

A1.6 BUDGET GUIDELINES

In addition to the budget information required on the SF-424A, applicants must provide the following three elements as part of the budget submission:

- A. Summary Budget (**using the OMB cost categories, see SF-425A**)
- 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.

<http://www.gsa.gov/portal/category/100000>

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.

1

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 accordance with the Bureau's program needs and availability of funds.

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"