



DESCRIPTIONS FOR BUDGET JUSTIFICATION – SUB-GRANTEE CONTRACTORS AND VENDORS

Budget Category	Description
<b>Direct Personnel</b>	
Wages	Wages for employees directly working on contract or vendor agreement
Benefits and Payroll Taxes	Costs of benefit(s) and payroll taxes for project staff billed
<b>Direct Expenses</b>	
Office Operation Expenses	Phone, internet, rent, insurance, software licensing, equipment leases
Travel	In-state and out-of-state travel (mileage, transportation, airfare, lodging)
Equipment	Computers, technology
Supplies	Consumable supplies and materials that do not fit the definition of equipment
Training and Outreach	Training and conference registration fees, training materials (books, resources), meeting expenses, website development, marketing expenses. <b>*NO MEALS OR FOOD*</b>
Contract/Consulting	Paying an organization or individual to do specific work related to carrying out the activities of the contract
Other Expenses	If applicable, specify direct costs that do not fall into the categories described. <b>*NO MEALS OR FOOD*</b>
<b>Administrative Expenses</b>	
Administrative/Indirect Expenses	When applicable, indirect or administrative costs as allowable to ensure outcomes are achieved.

Directions for Completing Budget Narrative

The budget justification needs to be an explanation of each of the components of the budget, which "justifies" the cost in terms of the proposed work. The explanation should focus on how each budget item is required to achieve the aims of the project and how the estimated costs in the budget were calculated.

**Personnel:** List each position by title. Show the annual salary rate and the percentage of time to be devoted to the contract. Compensation paid for employees engaged in contract activities must be consistent with that paid for similar work within your organization. List only the employees of the applicant organization; all other contract-funded positions should be listed under the "Contract/Consulting" category.

**Benefits and Payroll Taxes:** Payroll Taxes Include costs of benefit(s) for the project staff. Identify the types of fringe benefits to be covered and the costs of benefit(s) for each staff position. Allowable fringe benefits typically include FICA, Worker's Compensation, Retirement, SUTA, Health and Life Insurance, IRA, and 401K. You may provide a calculation for total benefits as a percentage of the salaries to which they apply or list each benefit as a separate item. If a fringe benefit amount is over 30%, please list covered items separately and justify the high cost. Holidays, leave, and other similar vacation benefits are not included in the fringe benefit rates, but are absorbed into the personnel expenses (salary) budget line item. (e.g., fringe benefit rate = 28%: Direct Salaries of \$42,000 x .28 = \$11,760 in Fringe Benefits).

**Office Operation Expenses:** List items (e.g., phone, Internet, rent, insurance, software licensing, equipment leases) by major type and show how you calculated the costs. (e.g., *rent is the square footage and the cost per square foot or a monthly rental cost and how many months of rent are proposed*).

**Travel:** Itemize travel expenses for project personnel by purpose (e.g., *staff to training, field interviews, advisory group meetings*). Show how you calculated these costs (e.g., *six people to 3-day training at \$X airfare, \$X lodging, \$X meals*). In training projects, list travel and meals for trainees separately. Show the number of trainees and the unit costs involved. Identify the location of travel, if known. Indicate the source of any travel policies you have applied, and if applicant or federal travel regulations apply.

**Equipment:** List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than 2 years and an acquisition cost of \$5,000 or more per unit. (Note: An organization's own capitalization policy may be used for items costing less than \$5,000.) Explain why the equipment is needed for the project to succeed.

List expendable items in the "Supplies" category.

List rented or leased equipment costs in the "Office Operation Expenses" category.

**Supplies:** Include the funds for the purchase of consumable supplies and materials that do not fit the definition of Equipment. List any single item costing \$1,000 or more. Applicants should provide the calculation for cost determinations.

*For example, consumable office supplies (e.g. paper, pens) @ \$250 and conference supplies (name badges, table tents) @ \$320 for a total of \$570*

**Training and Outreach:** List activity (e.g., *training, professional development, education, engagement*). List items (e.g., *registration fees, website development, marketing expenses, training materials, meeting expenses*) by major type and show how you calculated the costs.

**Contract/Consulting:** Refer to contract regarding agreed upon process for developing vendor contracts.

- o Contracts: Describe the product or service to be procured by contract and provide an estimate of the cost.
- o Consultant Fees: For each consultant, enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project.
- o Consultant Expenses: List all expenses to be paid from the contract to the individual consultant(s) in addition to their fees (e.g., *travel, lodging*).

**Other:** If applicable, list and describe any expenses that do not fit into the specified categories identified. \*NO FOOD OR MEALS allowed in the budget\*

**Administrative/Indirect Expenses:** When applicable, indirect or administrative costs as allowable to ensure outcomes are achieved. 10% based on total direct expenses less contract services.