

# The Federal Grant Budget

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# Developing a Federal Award Budget

## Overview

Two important components of a federal award application are the budget and the budget narrative. This guide provides step-by-step instructions on how to develop a federal award budget. The budget provides the total cost for each category of the budget, while the budget narrative provides a breakdown of each budget category and provides a justification for every item in the budget.

## How to Create a Budget

The first step in creating a budget is determining what template to use. The Notice of Funding Opportunity (NOFO) details if there is a required template to use for the budget and budget narrative. If the NOFO or federal awarding agency does not require a specific template, use the organization's budget template. There is also an example template provided at the end of this guide.

When completing the budget, make sure to provide a clear justification for each itemized expense included in the budget. Some federal agencies or subagencies provide guidelines on how to prepare an application budget. For example, [CDC's Budget Preparation Guidelines](#) provides guidance on preparing a budget for submission to CDC.

A well-prepared budget should be reasonable and demonstrate that the requested funding will be used wisely. The budget should be as concrete and specific as possible in its estimates. Make every effort to be realistic and to estimate costs accurately.

When developing the budget, it is helpful to think of the **who, what, when, where, why, and how** for the project.



The **WHO** of the budget consists of the people who will carry out the proposed work.

- Will they be full or part-time employees?
- How much of their time will be needed on the project?
- Some employees, usually administrative and support staff, have workloads spread across multiple projects. In such cases, be sure no single employee is committing more than 100% of their time across multiple projects.
- Ensure the proposed salaries are consistent with that paid for similar work within the organization and align with federal guidelines on salary caps.
- Will consultants be needed to complete the work – individuals with a particular expertise or skill set not available within the organization?



The **WHAT** of a budget includes tangible items needed to carry out the proposed project.

- What type of supplies or equipment are needed?
- Will the equipment be purchased, rented, or leased?
- What type of operating expenses are needed?



The **WHEN** of the proposed project is important to consider when building the budget.

- Will the proposed project occur over one year or multiple years?
- When budgeting a multi-year project, consider cost of living or merit increases for project staff, equipment maintenance fees, and necessary software upgrades.
- Remember that all costs associated with the project must be incurred during the project performance period as outlined in the Notice of Award.



The **WHERE** of the proposed project may include location, travel, and/or utility costs.

- Where will the proposed project take place?
- Will it occur in an office building? If so, will the grant need to cover a portion of the facility rent or utilities? Or will the proposed project occur at another location? Or maybe both? If including facility rent or utilities, ensure these costs are not already covered in the organizational indirect rate.
- Will project staff need to travel as part of conducting the proposed project? Or is it possible to conduct these meetings virtually?
- Will project staff need to acquire specialized training to deliver the project work?



The **WHY** is the budget narrative or budget justification.

- The budget narrative is a written version of the budget, which provides a justification for all requested expenses. Be sure to clearly tie the expenses to the narrative of the grant proposal.
- Why are these expenses necessary for development, implementation, and/or continuation of the project?
- Are the expenses allowed on this project? Review the expenses that are exempted (unallowable) under the terms of the award. For example, if equipment is exempt, do not include expenses in that budget category. The applicant can review the exempted expenses in the Notice of Funding Opportunity (NOFO).



The **HOW** of the budget explains how the cost for each requested item was determined.

- Is the requested consultant using comparable market rates for their services? Did the applicant shop around to find a reasonable cost for the requested supplies?
- The how of the budget also centers on sustainability. Granting agencies might consider their awards to be “seed money,” start-up costs to get a project off the ground. Funders will commonly ask in the proposal narrative how the agency plans to support the proposed project after the grant has ended.

## Matching Costs

Some grants require matching funds as a forecast of the proposed project’s sustainability. Matching funds are dollars from a source other than the grant that support the proposed project. Match usually is provided by the grant recipient and can either be hard or soft match. Hard match is cash, i.e., an employee working on the project who will be paid from another source. Soft match is in-kind, which may be something like the reasonable rent value of the space used to deliver the proposed project. The funder will have a place for the match amount on their required budget template when matching funds are required.

## Direct vs. Indirect Costs

There are two types of costs included in your budget: direct and indirect costs.

- **Direct Costs:** A cost or expense that can be specifically assigned to a particular project, program, or activity.

**Example:** Salaries for staff working on the project, supplies and travel costs required for the project, and any contractors working on the project.

- **Indirect Costs:** Also known as Facilities and Administrative (F&A), indirect costs cannot be assigned to a particular project but are necessary for the operation of the organization and therefore the performance of the project.

**Example:** Administrative staff not directly supporting the project but who support the operation of the organization (e.g. legal and finance departments), building utilities and rent, and accounting costs.



**TIP:** Always ensure the division between direct and indirect costs are not in conflict. For example, if the organization’s indirect rate includes utility costs, the applicant cannot also request compensation for utility costs on their budget.

## How to Calculate Indirect Rates & Costs?

To claim indirect costs, the applicant must either use:

- 1) A current, signed **Negotiated Indirect Cost Rate Agreement (NICRA)** established with a cognizant federal agency or,
- 2) If the organization does not have a current NICRA or has never had a NICRA, the applicant can use the **De Minimis Rate**, up to 10% of the modified total direct costs (MTDC), as indirect.

**NICRA:** The NICRA provides an approved indirect cost rate that an organization can apply to federal awards. The applicant can elect a lower indirect rate, if needed, but can never request a higher indirect rate, on a budget, than their NICRA.

To obtain an indirect cost rate, a grantee must submit an indirect cost proposal to its cognizant agency and negotiate an indirect cost agreement. The federal agency that provides the most funding is the cognizant agency responsible to establish indirect cost rates. The cognizant agency will provide the procedures on applying for an indirect cost rate. The table below provides more information for each type of indirect cost rate.

NICRA DESIGNATION	DESCRIPTION	RENEWAL
Provisional	A provisional rate is a temporary rate established for a given period of time to permit funding, claiming, and reporting of indirect costs pending establishment of a permanent rate for that period.	Upon completion of the Grant/ Contract period
Predetermined	A predetermined rate is a permanent rate established for a specific future period based on a review of actual costs from a preceding period. These rates are not subject to adjustment except under very unusual circumstances.	Two to five years
Fixed	A fixed rate has the same characteristics as a predetermined rate; however, the difference between the costs used to establish the fixed rate and the actual costs incurred during the fiscal year covered by the fixed rate is classified as a carry-forward. The carry forward is used as an adjustment to the current rate to allow the Grantee/Contractor to either recover under recovery or pay back an over recovery in a subsequent year.	Two years, then annually thereafter
Final	A final rate is a permanent rate established after an organization's actual costs for a current year are known. A final rate is used to adjust indirect costs claimed based on a provisional rate.	Typically, annually

**De Minimis Rate:** The de minimis rate allows the applicant to take up to 10% of the modified total direct costs (MTDC) as indirect. MTDC includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.

The budget example at the end of this guide provides an example of how to calculate indirect costs with a NICRA versus De Minimis Rate.

## Allowable Costs

There are three items to consider when determining if a cost is allowable:

- 1) All costs included in the budget must meet the federal government's definition of an allowable cost as outlined in [Uniform Guidance 2 CFR §200, Subpart E Cost Principles](#).
- 2) The applicant should also review the NOFO to check for any additional funding restrictions provided by the federal awarding agency.
- 3) All costs must be **allowable, allocable, reasonable, necessary, and consistently applied**.

**Allowable:** Is the cost allowable with all federal and state regulations, with the program solicitation, with the internal policies, and any other legal authority that would need to be followed? Make sure to conform to any limitations or exclusions set forth in the terms and conditions of the federal award, or other governing regulations as outlined by the awarding agency. Allowable costs should be adequately documented and cannot be included as a cost or used to meet cost sharing or matching requirement of any other federal award in either the current or prior fiscal period.

**Example:** Salaries and fringe for personnel to complete project activities are allowable. If the scope of work requires the creation of social media content for the project, then it would be allowable to pay a social media content creator using award funds.

**Allocable:** Can the cost be allocated or assigned to a particular federally funded project or program? Was it incurred specifically for the award and can be distributed in proportions that "may be approximated using reasonable methods?"

**Example:** A request is submitted to purchase a laptop for an employee not working on the project. While a laptop can be an allowable expense, it is not allocable to this project because the laptop is for an employee not working on the project.

**Reasonable:** Would a reasonable or prudent person incur this cost?

**Example:** An employee submits a request for \$250 premium noise canceling headphones. Their job requires them to occasionally attend zoom meetings. Is this a reasonable expense or would the \$40 basic headphones be more reasonable for this task?

**Necessary:** Based on the project and activities that are performed, is the cost necessary for this work? The justification for each expense needs to explain why the cost is necessary to this project.

**Example:** An employee submits a request for statistical software. Is this software necessary to meet the goals and objectives of the project or is the software available through Microsoft Excel sufficient?

**Consistently Applied:** All costs should be treated consistently whether they are funded by federal or non-federal funds and in accordance with the organization's policies.

**Example:** If Program Managers at ABC company make an annual salary of \$75,000, then Program Manager positions added to a federal project must use this salary. The salaries supported by federal funds must be consistent with the organization's salaries across all projects, federal and non-federal.



In summary, a good rule of thumb in determining if the cost is allowable, is to ask whether the cost is crucial, necessary, and indispensable for carrying out the scope of the project. If the answer is yes and it meets the conditions listed above, then the cost is generally allowable.

## Unallowable Costs

These are expenses that should never be charged to a federal award. There are several sources for identifying unallowable costs on a federal award. The Uniform Guidance contains a list of typically unallowable costs. Examples of unallowable costs include: alcoholic beverages, promotional items (magnets, nail files, key rings, t-shirts, etc.), entertainment, fundraising, and lobbying.

The project Notice of Award or Notice of Funding Opportunity will contain any project or federal agency specific unallowable costs. For example, research or clinical related costs might not be allowable on the award.

Supplanting is also prohibited on all federal awards. Supplanting is deliberately reducing state or local funds because of the existence of federal funds. Federal funds must be used to supplement existing funds for program activities and must not replace those funds that have been appropriated for the same purpose.

**Example:** Organization X was awarded federal funding to purchase four vehicles for one of their communities. Organization X adjusted its budget and shifted local funding, which was originally budgeted to purchase the four vehicles, to serve other needs in the community.

This is supplanting because Organization X had already budgeted local funds to purchase the four vehicles and decided to replace local funds with federal funds.

*Note: local funds are funds provided by any city, county, or entity (public or private); does not include state and federal funding.*

It is imperative that the grantee monitors the grant budget and related supporting documents to ensure unallowable expenses are never charged to a federal grant or cooperative agreement.

If grantees are ever unsure of the allowability of a cost, please contact the federal awarding agency's project officer or grant officer for guidance.

## Calculating the Fringe Rate

If your organization does not have a pre-determined fringe benefit rate, you can calculate a fringe rate for each salary and wage listed in the budget narrative using the formulas below:

### **Salaried Employee Fringe Benefit Rate = (Total Fringe Benefits/ Annual Wages) x 100**

- A salaried employee makes \$50,000 annually. The employee's total annual fringe benefits are \$10,000.
- Divide the employee's annual fringe benefits (\$10,000) by their annual salary (\$50,000):  
 $\$10,000/\$50,000 = 0.20$
- Multiply 0.20 by 100 to get the fringe benefit percentage:  $0.20 \times 100 = 20\%$
- The fringe benefit rate for this employee is 20%, which means your company is paying an additional 20% on top of the base salary for this employee.

### **Hourly Employee Fringe benefit rate = (Total Fringe Benefits/ Annual Wages) x 100**

- To calculate an hourly employee's annual salary, multiply the hourly rate by the number of weeks worked in a year (52) X the number of hours worked per week (40).
- Then follow the steps above to calculate the fringe benefit total.

## Creating a Budget Narrative

The following is an example of a budget template with instructions on how to complete each section. The instructions are in italics and example language is in **purple italics**, along with helpful notes. Keep in mind this is a sample template and any specific template provided by the applicant’s federal agency should be followed.

### SAMPLE BUDGET TEMPLATE

**Organization:** *ABC Company*

**Project Title:** *Capacity Building for Public Health Analysts*

**Term:** *August 1, 2022 – July 31, 2023 (12 months)*

**Award Amount:** *\$166,079*



*Ensure the term is consistent throughout the budget narrative, verify that the “Months” listed in the tables do not exceed the term of the project. Example: The term of the project is 12 months, but items are budgeted for 18 months. That would need to be revised to 12 months or less.*

### Salaries and Wages - \$83,750

*For each requested position, provide a justification and describe the responsibilities, relating it to the accomplishment of specific program objectives.*



*Salaries charged to a federal award cannot exceed the Executive II Salary Cap. The FY22 cap is \$203,700. <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2022/executive-senior-level>*

Salaries and Wages					
Title	Name	Annual Salary	Level of Effort	Months	Total
<i>The job title of each staff member working on the project.</i>	<i>The name, if known, of the staff member filling this position. If the position has yet to be filled, use TBD.</i>	<i>The staff member’s full annual salary. Must be verifiable by paystubs.</i>	<i>The level of effort to reflect the overall % of time the staff member will work exclusively on the project.</i>	<i>The number of months the staff member will work on the project, not to exceed the project performance period.</i>	<i>Calculate the cost of each staff member’s salary: (Annual salary x level of effort %)/ number of months working on the project.</i>
<i>Project Coordinator</i>	<i>Taylor Smith</i>	<i>\$75,000</i>	<i>25%</i>	<i>12 months</i>	<i>\$18,750</i>
<i>Project Coordinator Assistant</i>	<i>TBD</i>	<i>\$50,000</i>	<i>75%</i>	<i>12 months</i>	<i>\$37,500</i>
<i>Health Educator</i>	<i>Shawnda Williams</i>	<i>\$60,000</i>	<i>50%</i>	<i>8 months</i>	<i>\$20,000</i>
<i>Graphic Designer</i>	<i>Patty Nguyen</i>	<i>\$60,000</i>	<i>25%</i>	<i>6 months</i>	<i>\$7,500</i>
<b>Total</b>					<b>\$83,750</b>

Provide a justification for each position listed in Salary and Wages. Describe the scope of responsibility for each position, relating it to the accomplishment of the specific project objectives. Each justification should include the title and name of the person and detail the scope of responsibility for these positions as related to the specific program objectives.

- **Project Coordinator (Taylor Smith):** The Program Coordinator will dedicate 25% of their time to the project by coordinating and organizing regular council meetings between all partner organizations, ensuring compliance with program requirements, and serving as the central point of contact for all project activities.
- **Project Coordinator Assistant (TBD):** The Project Coordinator Assistant will dedicate 75% of his/her time to the project by engaging with stakeholders, coordinating day-to-day project activities, collecting and analyzing data, and creating graphs and visuals to show project progress (to be shared at stakeholder meetings)
- **Health Educator (Shawnda Williams):** The Health Educator will dedicate 50% of her time by developing accurate and culturally relevant educational materials for the target population and hosting educational events in the community.
- **Graphic Designer (Patty Nguyen):** The Graphic Designer will dedicate 25% of his time by developing eye-catching and unique health communication materials that will be distributed to the target population/communities using various communication channels.

### Fringe Benefits - \$18,425

Provide information on the rate of fringe benefits and the basis for their calculation.

**Fringe Benefits:** Fringe benefits have been calculated to account for all various line items and fringe benefits will be specifically identified to each employee and charged, individually, under the resulting agreement as direct costs.

<b>Fringe Benefits</b>				
<b>Title</b>	<b>Name</b>	<b>Rate</b>	<b>Fringe Base</b>	<b>Total</b>
<i>The Job title of each staff member working on the project listed in the above salary section.</i>	<i>The name, if known, of the staff member filling this position as listed in the salary &amp; wages section.</i>	<i>The fringe benefit rate.</i>	<i>The total salary for each staff member as listed in the above salary section.</i>	<i>The total calculation of fringe for each personnel listed. (Rate x Fringe Base = Total)</i>
Project Coordinator	Taylor Smith	22%	\$18,750	\$4,125
Project Coordinator Assistant	TBD	22%	\$37,500	\$8,250
Health Educator	Shawnda Williams	22%	\$20,000	\$4,400
Outreach Director	Patty Nguyen	22%	\$7,500	\$1,650
<b>Total</b>				<b>\$18,425</b>

## Consultant Costs - \$9,000

This category should be used when hiring an individual to give professional advice or services (e.g., training, expert consultant, etc.) for a fee, but not as an employee of the subrecipient organization. Add a table per consultant and update the title of the chart to Consultant 2, Consultant 3, etc.



The difference between Consultants and Contractors: Consultants are usually recognized as a person who use their expertise and special knowledge to provide expert advice. After providing that service, they are not responsible for the application of that advice. A Contractor can also provide professional advice, but they will also be responsible for implementing that advice and conducting project activities.

<b>CONSULTANT 1</b>	
<b>1. Name of Consultant:</b> <i>Name of the consultant and description of qualifications</i>	<i>Maria Rodriquez dba Spanish Translation Services</i>
<b>2. Organizational Affiliation:</b> <i>Identify the organization affiliation of the consultant, if applicable</i>	<i>N/A</i>
<b>3. Nature of Services to be Rendered:</b> <i>Describe the services, in detail, that will be provided, including specific tasks and deliverables.</i>	<i>Consultant will translate all promotion materials from English to Spanish. Health promotional materials include up to 20 flyers, 5 posters, 3 pamphlets (to be used for ongoing community outreach) and handbook to be provided to participants at three community listening sessions.</i>
<b>4. Relevance of Service to the Project:</b> <i>Describe how the consultant's services are essential to the accomplishments of the specific program objectives.</i>	<i>Health communication materials are an essential component of the outreach activities included in this project and having the materials available in both English and Spanish will expand our footprint in the target community.</i>
<b>5. Number of Days of Consultation:</b> <i>Specify the total number of hours or days (as applicable) that the consultant will be working on the project. Used as basis for fee determination.</i> <i>Note: Ensure the timeframe falls during the term of the project.</i>	<i>90 days (May 1 to July 29, 2023)</i>
<b>6. Expected Rate of Compensation:</b> <i>Specify the rate of compensation for the consultant (e.g. rate per hour, rate per day), as applicable. Include a budget showing other costs, (e.g. travel, per diem, supplies, and other related expenses) and list a subtotal.</i>	<i>120 hours at a rate of \$75 per hour for no more than \$9,000</i>
<b>7. Method of Accountability:</b> <i>Describe how the progress and performance of the consultant will be monitored. Identify who is responsible for supervising the consultant agreement.</i>	<i>Consultant will report to project coordinator. Invoices will be submitted on a monthly basis for total hours worked each month. The final invoice will be submitted no later than August 15, 2023.</i>
<b>Total</b>	<b>\$9,000</b>

## Equipment - \$8,500

Equipment is defined as tangible, non-expendable personal property (including exempt property\*) that has a useful life of more than one year AND an acquisition cost of \$5,000 or more per unit. All equipment requests should provide the requested information below. Provide a justification for the use of each item and relate it to specific program objectives. Maintenance or rental fees for equipment should be shown in the OTHER category.



\* Exempt property: This refers to property that will remain with the Subrecipient after the project ends.

Equipment				
Item Requested	Number Needed	Unit Cost	Amount Requested	Justification
<i>Provide a complete description of the item(s) being requested. This includes the make and model number, where applicable.</i>	<i>Provide the number of items needs to support the project activities for the duration of the performance period.</i>	<i>Include the unit cost per item.</i>	<i>Include the amount requested.</i>	<i>Provide a justification, including how the equipment is essential to meet the project activities.</i>
Camera/video equipment: JVC GY-HM850U ProHD Shoulder Camcorder	1	\$8,500	\$8,500	Video/Camera equipment package required to record testimonials and communication materials that will be used in media outreach activities.
<b>Total</b>			<b>\$8,500</b>	

## Supplies - \$2,696

Individually list each item requested and provide a justification for the use of each item and relate it to specific program objectives. If appropriate, general office supplies may be shown by an estimated amount per month times the number of months in the budget period.



A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by your organization for financial statement purposes or \$5,000, regardless of the length of its useful life. Best practice is to set electronic item price limits, i.e., desk computers, laptops, cell phones. Additionally, the amount allocated should tie directly back to the personnel who will be using the item.

<b>Supplies</b>				
<b>Item Requested</b>	<b>Number Needed</b>	<b>Unit Cost</b>	<b>Amount Requested</b>	<b>Justification</b>
<i>Provide a complete description of the item(s) being requested.</i>	<i>Provide the number of items needed to support the project activities for the duration of the performance period.</i>	<i>Include the unit cost per item.</i>	<i>Include the amount requested.</i>	<i>Provide a justification, including how the equipment is essential to meet the project activities.</i>
General Office Supplies (pens, pencils, paper, folders, notepads, post-it notes)	12 months (Note: the number of months cannot exceed the performance period)	\$10 per person for four team members	\$480.00	General office supplies are required to support the day-to-day activities of the project. The organization's monthly budget averages \$10 per month per employee and four employees will be supporting this project.
Event Tents	3	\$195.00	\$585.00	Tents will be used at six community outreach events to be conducted where we will connect with the target population. The tents will serve as a focal point for the team and will allow them to meet and connect with members of the community.
Printer: HP LaserJet Pro M255dw Wireless Color Laser Printer	1	\$365.00	\$365.00	Printer will be used to print flyers to be handed out at events and educational materials to be used a community listening session. The printer will be used exclusively for this project.
Printer Cartridges	2 of 2-pack black cartridges	\$132.99	\$265.98	Printer cartridges will provide printing of up to 6,000 pages of materials required for the outreach activities
Laptops	2	\$1,000	\$1,000	The 2 Dell Latitude 5520 laptops are for the project coordinator and project coordinator assistant to perform their duties and responsibilities. Their LOEs are 25% and 75%, respectively. Therefore, requesting the portion assigned to the project, which in this case would be \$1,000 $[(.25 \times \$1,000) + (.75 \times \$1,000)]$ instead of \$2,000 since these employees are not 100% allocated to the grant.
<b>Total</b>			<b>\$2,695.98</b>	

## Travel - \$2,432

Detail any travel planned for the program staff only. Travel for consultants and/or contractors should be shown in the consultant and/or contractor categories, respectively. Provide a narrative justification describing the travel staff members will perform. List where travel will be undertaken, number of trips planned, who will be making the trips, and approximate dates. If mileage is to be paid, provide the number of miles and cost per mile. If travel is by air, provide the estimated cost of airfare. If per diem/lodging is to be paid, indicate the number of days and amount of daily per diem, as well as the number of nights and estimated cost of lodging. Include the cost of ground transportation, when applicable.

Reimbursement should be based on the Federal per diem rates, which includes a ceiling for lodging. For domestic rates, go to <https://www.gsa.gov/travel-resources> and click on per diem or POV mileage for the privately owned vehicle mileage rate. For international rates, go to [https://aoprals.state.gov/web920/per\\_diem.asp](https://aoprals.state.gov/web920/per_diem.asp) and search foreign per diem rates by location.



All travel should be first booked according to the 2 CFR 200.475, then the organization's travel policies, whichever is more stringent. Ensure travel dates fall during the project period.

Out of State Travel								
Trip Description	# of Trips	# of People	Length of Trip	Est. Airfare	Per Diem Lodging	Per Diem M&IE	Est. Ground Transportation	Total Amount
<i>Describe the trip showing the departure and destination cities.</i>	<i>Total number of trips planned to this destination.</i>	<i>Number of staff who will be traveling.</i>	<i>Length of the trip in days and nights that the travel will occur.</i>	<i>The most reasonable and cost effective flight should be chosen.</i>	<i>Refer to the website above to determine the maximum allowed for lodging for the destination city.</i>	<i>Refer to the website above for daily per diem rates. Note: there is a reduced rate for first and last day of travel.</i>	<i>Estimate for ground travel to/from airports and relevant travel, i.e. attending the conference.</i>	<i>Calculate the total.</i>
Program Coordinator and Health Educator to travel from El Paso, TX to San Diego, CA	1	2	3 days and 2 nights	\$1,010	\$724	\$370	\$50	\$2,154
<b>Total</b>								<b>\$2,154</b>

Provide a justification for each trip listed in Out of State Travel, including how the requested travel is essential to meet the project activities.

### Justification

- *Out of State Travel: Project Coordinator and Health Educator will travel from El Paso, Texas to San Diego, California to conduct a site visit at the 2nd location where the project activities are being conducted. The Project Coordinator will provide expertise and advice to the project team leading the work at the 2nd site, gather feedback on the project progress and assist the team with the reporting requirements. The Health Educator will provide technical assistance to team members and lead one of the community listening sessions. The trip is tentatively planned for June 14 – 16, 2023. The costs for the trip have been applied at the GSA rates for San Diego, CA. The costs are broken down by person as: air fare \$505; hotel room \$181 pp per night; per diem is first and last day at \$55.50 each and day 2 at \$74 for a total of \$370; ground transportation is \$25 each.*

<b>In-State/Local Travel</b>					
<b>Trip Description</b>	<b># of Trips</b>	<b># of People</b>	<b>Mileage</b>	<b>Mileage Per Diem</b>	<b>Total Amount</b>
<i>Provide a description of the trip(s).</i>	<i>Provide an estimate of the number of trips that will be taken during the performance period.</i>	<i>List the number of staff members who will be travelling.</i>	<i>Provide an estimate of the total mileage team members will travel during the project performance.</i>	<i>Verify the rate for the appropriate year to determine the mileage rate.</i>	<i>Calculate the total.</i>
<i>Travel to community events and listening sessions</i>	9	2	475 miles total	\$0.585	\$277.88
<b>Total</b>					<b>\$277.88</b>

Provide a justification for each trip listed in In-State/Local Travel, including how the requested travel is essential to meet the project activities. Include the destination, if known.

 It is best practice to maintain mileage logs to substantiate all mileage costs charged to the project.

### Justification:

- *The Project Coordinator Assistant and Health Educator will travel to and from the office to the event sites and locations where the listening sessions are being conducted, using their personal vehicles. This estimate of the 475 total mileage is based on return travel for two people during the project performance period.*

## Other - \$2,650

This category contains items not included in the previous budget categories. Individually list each item requested and provide appropriate justification related to the program objectives. Determine if the cost should go in the first table or second table.

Examples of costs falling under this category are: rentals, stipends, utilities (only allowable if not captured in the indirect rate), and memberships to training programs.

Other				
Item Requested	# of Months	Estimated Cost per Month	Number of Staff	Total Amount
<i>Provide a detailed description of the item requested.</i>	<i>List the number of months the item will be used for this project. Note: this cannot be longer than the performance period.</i>		<i>Provide the number of team members who will directly support the project.</i>	<i>Calculate the total.</i>
Cell Phone Stipend	12	\$50	1	600
<b>Total</b>				<b>\$600</b>

Other			
Item Requested	Number Needed	Unit Cost	Total Amount
<i>Provide a detailed description of the item requested.</i>	<i>Provide the number of items needs to support the project activities for the duration of the performance period.</i>	<i>Include the unit cost per item.</i>	<i>Calculate the total.</i>
Background Check	1	\$50	\$50
Uber Rides	100	\$20	\$2,000
<b>Total</b>			<b>\$2,050</b>

Provide a justification for each item listed in Other, including how the requested items are essential to meet the project activities.

- *Cell Phone Stipend: Cell phone stipend for the health educator to conduct day-to-day operations while travelling to offsite meetings and other fieldwork activities.*
- *Background Check: Background check for the project coordinator assistant selected for hire, prior to onboarding.*
- *Uber rides: round-trip transportation for participants attending events. It is estimated that up to 100 elderly residents and those with disabilities will require transportation to community events. The cost is based on the average estimate of an uber ride from the residential areas in the target service delivery areas to the event locations.*

## Contractual - \$15,719

This category should be used when hiring an individual to provide products or services needed to carry out the project, but not as an employee of the organization. Add a table for each contractor and update the title of the chart to Contractor 2, Contractor 3, etc.



The difference between Consultants and Contractors: Consultants are usually recognized as a person who use their expertise and special knowledge to provide expert advice. After providing that service, they are not responsible for the application of that advice. A Contractor can also provide professional advice, but they will also be responsible for implementing that advice and conducting project activities.

Competitive bids are highly encouraged when using federal funds. Sole Source contracts are allowable, but they must be accompanied by a strong justification on why the organization or person is the only one capable of delivering the work.

Contractor 1									
<b>1. Name of Contractor:</b> <i>Include whether contract is an individual or an organization, state TBD if unknown. Note: One individual at an organization is an organization.</i>	XYZ Organization								
<b>2. Method of Selection:</b> <i>State whether the contract is sole source or competitive bid and include an explanation.</i>	Competitive bid. This organization was selected based on the organization's unique experiences in providing training services for Community Based Organizations involved in community outreach.								
<b>3. Period of Performance:</b> <i>Start and end dates. Dates must be within the period of performance of the project.</i>	September 1, 2022 – June 30, 2023; 10 months								
<b>4. Scope of Work:</b> <i>Describe specific services/tasks to be performed by the contractor and relate them to the accomplishment of the program objectives. Deliverables should be clearly defined.</i>	SOW includes: <ul style="list-style-type: none"> <li>• Design and deliver training sessions for community outreach advocacy activities (at least one in person)</li> <li>• Provide ongoing technical assistance as well as overseeing training effectiveness</li> </ul>								
<b>5. Method of Accountability:</b> <i>Describe how the contractor will be monitored during and on close of the contract period and who will be providing the monitoring.</i>	Subcontractor's work will be monitored by the Project Coordinator. At a minimum, there will be a bi-weekly check in, to be changed to more frequent calls as needed and during high-peak times. A progress report will be submitted on the last day of each month. The detailed survey report can be delivered in lieu of the monthly report.								
<b>6. Itemized Budget and Justification:</b> <i>Provide an itemized budget with appropriate justification. If applicable, include any indirect cost paid under the contract and the indirect cost rate used.</i>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Advocate (\$45,000 per year x .25 FTE x 10 months)</td> <td style="text-align: right;">\$9,375</td> </tr> <tr> <td>Advocate Benefits x 25% of FTE Salary</td> <td style="text-align: right;">\$2,344</td> </tr> <tr> <td><u>Mandated Training/Technical Assistance - (Location TBD)</u></td> <td style="text-align: right;"><u>\$4,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$15,719</b></td> </tr> </table>	Advocate (\$45,000 per year x .25 FTE x 10 months)	\$9,375	Advocate Benefits x 25% of FTE Salary	\$2,344	<u>Mandated Training/Technical Assistance - (Location TBD)</u>	<u>\$4,000</u>	<b>Total</b>	<b>\$15,719</b>
Advocate (\$45,000 per year x .25 FTE x 10 months)	\$9,375								
Advocate Benefits x 25% of FTE Salary	\$2,344								
<u>Mandated Training/Technical Assistance - (Location TBD)</u>	<u>\$4,000</u>								
<b>Total</b>	<b>\$15,719</b>								
<b>Total</b>	<b>\$15,719</b>								

## Direct Costs - \$143,172

Show the direct costs by listing the totals of each category, including salaries and wages, fringe benefits, consultant costs, equipment, supplies, travel, other, and contractual costs. Provide the total direct costs within the budget in the chart below.

Direct Costs	
Budget Category	Amount Requested
Salaries and Wages (Employees)	\$83,750
Fringe Benefits	\$18,425
Consultants	\$9,000
Equipment	\$8,500
Supplies	\$2,696
Travel	\$2,432
Other	\$2,650
Contractual	\$15,719
<b>Total Direct Costs</b>	<b>\$143,172</b>

## Indirect Costs - \$22,907

### OPTION 1: NICRA

To claim indirect costs, the organization must have a current negotiated indirect cost rate agreement (NICRA) established with the cognizant federal agency. **A copy of the most recent indirect cost agreement must be provided as an attachment with the budget narrative.**

Provide the following:

- 1) Date on the organization's NICRA notification letter.
- 2) Negotiated indirect rate as indicated in your Agreement. Note: you cannot apply a rate that exceeds your NICRA, however a lower rate may be used. For example, the organization's NICRA may be 14% but you opt to use a rate of 12%.
- 3) Period of time the NICRA is in effect. The NICRA must be in effect at the beginning of the project performance period. If it has expired, the De Minimus Rate of 10% of the Modified Total Direct Cost (MTDC) can be applied. Please see Option 2.

### Indirect Cost Rate Agreement:

As stated in our NICRA, dated **09/01/2021** set forth an indirect rate of **16.00%** for an effective period spanning **12/01/2021 to 11/30/2023**.

Total Applicable Direct Costs	Indirect Cost Rate	Indirect Cost Total
\$143,172	16%	\$22,907

## OPTION 2: De Minimus Rate

If the organization does not have an established indirect cost rate agreement, they can choose to elect the de minimus rate of 10% of the modified total direct costs (MTDC).



MTDC: All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000.

Our agency has never negotiated an indirect cost rate (NICRA) with a cognizant agency, and we elect to use the 10 percent of Modified Total Direct Cost (MTDC) de minimis indirect rate to recover indirect costs as part of this budget, should that be allowable.

Modified Total Direct Costs (MTDC)	Indirect Cost Rate	Indirect Cost Total
\$143,172	10%	\$14,317

**Total Budget - \$166,079**

### OPTION 1 - NICRA

Total Budget	
Budget Category	Total Requested
Salaries and Wages (Employees)	\$83,750
Fringe Benefits	\$18,425
Consultants	\$9,000
Equipment	\$8,500
Supplies	\$2,696
Travel	\$2,432
Other	\$2,650
Contractual	\$15,719
Indirect Costs (16%- Option 1)	\$22,907
<b>Total Budget</b>	<b>\$166,079</b>

### OPTION 2 – De Minimus Rate

Total Budget	
Budget Category	Total Requested
Salaries and Wages (Employees)	\$83,750
Fringe Benefits	\$18,425
Consultants	\$9,000
Equipment	\$8,500
Supplies	\$2,696
Travel	\$2,432
Other	\$2,650
Contractual	\$15,719
Indirect Costs (10%- Option 2)	\$14,317
<b>Total Budget</b>	<b>\$157,489</b>



Always double check that the total budget amount listed above matches the award amount.