

Attachment I. Instructions for Completing the Budget Narrative

For Housing grantees:

- The budget narrative must adhere to the amount of permanent and temporary expenditures detailed in Attachment IV. Please note that Public Law 115-141 requires that for the migrant and seasonal housing amount, "...not less than 70 percent shall be for permanent housing...".
- In the budget narrative, housing grantees must clearly differentiate between the amount of expenditures on permanent and temporary housing.

For all grantees, use the following guidance below when writing the budget narrative.

IMPORTANT: If a total amount for each item listed below is included in the narrative, please be sure the amount in the narrative matches the corresponding line items on the SF-424A (line items 6.a through 6.j).

Personnel - List all staff positions by title (both current and proposed). Provide 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 program year.

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.

Equipment - Identify each item of equipment to be purchased which has an estimated acquisition cost which equals or exceeds the lesser of the capitalization level established for financial statement purposes or \$5,000 and a useful life of more than 1 year (see 2 CFR 200.33 for the definition of Equipment). List the quantity and unit cost per item. Tangible personal property other than equipment is considered supplies.

Supplies - Supplies include all tangible personal property other than "equipment" (see 2 CFR 200.94 for the definition of Supplies). The detailed budget should identify categories of supplies (e.g. office supplies). List the quantity and unit cost per item.

Contractual - Identify each proposed contract and specify its purpose and estimated cost. If applicable, identify any sub-recipient 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 the costs must be shown 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 stipends or incentives, not covered elsewhere here.

Indirect Charges - If indirect costs are included in the budget, then include the approved indirect cost rate with a copy of the Negotiated Indirect Cost Rate Agreement (NICRA). If your organization uses an indirect cost rate, then a NICRA must be in place no later than 90 calendar days after the grant award for approval of indirect charges. The following link contains DOL specific information: <http://www.dol.gov/oasam/boc/dcd/index.htm>.