

3. Budget

a. Budget for Project Award Period and Supporting Worksheets

The budget for project award periods and other worksheets are provided in this Part 3, Budget. They support and explain the figures reported on SF-424A, which is included in Part 1, Forms.

b. Financial Systems

As shown on the budget for project award period, most, actually 97%, of the \$395,453 of cash match is salary and benefits. This works out to about \$130,000 each year. For AWA this amount will easily be absorbed as part of the \$780,000 budget for salary and benefits. The \$273,019 in-kind contribution represents AJDA's staff time over three years. As evidenced by the AJDA financial statements, this in-kind contribution easily falls within the total amount of salary and benefits for AJDA, which is actually greater than AWA's spending. Projected program income of \$9,000 over three years is much less than the \$220,000 of seminar fees that AWA generated in 2007.

c. Other Financial Assistance Awards

In 2003, AWA received a \$200,000 MDCP award (ITA-01-0029) to promote widget exports to China. The federal program officer for the award is Brad Hess, MDCP Director, 202-482-2969, Brad.Hess@trade.gov.



Budget for Project Award Period

With Breakdown of Projected Funding Sources

With Breakdown of Projected Funding Sources

American Widget Association

Expenses	<u>2010</u>	Indirect	Direct
Show expenses	800,000		800,000
Salaries	700,000		700,000
Fringe benefits	80,000		80,000
Seminars, meetings, etc.	120,000		120,000
Travel	90,000		90,000
Contracted services	80,000		80,000
Postage, etc.	20,000		20,000
Rent, utilities, etc.	50,000	50,000	
Insurance	15,000	15,000	
Depreciation	30,000	30,000	
Total	1,985,000	95,000	1,890,000

Fringe Benefits Rate Calculation

Domestic

$$\frac{\text{Fringe benefits}}{\text{Salaries}} = \frac{80,000}{700,000} = 11.43\%$$

International

Average EU fringe benefits as a percentage of average US company fringe benefits
 ("Employment Practices Comparison 2000", Organization for Economic Cooperation and Development, Paris (30 June 2001) at 37.)

$$\begin{array}{ccc} a & b & c=a*b \\ 156.00\% & 11.43\% & 17.83\% \end{array}$$

Indirect Cost Rate Calculation

$$\frac{\text{Indirect Costs}}{\text{Direct Costs}} = \frac{95,000}{1,890,000} = 5.03\%$$

Personnel Expenses

Breakdown and Projected Funding Sources

Org.	Position	Project Work Description	Explanation & Calculation				1st Year			2nd Year			3rd Year		
			% of time	Ann Sal.	Allocated	Ann. Increase	Non-Fed Share		Fed Share	Non-Fed Share		Fed Share	Non-Fed Share		
							Fed Share	Cash		Pgm Inc	Other		In-Kind	Cash	
AWA	Executive Director	Strategic planning, general oversight, personnel decisions, member relations, trade missions	5%	185,000	9,250	3%									
AWA	Marketing Manager	Primary project coordinator. Includes planning, event preparation, etc.	33%	80,000	26,667	3%									
AWA	Finance Manager	Ensure proper accounting of project costs. Prepare internal reports. Submit quarterly financial reports.	5%	80,000	4,000	3%									
AWA	Office Services Manager	Support services for seminar prep, trade show prep, mailings, etc.	5%	45,000	2,250	3%									
AWA	Admin. Assistant	Coordinate/arrange logistics for trade shows, tech. seminars, trade missions, other activities.	25%	45,000	11,250	3%									
AWA	IT Manager	Coordinate web svcs increase, ebiz guideline postings. Webmaster for added web features.	10%	60,000	6,000	3%									
AWA	Secretary	General admin. support													



Personnel Expenses

Breakdown and Projected Funding Sources

Personnel Expenses
Breakdown and Projected Funding Sources

Org.	Position	Explanation & Calculation						1st Year						2nd Year						3rd Year								
		Project Work Description			% of time Ann Sal.			Allocated Salary			Ann Increase			Part vr. c=a*b			Fed Share			Non-Fed Share			Fed Share			Non-Fed Share		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	
AIDA Executive Director	Strategic planning, general oversight, personnel decisions, member relations, trade missions	4%	230,000	9,200	2%																						9,572	
AIDA Marketing Project Manager	Coordinates AIDA effort for Sinfonian Initiative. Includes planning, event preparation, etc.	15%	95,000	14,250	2%																						14,826	
AIDA Finance Manager	Ensures accurate records and in-kind allocations.	3%	90,000	2,700	2%																						2,809	
AIDA Admin. Assistant	Coordinate logistics w/AWA for Sinfonian Initiative.	15%	55,000	8,250	2%																						8,583	
AIDA IT Manager	Coordinate web svcs increase, ebiz guideline postings. Webmaster for added web features.	10%	85,000	8,500	2%																						8,843	
AIDA Sinfonia Office Director	Primary in-country rep. for Sinfonian Initiative.	100%	55,000	55,000	2%	67%																					36,667	
AIDA Sinfonia Office Assistant	In-country contact. Assists office director in Sinfonian Initiative.	100%	25,000	25,000	2%	50%																					12,500	
Subtotal		635,000	122,900																									
<i>Total</i>		1,235,000	261,817																									
<i>Domestic</i>		1,180,000	206,817																									
<i>International</i>		155,000	155,000																									

Non-Personnel Direct Expenses
Activity-Specific Breakdown and Projected Funding Sources

Cat. #	Activity	Explanation & Calculation	1st Year						2nd Year						3rd Year						
			Fed Share			Non-Fed Share			Fed Share			Non-Fed Share			Fed Share			Non-Fed Share			
			Fed Share	Pgm Inc	Cash	Pgm Inc	Cash	Other	In-Kind	Fed Share	Pgm Inc	Cash	Other	In-Kind	Fed Share	Pgm Inc	Cash	Other	In-Kind		
Travel (dom)	8 Sinfonian director training, annual meeting address, member visits.	Visits to members' U.S. facilities w/o one AWA official. Locations will vary. Phoenix/Chicago (RT) used as average.	a 130	b 2	c=a% ^b 260	d 600	e 150	f 2	g (c+d+e)*f 2,020	h 2,020	i 1	j 1	k 1	l 2,020	m 1	n 1	o 1	p 2,020	q 1	r 1	s 1
10 Recruit US firms for tech. sem.	Visits to members in Chicago area. RT from Phoenix.	130 2 260 600 150 1	1,010	1,010																	
10	Visits to members in San Francisco area. RT from Phoenix.	210 2 420 600 150 1	1,170	1,170																	
10	Visits to members in North Carolina area. RT from Phoenix.	110 2 220 750 150 1	1,120	1,120																	
10	Visits to members in Utah area. RT from Phoenix.	105 1 105 250 150 1	505	505																	
15 Bring Sinfonians to WedExpo.	Phoenix/Las Vegas: AWA staff to accompany Sinfonian execs.	180 4 720 250 350 2	2,640	2,640																	
\$ Rent office in Sinfonia.	Local transport to bus mtgs. Every other day for half a month. RT from Phoenix.	Fare a 7	Days b 53	Total (a*b) 371	371	371															
\$	TOTAL																				
\$		2,391	0	3,805	0	2,020	0	6,445	714	714	714	714	714	714	714	714	714	714	714		

Non-Personnel Direct Expenses

Activity-Specific Breakdown and Projected Funding Sources

Cat. #	Activity	Explanation & Calculation	1st Year						2nd Year						3rd Year						
			Fed Share			Non-Fed Share			Cash			Fed Share			Non-Fed Share			Cash			
			Fed	Pgm	In-Kind	Cash	Inc	Other	Fed	Pgm	In-Kind	Cash	Inc	Other	Fed	Pgm	In-Kind	Cash	Inc	Other	
Travel (int'l)			a	b	c=a%b	d	e	f	(c+d+e)*f												
4	Hire Sinfonian office director.	Phoenix/Baritona: Intvw offc. dir. candidates.	223	2	446	940	200	1	1,586												
4	(AJDA)	Baritona/Phoenix: Offc. dir. candidates to USA for intwvs.	130	2	260	940	150	3	4,050												
4	Hire Sinfonian office director.	Portland/Baritona: Intvw offc. dir. candidates.	130	2	260	940	40	1	1,240												1,240
4	(AJDA)	Baritona/Portland: Offc. dir. candidates to USA for intwvs.	130	2	260	940	40	3	3,720												3,720
5	Rent office in Sinfonia.	Phoenix/Baritona: Final choice of office space.	223	4	892	940	40	1	1,872												
5	(AJDA)	Baritona/Treble mtgs w/ govt. & bus. contacts.	223	2	446	120	90	1	656												656
5		Baritona/Treble mtgs w/ govt. & bus. contacts.	223	2	446	120	40	1	606												606
5		Baritona/Treble mtgs w/ govt. & bus. contacts.	223	2	446	120	40	1	606												606
5		Baritona/Treble mtgs w/ govt. & bus. contacts.	223	2	446	120	40	1	606												606
5	Rent office in Sinfonia.	Portland/Baritona: Final choice of office space.	223	4	892	940	40	1	1,872												1,872
5	(AJDA)	Baritona/Treble mtgs w/ govt. & bus. contacts.	223	2	446	120	40	1	606												606

Non-Personnel Direct Expenses
Activity-Specific Breakdown and Projected Funding Sources

Cat. #	Activity	Explanation & Calculation	1st Year				2nd Year				3rd Year			
			Fed		Non-Fed Share		Fed		Non-Fed Share		Fed		Non-Fed Share	
			Share	Pgm	Cash	Other	In-Kind	Share	Pgm	Cash	Other	In-Kind	Share	Pgm
5	Baritona/Treble mgs w/ govt. & bus. contacts.	223 2 446 120 40 1 606											606	
5	Baritona/Treble mgs w/ govt. & bus. contacts.	223 2 446 120 40 1 606											606	
8	Sinfonian director training, travel for Offc. dir. In USA, Offc. Dir. to visit nbrs in other US city.	130 6 780 940 150 1 1,870											1,870	
13	Technical seminar.	223 2 446 940 40 1 1,426											1,426	
13	Phoenix/Baritona: Finalize venue and host.	223 4 892 940 80 2 3,824											3,824	
14	Phoenix/Baritona: participate in seminar.	223 2 446 940 40 2 2,852											2,852	
14	Trade missions. Visit potential customers w/10 members.	223 2 446 940 40 2 2,852											2,852	
15	Baritona/LasVegas: Sinfonian execs. to trade show.	180 3 540 940 150 8 13,040											13,040	
TOTAL		12,066 0 0 1,872											24,060	
													0	1,212
													0	11,020
													0	0
													0	5,566



Non-Personnel Direct Expenses

Activity-Specific Breakdown and Projected Funding Sources

Cat.	#	Activity	Explanation & Calculation	1st Year				2nd Year				3rd Year				
				Fed		Non-Fed Share		Fed		Non-Fed Share		Fed		Non-Fed Share		
				Cash	Pgm	Cash	Pgm	Cash	Pgm	Cash	Pgm	Cash	Pgm	Cash	Pgm	
Equipment	5	Rent office in Sinfonia.	3 Desktop computers, 1 server, one laptop, 1 projector.	10,000	10,000											
	5		1 fax machine, 3 b/w printers, 1 color printer	5,000	5,000											
	5		4 Scanners, 2 digital cameras, 1 paper shredder	2,200	2,200											
	5		Telephone system	2,500	2,500											
TOTAL				19,700	0	0	0	0	0	0	0	0	0	0	0	
Supplies	5	Rent office in Sinfonia.	Paper, presentation mtrs, gen. office supplies.	100	12	1,200	600	600	0	0	1,200	600	600	1,200	600	
TOTAL				Per/mo	Months	Total	Per/mo	Months	Total	Per/mo	Months	Per/mo	Months	Total	Per/mo	
Contractual	1	CPA acc'tg. changes.	Fees for advice from Bean & Kountar, CPA: (1) rev acctg system for OMB compliance, (2) establish new procedures if needed. Partly funded by \$1,000 State of AZ Economic Development accounting grant for organizations relocated	5,000		5,000	5,000		5,000	5,000						
	2	CS Int'l Partner Search.	Fee for Int'l Partner Search by USEFCS to identify short list of AWA office director candidates, agents for AWA members.	600		600	600		600	600						
	3	Increase web-hosting capability.	10 GB hosted memory for \$250/mo donated by ADIA's contracted ISP. Quote from another ISP, biznet.com, for same svc: \$260/mo.	12	x	250	3,000		3,000	3,000		3,000		3,000	3,000	
	5	Rent office in Sinfonia.	Phone/fax	90	12	1,080	540								1,080	1,080
	5		Cell phone service (2 phones)	60	12	720	360								720	720
	5		LAN & Internet svc. (DSL) including pkgs webpage svy	170	12	2,040	1,020								2,040	2,040
	5		Service of offc equipment.	100	12	1,200	600								1,200	1,200
	5		Phone/fax	30	12	360	360								360	360
	5		*Mayor's office of int'l trade: gift:													
	5		Paper, presentation mtrs, gen. office supplies.													
	6	Hire office staff.	Temp agency fees for hire of admin assistant.												2,000	2,000
	6		Translation @ \$200 per webpage. Quoted in "Estimating Translation Costs for W. European Languages" www.TranslationServices.com.													
	7	Translate association brochure.	pgs 2	200	@	Total	pgs 2	200	400	pgs 2	200	400	pgs 2	200	400	

Non-Personnel Direct Expenses
Activity-Specific Breakdown and Projected Funding Sources

Cat. #	Activity	Explanation & Calculation	1st Year				2nd Year				3rd Year			
			Fed Share		Non-Fed Share		Cash		Non-Fed Share		Cash		Non-Fed Share	
			Pgm	Cash	Pgm	Cash	Fed	In-Kind	Fed	In-Kind	Fed	In-Kind	Fed	In-Kind
7		Printing of one-page brochure (2,000 copies): tri-fold, 2,000 .55 1,100	n	1	m	n	o	p	q	r	s	t	u	
13	Technical seminar.	Print 1-pg tri-fold brochure re seminar.	2,000	0.55	1,100									
14	Trade missions.	Print 1-pg tri-fold brochure re mission.	2,000	0.55	1,100									
9	Translate AWA.org, AIDA.org.	Translation @ \$200 per webpage. Quoted in "Estimating Translation Costs for W. European Languages" www.TranslationServices.com.	33	200	6,600	6,600								
11	Briefing; export fin., logistics, etc.	Development of 5-10 web-page primer for executives. Will be added to members-only area of website. Fees based on 2001.11.15 quote from Web-Based Education Design, Inc.	7	900	6,300	6,300								
12	Member brochure translations.	Translation @ \$200/pg (quoted at in www.Translation.com). First 10 mtrs to get 2 pg each translated at expense of MDCP. Estimate that members will pay entire cost of an additional 10 pages (900**10=9,000). Printing paid separately by each member.	20	900	18,000	6,000								
17	Web content & ebiz guidelines.	Development of 5-10 web-page primer for executives. Will be added to members only area of website. Fees based on 2001.11.15 quote from Web-Based Education Design, Inc.	7	900	6,300	6,300								
TOTAL			37,920	0	1,000	4,460	17,040	9,000	1,100	3,000	5,040	0	4,100	
Other	5 Rent office in Sinfonia.	Rent (incl heat, a/c, lights, security, mtnc, cleaning, etc.). Rate of \$20/meter ² per WorldRentSurvey.com. \$50 * 44 = \$580.	880	12	10,560						10,560		10,560	
	5	Rent (incl heat, a/c, lights, security, mtnc, cleaning, etc.). Rate of \$30/meter ² per WorldRentSurvey.com. \$50 * 44 = \$5200.	880	6	5,280						5,280		26,400	



Non-Personnel Direct Expenses

Activity-Specific Breakdown and Projected Funding Sources

American Widget Association	
Statement of Assets and Net Assets – Cash Basis	
December 31, 2010	
555-555-1212	
<u>Assets</u>	
Current Assets	\$ 803,746
Cash and cash equivalents	\$ 106,254
Deposits	
Total assets	\$ 910,000
<u>Net Assets</u>	
Unrestricted	\$ 910,000
	\$ 910,000

Cayne & Bills, P.S.

Certified Public Accountants

1604 Camelback Road
Phoenix, AZ 85055

555-555-1212

Independent Auditor's Report

Board of Directors
American Widget Association
Phoenix, AZ

We have audited the statement of assets and net assets – cash basis of the American Widget Association (AWA), an Arizona non-profit organization, as of December 31, 2010, and the related statements of revenues, expenses and changes in net assets – cash basis and functional expense – cash basis for the year then ended. These financial statements are the responsibility of AWA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets – cash basis of AWA at December 31, 2010, and the results of its operations for the year then ended on the basis of accounting described in Note 1.

Cayne & Bills, P.S.

Cayne & Bills, P.S.

February 28, 2011

American Widget Association

Notes to Financial Statements

December 31, 2010

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

The American Widget Association (AWA) is a private, non-profit membership organization comprised of companies and individuals that have an active interest in promoting the widget industry. The association was formed in 1967 and is located in Phoenix, Arizona.

Basis of Accounting

The financial statements of AWA have been prepared on the cash basis of accounting. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.

Income Taxes

AWA is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code.

American Widget Association

Statement of Functional Expenses and Revenue – Cash Basis

For the year ended December 31, 2010

<u>Expenses</u>	
Salaries	700,000
Fringe benefits	<u>80,000</u>
Total salaries & related expenses	780,000
Show expenses	800,000
Seminars, meetings, etc.	120,000
Travel	90,000
Contracted services	80,000
Postage, etc.	20,000
Rent, utilities, etc.	50,000
Insurance	15,000
Depreciation	<u>30,000</u>
Total	1,985,000

<u>Revenue</u>	
Membership dues	455,000
Interest income	80,000
Fees collected for publications	30,000
Fees collected for seminars and events	220,000
Show fees collected	<u>1,200,000</u>
Total salaries & related expenses	1,990,000

Rose & Cavelier, LLP

Certified Public Accountants
104 Great Way
Chicago, IL 60609

555-555-1212

Independent Auditor's Report

Board of Directors
Audio Jamming Device Association
Chicago, IL

We have audited the statement of assets and net assets - cash basis of the Audio Jamming Device Association (AJDA), an Illinois non-profit organization, as of December 31, 2010, and the related statements of revenues, expenses and changes in net assets - cash basis and functional expenses - cash basis for the year then ended. These financial statements are the responsibility of AJDA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets - cash basis of AJDA at December 31, 2010, and the results of its operations for the year then ended on the basis of accounting described in Note 1.

Rose & Cavelier, LLP

February 22, 2011

Audio Jamming Device Association

Statement of Assets and Net Assets – Cash Basis
December 31, 2010

<u>Assets</u>	\$ 500,000
Current Assets	
Cash and cash equivalents	\$ 100,000
Deposits	\$ 600,000
Total assets	\$ 600,000
<u>Net Assets</u>	\$ 600,000
Unrestricted	\$ 600,000

Audio Jamming Device Association	
Notes to Financial Statements	
December 31, 2010	
Note 1 – Nature of Activities and Significant Accounting Policies	
Nature of Activities	The Audio Jamming Device Association (AJDA) is a private, non-profit membership organization comprised of companies and individuals that have an active interest in promoting the widget industry. The association was formed in 1976 and is located in Chicago, Illinois.
Basis of Accounting	The financial statements of AJDA have been prepared on the cash basis of accounting. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred.
Income Taxes	AJDA is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code.

Audio Jamming Device Association	
Statement of Functional Expenses – Cash Basis	
For the year ended December 31, 2010	
Salaries	600,000
Fringe benefits	80,000
Total salaries & related expenses	680,000
Show expenses	600,000
Seminars, meetings, etc.	120,000
Travel	90,000
Contracted services	80,000
Postage, etc.	20,000
Rent, utilities, etc.	50,000
Insurance	15,000
Depreciation	30,000
Total	1,685,000

Audio Jamming Device Association

830 Gelb Street
Chicago, Illinois

April 5, 2011

Anna Purna
Executive Director
American Widget Association
1717 Widget Lane
Phoenix, AZ 89999

Dear Ms. Purna,

AJDA, the Audio Jamming Device Association, is pleased to partner with the American Widget Association (AWA) for the Sinfonia Now initiative.

As agreed, if AWA is selected for Market Development Cooperator Program (MDCP) funding in 2011, AJDA will provide staff support during the three-year period 2009-2011. This AJDA contribution, with the agreed portion of time as a percent of a normal work schedule, is set forth as follows: executive director 4%, marketing project manager 15%, finance manager 3%, administrative assistant 15%, information technology manager 10%, and two new positions, Sinfonia office director 100% and Sinfonia office assistant 100%.

As set forth in the budget narrative, which we have reviewed separately, we estimate that the fair market value of the time contributed will be \$122,900 over the three years.

We look forward to participating in the Sinfonia Now initiative.

Sincerely,



Quentin Laru
Executive Director

Do include letters from any organization that is pledging in-kind support. These letters should specify what is pledged.