



# Knauss Financial Preparation Guide

August 2020

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*The following information has been gathered from past and current Knauss fellows. New suggestions are always welcome to keep content complete and current.*

# Fellowship Expenses Overtime

## Expenses Prior to Placement Week:

- Professional clothing - Finalists are expected to wear professional clothing during placement-week interviews, and therefore may need to purchase professional clothing. It is not uncommon for finalists to repeat outfits during placement week. Depending on the host-office, it may be necessary to invest in additional professional clothing for use throughout the fellowship year. Some offices expect fellows to wear suits/blazers regularly, while others are more casual and the fellow may be unlikely to wear a blazer to the office. Consider asking about dress expectations during placement-week interviews. See end of the document for thrift shop options in the DMV area.

## Expenses During Placement Week (in-person):

*Although placement-week expenses are ultimately reimbursed, fellows should be prepared to pay upfront for the following:*

- Hotel room - Finalists will need to pay upfront for their spot in a hotel room selected by national Sea Grant, between 6-8 nights. For 2020 placement weeks, the cost was \$157.14/night for executive fellows and \$211.51/night for legislative fellows.
- Meals - The hotel finalists use for placement week may have complimentary breakfast, but this is not a guarantee and may not accommodate all dietary choices. Be prepared to buy food for the week. There are many locations to grab a quick meal, however, we also highly recommend bringing snacks for moments in between interviews.
- Happy Hours - There are happy hours almost every night of the week, which are important networking opportunities. Depending on where they are held, happy hours may be suitable places to buy dinner. Happy hours may be sources of additional expenses, as many people purchase drinks, snacks, and food. Note: alcoholic beverages cannot be reimbursed.
- Travel TO and FROM Placement Week -
  - Invitational Travel (travel greater than 50 miles): The National Sea Grant office will work with you to make travel arrangements (flights, planes, ect.). All initial reservations will be covered directly by the NSGO. If you must make a last minute reservation change, you may need to cover these expenses. If you choose to drive, you will need to pay for gas and tolls upfront.
  - Local Travel (travel less than 50 miles): You will need to be prepared to pay for all travel arrangements upfront.

# Fellowship Expenses Overtime

- Transportation during placement week - Finalists will be responsible upfront for their transportation to and from the airport/train station and between interviews (METRO, rideshare, cab). Travel costs will vary considerably based on distance and mode of transportation. In 2020, finalists were advised to allocate \$500 for a rough estimate, however, many finalists spent much less.

## Prior to First Paycheck:

- Moving Expenses - Fellows may be reimbursed for moving expenses associated with shipping their belongings and transportation into the area. However, most commonly fellows will need to be prepared to pay upfront for these expenses, and will be reimbursed through their state program at a later date. Fellows will **not** be reimbursed for new items they purchase, for security deposits, or for rent. In Washington DC, fellows should expect to pay at least \$1,000 per room. Security deposits range widely, with some fellows finding places not requiring a deposit, and others paying two months rent. Additionally, many locations require fees for applications and background checks.
- Student Loan Deferment - If you have student loan costs, look into the [Graduate Fellowship Deferment Request](#) form on studentaid.gov. Several fellows have successfully deferred their loan payments by working with their State Programs to fill out the form.
- State Program Payment - Fellows typically are not paid until the end of February or beginning of March. However, some fellows may not be paid until the end of March. Check with your Sea Grant so that you have an idea of when to expect your first paychecks and can prepare accordingly. Additionally, become familiar with how your state Sea Grant conducts reimbursements, how long reimbursements generally take to process, if there are any expenses that your state program can pay for directly (see professional development costs section), and if your state program withholds taxes from your paycheck (see taxes section). Note: do your paperwork on time and correctly.
- If you are experiencing delays with your payments, reach out to Knauss program analyst knauss management (oar.sg.fellows@noaa.gov).

# Fellowship Expenses Overtime

## Duration of Fellowship year:

- Professional Development Costs - Funds on the Knauss grant, including professional development funds and host-office funds (not guaranteed) for executive fellows, are typically accessed through a reimbursement process. This means that fellows should consider options for being prepared to incur upfront costs to be reimbursed later (e.g. draw from savings, use credit cards).
  - The professional development funds per fellow are typically around \$10,000, and host-offices have the option to add additional funds, up to \$15,000, for office related expenses (travel and professional development).
  - Each State Sea Grant has different policies on grant usage. Some have the ability to directly purchase items for Knauss fellows, such as airfare and conference registration fees, skipping the reimbursement processes. If a fellow's State Sea Grant is unable to make direct purchases, the fellow will need to utilize the reimbursement process, paying upfront to access their professional development funds.
- Health Insurance Costs - These costs will vary greatly. Fellows under 26 may consider remaining on their parent's insurance plans, and those with partner's may consider a joint plan. State Sea Grant programs or prior fellows may be able to provide assistance in helping fellows choose a health care plan for their needs. The process of paying for insurance costs will also vary between state programs, with some programs using the reimbursement process (meaning insurance may be an upfront cost).
- Taxes - (See [Taxes FAQ](#) developed from the 2019 cohort). Each Sea Grant has different systems for taxes, so you should become familiar with your Sea Grant's policies. For some, taxes are taken out of a Fellow's monthly stipends and W-2 forms are distributed. Most Sea Grant programs do not withhold taxes, and to avoid the chance of having to pay an additional fee, most fellows pay [estimated quarterly taxes](#) and use the [1040-ES](#) to calculate the fees owed to the IRS. These fees can be directly deposited on the IRS website. Conduct calculations in advance to have a sense of how much money you should set aside monthly in preparation for each tax quarter. Note: Sea Grant cannot provide tax advice or guidance.

## Expenses at the End of the Fellowship:

- Moving - Fellows moving out of the DMV area may use professional development funding to cover moving expenses. Please note, the move has to be **greater than 50 miles away** to be considered a valid reimbursement request.

# Expenses Summary

## **Potential upfront, reimbursable costs:**

- Placement week hotel, meals, and transportation (between interviews and to/from the airport)
- Moving expenses (transportation, shipping of belongings)
- Health Insurance
- Professional development opportunities, typically around \$10,000
- Host-office travel (executive fellows) up to \$15,000

## **Costs that will not be reimbursed:**

- Professional clothing
- Rent
- Utilities (electric, gas, cable, internet)
- Security deposits
- New furniture / housing essentials
- Moving a distance less than 50 miles at the end of the fellowship

# Finance Tips/Resources from Former Fellows

The first step for financial preparedness is to understand the specific financial expectations for the fellowship year based on your state Sea Grant program. Make sure to have a conversation early-on with your program. Get familiar with your point of contacts for your program, as you will likely be communicating with them about reimbursements often throughout the year. Once you have an idea about your financial expectations, the preparation strategies can be more effective, for example:

- **Create a budget** to aid the process of saving money and managing finances for the duration of the fellowship: (See [sample budget](#) from a 2020 fellow)
- **Consider credit card options.** Some fellows have found it useful to have a credit card specifically for Knauss fellowship reimbursements to aid tracking these expenses. Fellows that expect to do a lot of traveling have looked into [travel credit cards](#). Others have prioritized finding credit cards with [low interest rates](#) or no interest rates for the first year. Please remember to carefully consider options and assess your individual credit score before applying to a credit card, as applying to credit cards reduces your credit score! If you plan to open a new credit card, consider doing so before the fellowship starts so that you will be ready for travel or training opportunities that could happen as early as your first week.
- **Consider if a car is necessary**, D.C. has an extensive [metro system](#)!
- Give yourself plenty of **time to find affordable options** for housing/moving/etc. Consider whether or not you plan to work at home for your fellowship when you are looking for housing. For example, location close to work may not be as important, possible area to save money.
- Purchase professional **clothing early or off-season**, while on sale. See thrift shop options in the following section.

# Finance Tips/Resources from Former Fellows

## Thrift Shops in the DMV

### Thrifty's Georgia Avenue Thrift Store \$

- Great prices, good selection, mostly clothes including good selection of work wear, some home goods  
6101 Georgia Ave NW Washington, DC 20011

### Buffalo Exchange \$\$

- Skews younger, brand names, some work wear, good for shoes and bags  
1318 14th St NW Washington, DC 20005  
Brand and designer labels, lots of work wear, under \$30 section in the back 1809 14th St NW Washington, DC

### Current Boutique \$\$-\$\$\$

- Brand and designer labels, lots of work wear, under \$30 section. in the back 1809 14th St NW Washington, DC 20009

## Outside DC:

### Value Village + Unique Thrift \$

- Two huge thrift stores next to each other, lots of clothes and home goods, lots of work wear, great for Halloween costumes, often have 50% off coupons online or if you donate, will have to take a car or the bus to get there.  
10121 New Hampshire Ave Silver Spring, MD

### Second Chance \$\$

- HUGE warehouse for used furniture, everything from bookshelves to neon theater signs, you can buy and they'll hold it for a week so you can come back with a truck  
1700 Ridgely St Baltimore, MD 21230

## Others:

### Facebook: BuyNothing

- Sign up for your neighborhood's [buy nothing](#) facebook group. It's a site where people in your area post a variety of items they would like to give away, for free!

### ThreadUp

- Online Thrift Store.