

**General Instructions for the Completion of a
Budget Information Narrative**

The Budget Information Narrative must include the following information:

- Each line item on the SF-424A must be explained, and the cost provided for each. Each line item on the SF-424A pertains to projected costs at the recipient level, with the exception of the Contractual line item. Contractual should include costs at the project operator level.
 - The total for each line item on the Budget Information Narrative must match the total for each line item on the SF-424A.
 - If a grant modification requests to realign the budget, the narrative must address the reason for the change in each affected line item.
1. **Personnel** – List all staff positions by title. State the annual salary of each person, the percentage of each person’s time devoted to the project, the amount of each person’s salary funded by the grant, and the total personnel cost for the period of performance.
 2. **Fringe Benefits** – Provide the overall fringe benefit percentage which reflects the recipient’s organizational fringe, and list the components included, such as health insurance, FICA, retirement, etc. Provide the fringe benefit calculation for each staff position listed under the Personnel line item.
 3. **Travel** – Specify the type and purpose of the travel, the number of travelers, approximate mileage, per diem rates, estimated number of trips, and other associated travel costs.
 4. **Equipment** – Identify each item of equipment to be purchased. Equipment has an estimated acquisition cost per unit of \$5,000 or more, and a useful life of one year or more. List the quantity and unit cost per item. Items with a unit cost of less than \$5,000 are classified as supplies.
 5. **Supplies** – Supplies include all tangible personal property other than “equipment.” Identify supply categories (*e.g.*, office supplies, cell phones, personal tools for disaster clean-up, etc.). List the cost associated with each category.
 6. **Contractual** –
 - Identify each project operator and the funding allocation made to the organization.
 - Provide total projected costs (NOT for each project operator but as a lump sum) for each of the following categories: Administrative Costs, Career Services, Supportive Services, Training (itemize work-based training and classroom training), and Other Costs (itemized).

7. **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. DOL does not consider this as construction and the costs must be shown on other appropriate lines such as Contractual.
8. **Other** – List each item in sufficient detail for DOL to determine whether the costs are reasonable or allowable. Costs included under Other should not fit into any other line item category.
9. **Indirect Charges** – If charging indirect costs to the grant, this line item must be populated. Include the current approved Negotiated Indirect Cost Rate Agreement, signed by the Federal cognizant agency, as an attachment to the grant application.