

Budget Detail Guidance

September 2016

Applicants may submit the budget and budget narrative using this format or in the format of their choice. The categories listed below are examples of some of the more common items found in project budgets. Applicants are encouraged to consult the Office of Management and Budget Guidance for Grants and Agreement for rules regarding allowability of costs. The pertinent sections are in 2 Code of Federal Regulations Part 200, Subpart B (Sections 200.400 through 200.475).

A. Personnel. List all staff positions by title. Provide the annual salary rate and the percentage of time to be devoted to the EPA project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

This category is limited to persons employed by the applicant organization ONLY. Those employed elsewhere are classified as subawardees, contractors or consultants. The contractors and consultants should be listed under the "Contractual," Section F., but subawards made to eligible subrecipients are listed under the "Other," Section H.

Example of Personnel Computation:

<u>Position/Title</u>	<u>Annual Salary</u>	<u>% of time assigned to project</u>	<u>Cost</u>
Project Manager	\$70,000	50%	\$ 35,000
Env. Specialist	\$60,000	100%	\$ 60,000
Env. Health Tech	\$45,000	100%	\$ 45,000
Accountant	\$50,000	50%	\$ 25,000
Total Personnel			\$165,000

B. Fringe Benefits. Show the total of allowable fringe benefits. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project. Fringe benefits include but are not limited to the cost of leave, employee insurance, pensions and unemployment benefit plans. The budget narrative should identify the applicant's fringe benefit rate. The applicant should not combine the fringe benefit costs with direct salaries and wages in the personnel category.

Example of Fringe Benefits Computation:

<u>Position/Title</u>	<u>Fringe Benefit Rate</u>	<u>Personnel Cost</u>	<u>Total Fringe Benefit Cost</u>
Project Manager	20%	\$35,000	\$ 7,000
Env. Specialist	20%	\$60,000	\$12,000
Env. Health Tech	20%	\$45,000	\$ 9,000
Accountant	20%	\$25,000	\$ 5,000
Total Fringe Benefits			\$33,000

Total Personnel & Fringe Benefits \$198,000

**C. Travel.** For Foreign and Domestic travel, provide information used in estimating the cost such as: the destination if known, purpose, number of travelers, and estimated cost per trip. Travel for trainees, members of work groups, or other individuals who are not employees of the recipient or contractors require prior EPA approval as a participant support cost. Show the basis of computation (e.g., six people to 3-day conference at \$X airfare, \$X lodging, \$X per diem).

Example of Travel Computation:

<u>Purpose of Travel</u>	<u>Location</u>	<u>Item</u>	<u>Computation</u>	<u>Cost</u>
EPA Conference	DC	Lodging	4 people x \$100 per night x 2 nights	\$ 800
		Airfare	4 x 500 round trip	\$2,000
		Per Diem	4 people x \$50 per day x 2 days	\$ 400
Total Travel				\$3,200

**D. Equipment.** This category includes items of equipment equal to or in excess of \$5,000 (or lower depending on the institutional policy) and having a useful life of more than one year. Details such as the type of equipment, cost, and a brief narrative on the intended use of the equipment for project objectives are required. Purchases of less than \$5,000 may be listed under "Supplies" or "Other." Please note that a computer system (keyboard, monitor and hard drive) is considered a unit and does not have to be listed separately.

Each item of equipment must be identified with the corresponding cost. General-purpose equipment (office equipment, etc.) must be justified as to how it will be used on the project. Rental or lease of equipment should be listed under "Contractual" in Budget Section F. and will require a lease vs. purchase cost analysis prior to approval.

Items of equipment requested for purchase using Federal or Matching funds should be listed with the dollar amount of the item in Section D.

Software is not considered Equipment and should not be listed here. It is more appropriately listed under "Supplies," Section E.

Example of Equipment Computation:

List of Equipment	Cost
Infrared Gas Analyzer	\$10,000
Gas Extraction Monitor Mode \$23,200	\$23,200
Total Equipment	\$33,200

**E. Supplies.** Supplies are tangible personal property other than equipment. This includes things such as office supplies (i.e., software, educational or field supplies, and laboratory supplies such as chemicals, reagents, and glassware). For those items that are not typical materials and supplies, a brief narrative or justification of how the item fits the program should be included. Indicate the types of materials and supplies in general terms with estimated costs.

## Example of Supplies Computation:

Supply Items	Cost
Laboratory (e.g., solvents, glassware, reagents, rubber gloves)	\$3,000
Gen. Office (e.g., Xerox paper, file folders for reports, markers, etc.)	\$1,500
<b>Total Supplies</b>	<b>\$4,500</b>

**F. Contractual.** Contractual costs are those services carried out by an individual or organization, other than the applicant, in the form of a procurement relationship.

The applicant should list the proposed contract activities along with a brief description of the scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known.

As provided in 2 CFR 200.317, for procurements under EPA grants, States will follow the same policies and procedures they follow for procurements using non-Federal funds. All other types of applicants must comply with applicable procurement requirements under 2 CFR 200.317 through 200.326. Applicants should consult these requirements to ensure that they are complying with all rules regarding competition, Dis-advantaged Business outreach, methods of procurement, etc.

Example of Contractual costs:

Consultants –. If the applicant identifies consultant services as a contractual cost, and the applicant is going to exercise selection, direction and control over the individual providing the consultant services, the proposed cost must not exceed an Executive Level IV salary range also called the “consultant fee cap” (currently at \$160,300 a year, \$616.50 a day, or \$77an hour). For further information see the consultant fee cap regulations at 2 CFR 1500.9.

## Example of Contractual Computation:

Name of Consulting Service	Service Provided	Cost
D&B Consulting Firm	Design Data tracking system	\$136,000
J. Purell, Individual Consultant	Audit	\$ 1,000
<b>Total Contractual Costs</b>		<b>\$137,000</b>

**G. Construction.** Construction costs are allowable under project grants only if they are integrally related to and necessary for an activity that is specifically authorized in an EPA statute. Consult with the EPA before including such costs in the proposed budget.

**H. Other Costs.** “Other” or “Other Direct Costs” are those anticipated direct project charges not included in other budget categories. A description and cost must be included in the budget narrative for each item. Items in “Other” for Federal & Matching funds should be listed with the corresponding dollar amounts with an explanation of the costs provided in the Budget Narrative. (Applicants must use the procurement standards when acquiring any property or services whether listed in “Other” or in “Contractual”. The procurement standards are at 2 CFR 200.317 through

200.326. However, the procurement standards do not apply in the award of subawards or subgrants.)

Examples of items include:

1. Publication Costs – This line is associated with the publishing of an article in a scientific or technical journal or other type of field/program related publication or for commercial printing of brochures and program materials. Photocopying costs should be included under the “other” category.
2. Subawards – A subaward of “subgrant” is an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible recipient. This term does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Applicants must provide the aggregate amount they propose to issue as subaward work and a description of the types of activities to be supported.
3. Alterations/Renovations – When space must be altered or renovated to accommodate the program, provide explicit details of the renovation and a justification of why this is necessary to the project.
4. Equipment User Fees – When there are usage fees, provide information on the type of service being charged, how it relates to the project, and an explanation and breakdown of the costs
5. Equipment Rental – When there is a need to rent equipment for use on the project, provide information on the type of equipment to be rented, the purpose or use on the project, the length of time needed and the rental rate. Renting or leasing of equipment will require a lease vs. purchase cost analysis prior to approval.
6. Facility – When it is necessary to rent office or other facilities spaces for project implementation, and the space(s) are located off-site from the organization’s main facility in space not owned by the applicant organization, the cost of the rent may be charged against the award as a contractual expense if the space is used specifically for the project. The budget narrative should provide details on the monthly rental charge and if the rent is pro-rated to the project.
7. Service or Maintenance Contracts – Costs should be in direct correlation to the use of the equipment for the project (i.e., if a particular machine is used 50% of the time for the project, the project should only be charged 50% of the service/maintenance costs). Provide details of the type of equipment and the amount of the service contract to be paid from Federal funds.
8. Speaker/Trainer Fees – Information on speakers should include the fee and a description of the services they are providing.
9. Other – For other costs not specifically listed above, identify and provide details of the costs involved. Some of the more common items included in this category are:
  - a. Communications – Mailings, postage, express mail, faxes, and telephone long distance charges. Specific dollar amounts are not required.

- b. Photocopying – In-house photocopying of materials associated with the program. Photocopying should not be confused with Publications/Page Charges, which are costs related to publishing in a journal or commercial printing of brochures and other materials. Specific dollar amounts may not be required.
- c. Participant Support Costs – With prior EPA approval, applicants may pay for the costs that they incur for supporting participation in its project by individuals who are not employees of the applicant’s organization. Examples include travel, stipends for trainees and registration fees for training conferences.

## Examples of Other Costs Computation:

Description	Cost
Printing and Reproductions	\$ 2,200
Postage	\$ 500
Subaward to XYZ organization	\$50,000
Total Other	\$52,700

H. Indirect Costs. – Indirect costs are those incurred by the applicant for a common or joint purpose that benefit more than one cost objective or project, and are not readily assignable to specific cost objectives or projects as a direct cost. In order for indirect costs to be allowable, the applicant must have a negotiated indirect cost rate (e.g., fixed, predetermined, final or provisional), or must have submitted a proposal to the cognizant Federal or State agency. If the applicant does not have an approved rate, one can be requested by contacting the applicant’s cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant’s accounting system permits, costs may be allocated in the direct costs categories.

## Example of Indirect Costs Computation:

Indirect Cost Rate	Base Computation	Total Cost
45% MTDC	Total Direct Costs (\$428,600) - Less Equipment (-\$33,200) - Less the amount of each contract in excess of \$25,000 (-\$111,000) - Less the amount of each subaward in excess of \$25,000 (-\$25,000) - Equates to \$259,400 at 45% MTDC	
Total Indirect Costs		\$116,730
Total Project Costs		\$545,330

Budget Summary - When you have completed the budget worksheet, transfer the totals for each category to the SF-424A. The 424A should include ALL costs, federal and cost-share.

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**BUDGET INFORMATION - Non-Construction Programs**

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1.		\$	\$	\$	\$	\$
2.						
3.						
4.						
5. Totals		\$	\$	\$	\$	\$
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)	
	(1)	(2)	(3)	(4)		
a. Personnel	165,000				165,000	
b. Fringe Benefits	33,000				33,000	
c. Travel	3,200				3,200	
d. Equipment	33,200				33,200	
e. Supplies	4,500				4,500	
f. Contractual	137,000				137,000	
g. Construction						
h. Other	52,700				52,700	
i. Total Direct Charges (sum of 6a-6h)	428,600				428,600	
j. Indirect Charges	116,730				116,730	
k. TOTALS (sum of 6i and 6j)	\$ 545,330	\$	\$	\$	\$ 545,330	
7. Program Income		\$	\$	\$	\$	\$