project
- Vital to the project's success (project cannot proceed without it); and
- An eligible cost under the program

Calculation for Inclusion of "In-Kind" Applicant Owned Assets

Although a proponent may use a variety of calculations to determine an amount to include in the proposal, in all cases the negotiated cost cannot be higher than the value of lost opportunity. For the purpose of the Budget Guidelines, lost opportunity is 85% of fair market value. If the cost of an asset is inclusive of related costs for its use, such as utilities, maintenance, gas, taxes, insurance and other, those costs cannot be negotiated separately and the fair market value should also be inclusive of those costs.