



Annex 5: NAZA Finance & Budgets

A Guide for NAZA-Funded Partners

FY27 Grant Cycle — July 1, 2026 to June 30, 2027

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1. Overview

NAZA operates as part of Nashville Public Library, so grant cycles follow the Metro Nashville government fiscal year. For example, “FY27” means fiscal year 2027, which runs from July 1, 2026 through June 30, 2027.

This guide brings together two resources to use throughout the grant cycle:

- A step-by-step walkthrough of the budgeting, reporting, and invoicing process
- Detailed rules and funding formulas that apply specifically to NAZA grants

Always refer to the [Metro Nonprofit Grants Manual](#) for complete rules on allowable and unallowable costs. This guide provides NAZA-specific details that are built on that manual.

2. Budgets

A NAZA grant budget (also called [Annex 3](#)) should show projected spending for each cost category that will be used during the fiscal year. When applying, use the online budget proposal template (linked in the application) to submit your budget request. Once NAZA calculates funding eligibility, applicants complete and Annex 3, which will be used as the final budget plan, should funding be awarded. Contracts will only move forward for Council approval if they include a completed Annex 3 and a clear explanation of the budget line items.

2.1 Maximum Funding Rates

The total budget requested cannot exceed the maximum funding rate multiplied by the proposed number of youth slots in the proposal stage which may require adjustment based on your final grant amount and number of slots allowed. The Annex 3 now combines budgets for both afterschool and summer programming.

Program Type	Maximum Rate	Example
Afterschool	\$1,355 per slot	30 slots × \$1,355 = \$40,650 maximum
Summer	\$320 per slot per week (5 days × 8 hrs/day, or \$8/hour per slot)	4 weeks × \$320 = \$1,280 maximum per slot

If offering fewer than 5 days/week or 8 hours/day, use the \$8/hour/slot rate calculation. For example, a summer program operating 6 hours per day for 4 days per week would be calculated as follows:

How to Calculate a Summer Budget	
<u>Step 1:</u>	Total hours (6 hours x 4 days x 4 weeks = 96 hours)
<u>Step 2:</u>	Total \$ per slot (96 hours x \$8/hour = \$768)
<u>Step 3:</u>	Total summer budget (\$960 x 20 youth slots = \$15,360)

2.2 Cost Categories & Budget Details

Cost categories are the subsections of the budget, such as “Salaries and Wages,” “Direct Youth Costs,” and “Occupancy.” Every category that has budgeted spending must also have justification of that spending explained

in the “Details” column. Be as specific as possible: describe what’s being purchased, and include calculations, rates, and percentages (such as transportation per diem or an indirect cost allocation). Avoid generic descriptions. For example, if grant funding should cover half of a Program Manager's salary with NAZA funds, the “Details” entry for “Salaries and Wages” might look like this:

After-School/Summer Programs		After-school program starts 09/08/2026 Per slot rate for afterschool is \$1,355
		Summer program funded in this cycle is July 1-31,2026 and June 1- 30, 2027 Per slot rate for summer to be calculated at \$8 an hour per slot. Maximum cost per youth slot for summer program is \$320 per week for partners programming 5 days per week for 8 hours per day.
Salaries and Wages	30,000.00	1 Program Manager = \$30,000/yr (50% of salary)

If 4 part-time employees’ earnings are partially covered with NAZA funds, that same line may look like this:

Salaries and Wages	15,360.00	4 Part-Time Site Coordinators x \$20/hour x 4 hours x 4 days x 20 weeks @ 60% = \$15,360
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Finally, if you are charging only 30% of your rent to NAZA, your “Occupancy” line may look like this:

Occupancy	5,400.00	\$2000 x 9 months @ 30% = \$5400
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Every category does not need to have budgeted spending—only the categories that NAZA-related expenses will occur in. For line items that will need to be funded, complete as appropriate. If a line item will not be funded, indicate such with “0.00” dollar amounts.

Be prepared to provide details on other funding sources if those are invested towards serving the same group of youth that NAZA grant funds, since it factors into how NAZA evaluates the overall viability of a program.

Classifying Salaries vs. Professional Fees

One of the most commonly miscategorized expenses is “Professional Fees.” Use this simple rule of thumb:

- If the payee is issued a W-2, the cost belongs in “Salaries and Wages” (employees on payroll)
- If the payee is issued a 1099, the cost belongs in “Professional Fees” (contract workers who pay their own taxes)

Professional Fees can include consultants, accountants, enhancement partners, mental health professionals, and similar contracted service providers. Contractors should never be placed on payroll as employees.

2.3 Indirect Costs

Indirect costs are allowed only if your organization can provide a current, board-approved cost allocation plan showing how indirect cost funds are calculated and used. Metro does not set a cap on indirect cost in order to accommodate different organizations’ approved indirect cost rates, but submitted cost allocation plans and requested indirect cost funding should be reasonable.

2.4 Transportation Expenses on the Budget

Transportation can be requested as an additional budget expense, but the process depends on the site type.

MNPS School-Based Sites

Do not include a line item for evening buses from a school-based afterschool site to students' homes, as this is requested through the application, and NAZA coordinates bus allocation and payment directly with the school district. MNPS buses are not available in the summer, so summer transportation costs can be included in the budget with a clear explanation.

Community-Based Sites

If transportation is needed for afternoon drop-off from school to a community-based site, include that request in both the proposal and budget when applying. NAZA will make reasonable efforts to accommodate these requests within available funds.

Charter School Transportation

NAZA does not pay charter schools directly for transportation, since charters typically use private busing companies rather than MNPS. Programs at charter school are responsible for coordinating transportation details with the school directly, including the daily rate, payment method, and how students are added to a bus route.

Since these funds are not guaranteed, providing funding directly to partners (rather than the school) is the most efficient way to ensure the school or bus company gets paid. For example, if funding is requested for 20 students, the maximum award would normally be \$27,100. However, if \$20,000 is also needed for a charter school bus for the year, that would add that to the "Transportation" line of the budget, bringing the total funding request to \$47,100.

Questions about transportation funding? Contact the Operations Manager at joshua.love@nashville.gov.

2.5 Other Funding Sources

Some NAZA-funded programs run on NAZA funding alone; others combine NAZA funding with additional grants. If youth slots will be co-funded between NAZA and another funding source, include the amount and the funding source (for example, 21st Century funds or the Maddox Fund) in the budget proposal.

Only report additional funding if it supports the same youth slots that will be served through NAZA. If the additional funds serve a separate group of youth, information on those sources should not be included.

A grant budget will be subject to questions if:

It does not include funds for line items that are necessary for programming (such as "Direct Youth Costs" or enhancement partners in "Professional Fees") **AND** information on other funding sources for those line items is not provided.

3. Budget Revisions

If unforeseen circumstances shift budgeted spending, submit a budget revision using the NAZA Change Request form: naza.tfaforms.net/350

Organizations must submit a revision before overspending in a category, rather than after, to justify existing overages in an expenditure report. NAZA allows a maximum variance of 110% of the budgeted amount in any

single cost category on the expenditure report. Any anticipated changes to cost category spending that exceed 10% of the current budget must be approved in advance by NAZA Authorized Personnel. Changes to previously unbudgeted (budgeted at “\$0.00”) categories must be pre-approved by NAZA Authorized Personnel.

For example, if \$500 is budgeted for Professional Fees, but a consultant's rate increases to \$600, a budget revision would be required to cover the full \$600 (a 20% variance), or that expense can only be partially funded by NAZA. Adding \$100 to Professional Fees would mean removing \$100 from another category. Category allocations can shift with proper justification, but the total contract amount cannot change through this process.

Spending that exceeds the approved budget categories by 10% that is *not previously approved* by NAZA will be subject to question during the expenditure report review process and may need to be removed. Any budget amendment that involves an increase OR decrease in overall budget triggers a contract amendment that must be approved by Metro Council.

To revise a budget:

- Answer all questions on the Change Request form thoroughly with justification and calculations explaining the adjustment.
- Complete and submit a revised [Annex 3 Grant Budget](#) with the newly requested amounts.
- Include “Details” for every cost category on the revised Annex 3, not just the categories being changed.

4. Expenditure Reports

Metro Government of Nashville/Nashville Public Library							
NAZA Funds for FY 2027							
EXPENDITURE REPORT							
NAME						CONTRACT#:	
ADDRESS						START DATE:	
CITY, STATE & ZIP						END DATE:	
FEDERAL ID #						CONTACT PERSON	
						CONTACT TELEPHONE	
NOTE: PLEASE USE THIS SAME TEMPLATE FOR BOTH OF YOUR REPORTS SO THAT ANNUAL ACTUAL EXPENDITURE IS CAPTURED CORRECTLY							
COST CATEGORIES	TOTAL APPROVED NAZA BUDGET (OR APPROVED REVISION)	TOTAL ACTUAL EXPENDITURES FOR THE FIRST QUARTER (Due October 15)	EXPENDITURES FOR THE SECOND QUARTER (January 20)	TOTAL ACTUAL EXPENDITURES FOR THE THIRD QUARTER (Due April 15)	TOTAL ACTUAL EXPENDITURES FOR THE 4TH QUARTER (Due July 10)	TOTAL ACTUAL EXPENDITURES FOR THE YEAR)	FOR OFFICE USE
							VARIANCE ACTUAL TO BUDGET
Salaries and Wages	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Benefits and Taxes	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Total Personnel Expenses	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Office Supplies	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Communications	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Postage and Shipping	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Occupancy	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Equipment Rental and Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Printing and Publications	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Travel/Conferences & Meetings	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Insurance	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Direct youth costs (cleaning supplies, learning software, programs, games, food, etc.)	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
After-school/Summer Transportation	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Field Trips	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Professional Fees/Enhancement partners	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Other Non-Personnel	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Indirect Cost	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Total Non-personnel	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	#DIV/0!

Expenditure reports track spending against the approved Annex 3 budget. Therefore, all spending should reflect approved expenses on that budget. NAZA-funded partners must submit complete, accurate, and verifiable expenditure reports every quarter using the same template so that the previous reports remain visible, along with a general ledger, by the following deadlines:

Quarter	Reporting Period	Due Date
1	July 1 – September 30	October 15
2	October 1 – December 31	January 15
3	January 1 – March 31	April 15
4 (Final)	April 1 – June 30	July 10

Only include expenses paid during the reporting period. For example, if a service is rendered on December 1, but is invoiced and subsequently paid in January, that expense would be reported as a third quarter expense.

NAZA partners can report staff time in August 2026 for program planning and student recruitment for afterschool programs, as well as May 2027 for the same purposes if planning to program in June. No expenses should be charged to NAZA for July 2026, if programming is not offered in July. Organizations that program only in summer are required to submit just the first and fourth expenditure reports.

NAZA's Procurement Coordinator will typically send a report template pre-filled with your approved budget and any past reported expenses.

Do not copy this spreadsheet into a new file, as doing so can break the formulas and cause calculation or reporting errors. Don't edit any information that's already filled in; contact the Procurement Coordinator at heather.hoch@nashville.gov with questions or requested changes.

Once an expenditure report is completed and signed, and the general ledger and any supporting documentation are ready, submit them as an Excel spreadsheet or PDF through the corresponding form on the NAZA Operations LinkTree: linktr.ee/nazaoperationforms.

Stay available for communication after submitting reports, as NAZA may require clarification or additional documentation. Reports must be easily reconciled with the corresponding general ledger, meaning cost category subtotals on a report should match subtotals on the ledger. If they don't line up exactly, include a detailed explanation as "Supporting Documentation" that details how report calculations are found on the ledger. If NAZA can't reconcile a report with a ledger, it may delay or reduce funding because next quarter's invoice will not be sent to an organization until their report is approved. All reported expenses must be backed up by proper documentation as per the requirements of the Metro Grants Manual.

4.1 General Ledgers

NAZA strongly recommends that an accounting professional prepare financial statements for NAZA-funded partners, including the general ledger to ensure accuracy, reliability, and verifiability of these records.

All general ledger submissions must:

- Be downloaded directly from accounting and financial management software, such as QuickBooks
- Include only NAZA-related expenses, tracked separately as required by the Metro Grants Manual
- Include only expenses from the date range (quarter) of the report

- Separate expenses by category with subtotals for each. These categories should correspond clearly and consistently to the categories in the general ledger, though the names don't need to match exactly
- Be in CSV format, never manually prepared in Excel or Word

4.2 Financial Monitoring

Each year, NAZA selects several partners for in-depth financial monitoring, in compliance with the Metro Nonprofits Grant Manual. Partners may be selected based on prior audit or reporting findings, or at random. All year-one partners are automatically selected for in-depth monitoring. Organizations with audit, financial monitoring findings or expense reporting challenges may remain under closer monitoring for more than one year in a row. Selected organizations will be notified directly by NAZA via email at the start of the fiscal year. All funded partners will be selected for in-depth financial monitoring within a 3-year rotating cycle.

If an organization is selected, that partner is required to submit the following alongside quarterly expenditure reports and general ledgers:

- Receipts for all goods purchased
- Invoices for all services provided
- Backup documentation for credit card purchases
- A payroll journal detailing any salaries or wages charged to NAZA

Even when not selected for in-depth monitoring, partners may still be asked to provide receipts or payment information for specific flagged expenses during the review process. The “Supporting Documents” section of the Report form submission can also be used to include any explanations needed to reconcile ledgers and reports. Supporting documentation should be submitted as a single PDF or ZIP file.

5. Invoices

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY							
INVOICE FOR PAYMENT							
Mail or submit via email to: Nashville After Zone Alliance at NPL attn: NAZA Staffer 615 Church Street Nashville, TN 37219							
ORGANIZATION NAME		INVOICE DATE:					
PROGRAM NAME		FOR INVOICE PERIOD(S):					
ADDRESS		CONTRACT PERIOD					
CITY, STATE & ZIP		CONTRACT #:					
FEDERAL ID # (EIN)		CONTACT PERSON					
		TELEPHONE # :					
		EMAIL ADDRESS:					
COST CATEGORIES	TOTAL APPROVED BUDGET (note: any changes to the contract Spending Plan must be first approved by Grantor)	Invoice 1 (Up to 25%)	Invoice 2 (Up to 25%)	Invoice 3 (Up to 25%)	Invoice 4 (Up to 25%)	Total Percentage Distributed per Line Item	COMMENTS
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Benefits and Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Total Personnel Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Office Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Communications	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Postage and Shipping	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Occupancy	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Equipment Rental and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Printing and Publications	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Travel/Conferences & Meetings	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Direct youth costs (learning supplies, learning software, programs, games, food, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
After-school/Summer Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Field Trips	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Professional Fees/Enhancement partners	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Other Non-personnel	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Indirect Cost	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Total Non-personnel	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Grand total	\$ -	\$ -	\$ -	\$ -	\$ -	#DIV/0!	
Total %		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

The NAZA grant cycle includes four quarterly invoices: the first three are advance payments that give partners earlier access to funding, and the fourth is a reimbursement based on actual expenses. The full grant award is disbursed in four installments of 25% each.

Invoice	Amount	Type	Condition	Deadline
1	25%	Advance (Q1)	After current contract is finalized and prior contract is fully closed out	July 31
2	25%	Advance (Q2)	After Q1 expense report is received and approved	October 31
3	25%	Advance (Q3)	After Q2 expense report is received and approved	January 31
4 (Final)	Varies, up to 25%	Reimbursement (Q4)	Submitted with final report; paid only once approved	July 10

Each invoice must clearly show the amount invoiced per line item for the period and to date, as well as the total invoiced for the period and to date.

Since three of four NAZA invoices issue prepayments, it is important to note that partners are not expected to spend the entirety of your prepaid invoices in the corresponding quarter. That means if an organization receives \$5000 in July for the first invoice, but only spends \$4000 July-September, the remaining \$1000 can still be used for program expenses. Reconciliation of actual expenses throughout the year occurs with the final report and invoice.

To submit the first invoice, a contract must first be filed with the Metro Clerk. NAZA will send a copy of the Council-approved contract when this occurs to approved partners via email. As with expenditure reports, the Procurement Coordinator will send your organization an invoice template pre-filled with your approved budget and past invoice information. That email will also include a link to that quarter's Invoice Submission form.

To complete and submit an invoice:

- Use the exact file you were sent. Don't copy and paste the format into a new spreadsheet, as this can remove the formulas.
- Complete any blank information fields at the top. Don't change the invoice number, vendor number, invoice total, or contract/invoice periods. Enter the Invoice Date as the date the invoice is completed.
- The invoice total should equal 25% of total funding, as shown in the "Total Percentage Distributed" column. (The final invoice works differently. See Section 6)
- Fill in only the column for the current invoice.
- Sign and date the invoice. Typed signatures are not accepted. Use a [digital signature](#) if signing electronically via Excel spreadsheet or PDF.
- Submit the completed invoice using the Invoice Submission form.

Metro invoices are generally paid on NET30 terms, or 30 days after the invoice date, though terms can be negotiated per organization by contacting iSupplier@nashville.gov. The sooner the expenditure report is

approved, the sooner an invoice can be submitted and paid. Invoices can also be mailed to: Nashville After Zone Alliance, 615 Church St, Nashville, TN 37219, or emailed to heather.hoch@nashville.gov.

6. Year-End Reporting & Invoice

Metro Nashville's books close in July each year for the prior fiscal year, which means all final reports and invoices must be signed and submitted for payment before the end of the first full week of July, typically around July 10. NAZA strongly recommends letting your accountants or bookkeepers know in advance that the April - June quarterly ledger will close on a condensed timeline.

NAZA does not control this Metro deadline and must enforce it strictly. If NAZA is unable to verify and reconcile a final report with the corresponding ledger in time, that organization will be at risk for not receiving payment for the final invoice. Submit final documents as early as possible; don't wait until the deadline. NAZA recommends working on sections of the year-end report as soon as the submission form opens, **saving your progress as you go**:

- **The year-end narrative report can be filled out as soon as the submission form opens.**
- **The final expenditure report can be completed as soon as an organization closes its June 2027 books.**
- **The final invoice can be calculated as soon as all actual expenses for Q4 are accounted for.**
- **Only expenses for the current fiscal year (ending June 30th) may be included in the final report.**

Plan to be available for rapid communication during the second week of July to resolve anything that could hold up approval of the final expenditure report. As with all quarterly reports, only submit expenses that occurred within the quarter. For example, if a payroll cycle spans the last week of June and first week of July, split that payment between separate June and July journal entries so the June portion is eligible for reimbursement.

In addition to submitting the final expenditure report and invoice, all grantees are also required to submit a programmatic narrative report explaining how grant funds were used on behalf of Davidson County youth. This report is due in two parts: afterschool information is due June 15 and summer information at the end of July.

6.1 How the Final Invoice Works

The final invoice works differently from the other three because it's a reimbursement of actual expenses, not an advance payment. For example, if the total funding awarded is \$100,000, but the expenditure report only totals \$90,000 in expenses, the final invoice/payment will be \$15,000 (15%) rather than the full 25%, as 10% of the total award was not used.

If less than 75% of the total award is spent by year-end, do not submit a final invoice. The difference between the sum of the first three invoices and reported actual spending must be returned to NAZA/Nashville Public Library.

NAZA will reach out to discuss any needed adjustments as reports are approved, but it's best to be proactive and only invoice for expenses that actually incurred.

Once all components to the year-end reporting are complete, submit the narrative report (with photos), final expenditure report, general ledger, supporting documentation (if required), and final invoice all together.

7. Monitoring & Audit

NAZA monitors funded partners for both contract and program quality compliance. The primary goals of this monitoring are to:

- Determine whether an agency has the resources and capacity to administer the grant funds
- Confirm that costs and services are allowable and eligible
- Verify that program objectives are being met
- Test the reliability of financial and programmatic reporting
- Verify contractual compliance
- Verify student attendance

All recipients must maintain grant records, financial reports, and supporting documentation for at least three years. Metro may also randomly select any NAZA-funded agency for an audit. As a part of the application process, full financial audits of the previous year's financial statements must be performed by an independent auditor and submitted with other required application documents. For example, if applying in March 2027 for FY28 funding, submit an audit that covers 2026 financial information. For more in-depth information regarding audit requirements, review the Metro Nonprofit Grants Manual linked on (check Grants manual or NAZA CFP for more details on audit requirements).

8. Questions & Contacts

If you have any questions about budgeting, reporting, or invoicing, please reach out:

Role/ Area of Support	Contact
Procurement Coordinator (Reports, Ledgers, and Invoices)	Heather Hoch: heather.hoch@nashville.gov
Operations Manager (Transportation, Staffing Updates and Contract Compliance)	Joshua Love: joshua.love@nashville.gov
Chief Executive (Budgets, Major Changes in Performance and Strategic Planning)	Anna Harutyunyan: anna.harutyunyan@nashville.gov