

Attachment 6

Instructions for Completing the Budget Narrative

You must complete the SF-424A Budget Information Form and the Direct Cost Descriptions for Applicants and Sub-Applicants (see attachment 4). In preparing the Budget Information Form, you must provide a concise narrative explanation to support the budget request, explained in detail below.

The budget narrative must provide a description of costs associated with each line item on the SF-424A. It should also include a description of leveraged resources provided (as applicable) to support grant activities.

Use the following guidance for preparing the budget narrative:

Personnel: List all staff positions by title (both current and proposed). Give the annual salary of each position, the percentage of each position's time devoted to the project, the amount of each position's salary funded by the grant, and the total personnel cost for the period of performance.

Fringe Benefits: Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.

Travel: Specify the purpose, mileage, per diem, estimated number of in-state and out-of-state trips, and other costs for each type of travel. You should include funds to provide for an annual post-award conference, allowing for two staff to travel to and from an estimated national location, with four-nights lodging, and allowable expenses. Travel expenditures may not exceed 10% of the total HVRP funds requested in the application.

Equipment: Identify each item of equipment you expect to purchase which has an estimated acquisition cost of \$5,000 or more per unit (or if your capitalization level is less than \$5,000, use your capitalization level) and a useful lifetime of more than one year (see 2 CFR 200.33 for the definition of Equipment). List the quantity and unit cost per item. Items with a unit cost of less than \$5,000 are supplies, not "equipment". In general, we do not permit the purchase of equipment during the last funded year of the grant.

Supplies: Identify categories of supplies (e.g. office supplies, to include laptops and cell phones) in the detailed budget and list the quantity and unit cost per item. Supplies include all tangible personal property other than "equipment" (see 2 CFR 200.94 for the definition of Supplies).

Contractual: Identify each proposed contract and specify its purpose and estimated cost. If applicable, identify any subrecipient agreements, including purpose and estimated costs.

Construction: Construction costs are not allowed and this line must be left as zero. Minor alterations to adjust an existing space for grant activities (such as a classroom alteration) may be allowable. We do not consider this as construction and you must show the costs on other appropriate lines such as Contractual.

Other: List each item in sufficient detail for us to determine whether the costs are reasonable or allowable. List any item, such as conducting Stand Down events, stipends or incentives, not covered elsewhere here.

Indirect Costs: If you include indirect costs in the budget, then include either
a) the approved indirect cost rate with a copy of the Negotiated Indirect Cost Rate Agreement (NICRA), a description of the base used to calculate indirect costs along with the amount of the base, and the total indirect costs requested,

or

b) if you meet the requirements to use the 10% de minimis rate as described in 2 CFR 200.414(f), then include a description of the modified total direct costs base (see 2 CFR 200.68 for definition) used in the calculation along with the amount of the base, and the total indirect costs requested based on the 10% de minimis rate. Additionally, the following link contains information regarding the negotiation of Indirect Cost Rates at DOL:

<http://www.dol.gov/oasam/boc/dcd/index.htm>.

Note that the SF-424, SF-424A, and budget narrative **must include the entire** Federal grant amount requested. Applicants must also show cost sharing or match on the SF-424 (line 18b), SF-424A, and budget narrative.

Do not show leveraged resources on the SF-424 and SF-424A. You should describe leveraged resources in the budget narrative.

Applicants should list the same requested Federal grant amount on the SF-424, SF-424A, and budget narrative. If minor inconsistencies are found between the budget amounts specified on the SF-424, SF-424A, and the budget narrative, the Department will consider the SF-424 the official funding amount requested.