

A1.6 BUDGET GUIDELINES

- A. Summary Budget
- B. Detailed Line Item Budget (Direct and Indirect Costs)
- C. Budget Narrative

A1.6A Summary Budget (TEMPLATE ON TAB 3, autofills from Tab 2 "Detailed Budget")

A1.6B Detailed Line Item Budget (TEMPLATE ON TAB 2)

Applicants must provide a detailed line-item budget (in Microsoft Excel or similar spreadsheet format) outlining specific cost requirements within each of the summary budget categories.

- 10 font or larger; must fit on 8x11 letter sized paper, not legal size
- Any cost sharing should be included in a separate column. See Section A1.6D below
- The budget should be for the entire project period. Successful applicants may be asked to provide a year-by-year budget after the award is signed.
- All sub-award costs should be listed under Line F, Contractual, and should also be broken out and organized according to the subcategories. All sub-awardees must be organizations with DUNS numbers (certain exceptions apply).
- All line items must be described in the budget narrative (see A1.6C)

The budget sample on Tab 2 is an example of the required format, but is not exhaustive: your budget might have additional items not listed here. Please edit it to reflect your planned expenditures.

A1.6C Budget Narrative

Include a budget narrative (preferably in Microsoft Word format) to explain each line-item and how the amounts were derived, as well as the source and description of all cost-share offered.

Personnel – Identify staffing requirements by each position title and brief description of duties. List annual salary of each position, percentage of time and number of months devoted to project (e.g., Administrative Director: \$30,000/year x 25% x 8.5 months; calculation: $\$30,000/12 = \$2,500 \times 25\% \times 8.5 \text{ months} = \$5,312$).

Fringe Benefits - State benefit costs separately from salary costs and explain how benefits are computed for each category of employee - specify type and rate.

Travel - Staff and participant travel, including international and in-country travel, domestic U.S. travel, if any, and per diem/maintenance: includes lodging, meals and incidentals for both participant and staff travel.

Explain differences in fares among travelers on the same routes: e.g., project staff member traveling for three weeks whose fare is higher than that of staff member traveling for four months. All travel must be in compliance with the Fly America Act.

Equipment –provide justification for any equipment purchase/rental, defined as tangible personal property having a useful life of more than one year and an acquisition cost of \$5000 or more.

Supplies - list items separately using unit costs (and the percentage of each unit cost being charged to the grant) for photocopying, postage, telephone/fax, printing, and office supplies (e.g., Telephone: \$50/month x 50% = \$25/month x 12 months).

Contractual – For each subgrant/contract please provide a detailed line item breakdown explaining specific services. In the subaward budgets, provide the same level of detail for all line items (personnel, travel, supplies, direct costs, etc) required of the direct applicant.

Other Direct Costs - these will vary depending on the nature of the project. Justify each in the budget narrative.

Indirect Charges - See 2 CFR 200 for non-profit organizations; Federal Acquisition Regulation (FAR) 48 CFR part 31 for commercial firms.

- If your organization has an indirect cost-rate agreement (NICRA) with the U.S. Government, a copy must be included with the application.
- If your organization has never had a NICRA, you may request a flat indirect cost rate of 10% of Modified Direct Costs as defined in 2 CFR 200
- Indicate how the rate is applied--to direct administrative expenses, to all direct costs, to wages and salaries only, etc.
- If sub-Grantees are claiming indirect costs, they should have an established NICRA that is also submitted with the proposal package
- Under most NICRA agreements, indirect costs are not charged to participant expenses.

The Bureau WILL CONSIDER budgeted line items for :

- Independent evaluations to assess the project's impact (costs must be built into the overall original budget proposal and must be reasonable);
- Costs associated with an internal evaluation conducted by the applicant (costs must be built into the overall original budget proposal and must be reasonable).
- Visa Fees and Immunizations associated with program travel.

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The Bureau WILL NOT CONSIDER budgeted line items for:

- Any unallowable costs, as described in 2 CFR 200 (or FAR CFR part 31 for commercial firms)
- Projects designed to advocate policy views or positions of foreign governments or views of a particular political faction;
- Alcoholic beverages

Before grants are awarded, the Bureau reserves the right to reduce, revise, or increase proposal budgets in

A1.6D Cost Share

Cost sharing is the portion of program cost not borne by Dept of State.

If cost share is included, it should be listed as a separate column in the budgets. Cost share can be either cash or in-kind; assign a US dollar monetary value to each in-kind contribution. If the proposed project is a component of a larger program, identify other funding sources for the proposal and indicate the specific funding amount to be provided by those sources.

Applicants should consider all types of cost sharing. Examples include the use of office space owned by other entities; donated or borrowed supplies and equipment; (non-federal) sponsored travel costs; waived indirect costs; and program activities, translations, or consultations. The values of offered cost share should be reported in accordance with 2 CFR 200. **Other federal funding does not constitute cost sharing.**

The recipient of an assistance award must maintain written records to support all allowable costs which are claimed as its contribution to cost-share, as well as costs to be paid by the Federal government. Such records are subject to audit. The basis for determining the value of cash and in-kind contributions must be in accordance with 2 CFR 200. In the event the recipient does not meet the amount of cost-sharing stipulated in their application, the Bureau's contribution may be reduced in proportion to the recipient's stated contribution.

A1.6E Office of Management and Budget (OMB) Circulars

Organizations should be familiar with 2 CFR 200 "UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS"

BUDGET CATEGORIES/DEFINITIONS

a. Personnel

An organization's FTEs, (Full Time Equivalency) includes any personnel directly employed by the recipient organization that can be directly attributed to the grant. It does not include personnel that indirectly work on the grant such as financial administration, secretarial or maintenance staff that work for the organization, but not on the grant. It could also include percentages of FTE's as long as that percentage is directly attributed to the grant. This could include project directors who administer several grant programs, persons hired to work on several different programs or work only part time on grant related activities.

b. Fringe Benefits

Fringe benefits include cost items such as pension plans, health benefits, or other benefits that conform to an organizations established policy and/or local labor law. Again, fringe benefits would be for personnel directly working on the project. Often, this is shown as a percentage of salary or wages and would conform to the organizations established compensation policy.

c. Travel

Includes all domestic, international air fares, per diem rates, hotel costs, local ground travel, etc. All travel costs that are directly attributable to a grant project. Travel costs must be itemized by the grantee and conform to the test of reasonableness. All international flights originating in, passing through, or terminating in the U.S. must comply with Fly America regulations meaning that only U.S. carriers can be used.

d. Equipment

Equipment means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. However, consistent with recipient policy, lower limits may be established. This would include vehicles; computer equipment valued over \$5,000, specialized equipment, air conditioning/heating equipment, installation, maintenance and anticipated repair costs.

e. Supplies

Supplies would include general office supplies, computer software, consumable automotive supplies, small equipment with a value of less than \$5,000 such as, adding machines, calculators, or other expendable supplies

f. Contractual

A procurement contract under an award or sub-tier awards for goods or services. Contractual would include conference room rental, speaker's fees, including but not limited to per diem and/or travel, security guard service, payroll services, accounting services and audits, etc.

g. Construction

Non-major costs for rearrangement and alteration or reconversion or renovation of facilities. Construction would include ordinary or normal alterations, restoration or rehabilitation such as any work that modifies buildings and/or grounds. This includes but is not limited to adding, replacing, modifying, relocating, removing, or painting doors, walls, windows, flooring or the alterations of ceilings, adding on to or dividing existing space or work on any building utility

system, including electrical, plumbing, ventilation, air conditioning, controls systems, fire alarms, fire sprinklers, security systems and telecommunication equipment.

h. Other Direct Costs

Other direct costs could include furniture and furnishings, rugs, draperies, mirrors, lamps, etc., small equipment with a value of less than \$5,000 such as adding machines, calculators, copying, and other machines used in an office particularly if they are program specific requirements (i.e. easels for an art program). Further examples include service fees (money transfers, delivery/messenger) postage, telephone, internet charges, printing and publishing materials, utilities, space rental, or insurance.

j. INDIRECT COSTS

Indirect costs are incurred for a common or joint purpose and therefore cannot be identified readily and specifically with a particular sponsored project or other institutional activity. In general, all costs should be represented, whenever feasible, as direct costs. Institutions with a USG approved NICRA must submit current valid evidence of this from their cognizant agency.

Budget Narrative (Example)

Category	Budget Line	Narrative Description
<u>Personnel</u> <i>(Provide position title, level of effort and salary amount per day or per month)</i>	Field-based Project Manager (30%; \$300/month)	This Individual is responsible for all aspects of the Project Management This individual will be managed by the Country Director and will be subject to regular performance reviews as per staff handbook. The Project Manager will be expected to attend weekly senior manager meetings and monthly all staff meetings. 1 x \$300 x 12 months = \$3,600
	Six Field-based Social Work Mentors (100%; \$1,000/month)	These Social Work Mentors will be responsible for providing training and coaching for the Community Workers and new Social Workers. These individuals will be managed by the Project Manager and will be subject to regular performance reviews as per staff handbook. 6 x \$1,000 x 12 months = \$72,000
<u>Fridge Benefits</u> <i>(Provide position title, type of benefits, and amount per month)</i>	Field-based Project Manager	\$150/month for health, dental, and life insurance 1 x \$150 x 12 = \$1,800
<u>Travel</u>	Trip to Lima	Social Workers (2) trip to Lima to evaluate program participation and to provide trainings Airfare - \$150 per person (\$150 x 2) = \$300 Lodging - \$75/day x 4 days x 2 workers = \$600 Per Diems - \$25/days x 4 days x 2 workers = \$200 Total = \$1,100
<u>Equipment</u>		
<u>Contractual</u>		
<u>Supplies</u>	Computers for the Computer Class in the closed centre	Within the open centre there are already computers but no teacher. This line will fund the purchase of 10 new computers for the class in the closed centre. Computers will be purchased second hand but of a good quality. (10 x \$100 = \$1,000)
	Stationery for Community Workers	Each quarter the Community Workers receive a notebook, pen and plastic wallet each. The expenditure of this budget line will be monitored through our procurement procedures and providers are reviewed on a regular basis. (\$25 x 4 workers x 6 months = \$600)
	Office Supplies for Staff	Supplies includes copy paper, note pads, folders, pens, pencils, printer ink, staplers, staples, etc. (\$50/month x 12 months = \$600)

	Copies of training materials for induction training	500 b/w copies @ \$.05 per copy = \$25.00
<u>Other Direct costs</u>	Communication cost- phone top up cards for community workers, cell phones,	The Office Manager is in charge of monitoring use of phone top-up cards and cell phones for use during program activities 25 cards x \$25/per card = \$125 3 cellphones x 3 employees x \$60/month x 12 months = \$6480
	Email and internet communication cost used by project team	Since the Project Manager will be using internet and email facilities, a proportion of the email and internet communication cost will be charged to this project. \$35/month x 12 months = \$420
	Heating	project office within the CiC office complex, an allocation will be made from the heating budget. \$40/month x 12 months = \$480
	Electricity	project office within the CiC office complex, an allocation will be made from the electricity budget. \$25/month x 12 months = \$300