

Budget and Budget Narrative Instructions with Examples

Separate **Budget** and **Budget Narrative** documents should be created and uploaded to the appropriate workflow steps in your online application. An example **Budget** and **Budget Narrative** is included at the end of each set of instructions for your reference. Your Budget and Narrative documents should be sufficiently detailed to support and justify your proposed project cost.

NOTE: The budget amounts on your BUDGET and BUDGET NARRATIVE MUST match the funding requested in the 'Abstract/Funding' workflow step and the budget amounts on the Federal Financial forms, SF-424 and SF424A.

BUDGET INSTRUCTIONS

A separate **Budget** document must be created that clearly defines your project costs over the project period. The project costs must be categorized using the following Budget categories:

- Personnel (salary costs)
- Fringe benefits
- Travel
- Equipment (cost of purchase, not rental. NOTE: The definition of equipment is tangible personal property having a useful life of more than one year and a per-unit acquisition cost of at least \$5000. Equipment purchase is heavily discouraged. Consider equipment rental instead.)
- Supplies (tangible personal property other than equipment--includes tree purchase not completed under a contract for service)
- Contractual (e.g., contract for service, equipment rental)
- Other (sub-grants only)
- Indirect costs (NICRA, de minimis, or none—see below)

De minimis rate: Any Non-Federal entity (except State and local governments that receive more than \$35 million per year in Federal funding) that does not have a current negotiated (including provisional) indirect rate (NICRA) may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC) which may be used indefinitely. No documentation is required to justify the 10 percent de minimis indirect cost rate. As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

Modified Total Direct Cost (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). 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. Other items may only be

excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Negotiated Indirect Cost Rate Agreement (NICRA) may be used, if established.

Your completed Budget document must be saved as a PDF file and uploaded to the 'Budget' workflow step in your online application.

The example Budget shown below is for reference only. Your Budget must detail your project costs using the budget categories listed above.

BUDGET *(example only)*

Applicant: ABC University

Project: Develop and distribute tree care information in Spanish

	Federal Funds (requested)	Non-Federal Match		Total	Source of Non-Federal Matching In-Kind Funds
		Cash	In-Kind		
Personnel	\$50,000.00	\$50,000.00		\$100,000.00	ABC University
Fringe Benefits	\$20,000.00	\$12,800.00	\$7,200.00	\$40,000.00	ABC University
Travel	\$4,000.00	\$4,000.00		\$8,000.00	ABC University
Equipment				\$0.00	
Supplies				\$0.00	
Brochure Layout	\$8,000.00	\$7,000.00	\$1,000.00	\$16,000.00	XYZ Design
Printing Costs	\$22,000.00	\$20,000.00	\$2,000.00	\$44,000.00	EZ Printing Co.
Distribution Costs	\$5,000.00		\$9,000.00	\$14,000.00	Green Foundation and local volunteers
Contractual	\$5,000.00	\$5,000.00		\$10,000.00	Translation SVCS LLC
Other (sub-grants only)				\$0.00	
Sub-Total	\$114,000.00	\$118,000.00		\$232,000.00	
Indirect Cost:				\$0.00	
Total Cost:	\$114,000.00	\$118,000.00		\$232,000.00	

BUDGET NARRATIVE INSTRUCTIONS

A separate **Budget Narrative** document must be created to explain and justify all requested budget items/costs. List in detail how the totals on the budget were determined and demonstrate a clear connection between costs and the proposed project activities.

Your **Budget** should be cited in your **Budget Narrative** document when the applicant is discussing the work to be performed and the cost to execute the specific work activity.

For personnel salary costs, include the base-line salary figures and the estimates of time to be directly charged to the project. Describe any item that under the applicable Federal cost principles requires the agency's approval and estimate its cost.

Cost sharing/matching must be committed at the time of application submission. The budget narrative must show the amounts and sources of match or cost share (including both cash and in-kind contributions).

NOTE: The Federal dollars requested **may not** be used to purchase food, (equipment, with a cost of \$5,000 or greater) or capital improvements to property of any ownership. If one is unsure if the item, they are proposing is eligible, please contact the administrative staff, SM.FS.UCF_IRA@usda.gov

Your completed Budget Narrative document must be saved as a PDF file and uploaded to the 'Budget Narrative' workflow step in your online application.

The example Budget Narrative below is for reference only. Your Budget Narrative must be detailed to explain your project costs.

BUDGET NARRATIVE (example only)

All non-federal matching cash funds to be provided by ABC University unless otherwise noted. All non-federal in-kind matching funds provided as noted in the budget table.

Personnel:

Personnel required to research and create publication content and design the publication deliverable.:

- Content creator: 1040 hours @ \$20 per hour = \$ 20,800
- Content creator and editor: 2200 hours @ \$30 per hour = \$66,000
- Publication design: 600 hours @ \$22 per hour = \$ 13,200

Fringe Benefits:

All benefits based on an expected benefit rate of 40%

Supplies:

Brochure Layout: Professional brochure design to be performed by ZYZ Design.

Printing Costs: Expected printing of 20,000 copies, 8-pages each, 4 colors performed by EZ Copy Co.

Distribution: Copies will be sent to federal and state urban forestry coordinators and will be available on request to all callers for at least one year from date of completion.

Travel: Travel for 4 people to present at four conferences.

Contractual: Direct contract with Translation SVCS LLC to translate brochure content from English to Spanish.