

Additional Guidance for Completing the Budget Narrative

- **Instructions:** SWAs must submit a separate Budget Information Narrative for each program. This narrative is required for each program (PUA, PEUC, FPUC, and/or MEUC) for which a SWA is requesting funding (refer to Sections 4.a.v., 4.b.v., 4.c.v., and 4.d.v of this UIPL).

The Budget Information Narrative must include the following information:

- Each line item on the SF-424A must list a cost and be explained. Each line item on the SF-424A pertains to projected costs at the recipient level, except for 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 realignments within 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 \$10,000 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 \$10,000 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).

Attachment V

7. **Construction** – Construction costs are not allowable costs, so this line must be left as zero. Minor alterations to adjust existing space for grant activities (such as classroom alteration), which the Department does not consider construction may be allowable; such minor alteration costs must be shown on other appropriate lines such as Contractual.
8. **Other** – List each item in sufficient detail for the Department 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 (NICRA), signed by the Federal cognizant agency, as an attachment. Include either the approved indirect cost rate with a copy of the 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 For those applicant SWAs that meet the requirements to use the 15 percent de minimis rate as described in 2 CFR 200.414(f), a description of the modified total direct cost base (see 2 CFR 200.1 for definition) used in the calculation along with the amount of the base, and the total indirect costs requested based on the 15 percent de minimis rate.