

## Chesapeake Bay Program Office Budget Detail Guidance

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 CFR 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 subrecipients, 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:

Position/Title	Annual Salary	Percentage of time assigned to project	Cost
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
<b>Total Personnel</b>			<b>\$165,000</b>

### **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:

Position/Title	Fringe Benefit Rate	Personnel Cost	Total Fringe Benefit Cost
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
<b>Total Fringe Benefits</b>			<b>\$ 33,000</b>

Total Personnel & Fringe Benefits \$198,000

**C. Travel**

For foreign (special permission required) 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:

Purpose of Travel	Location	Item	Computation	Cost
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
<b>Total Travel</b>				<b>\$ 3,200</b>

**D. Equipment**

This category includes items of equipment equal to or greater than \$5,000 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 should be listed under "Supplies." 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 "Other" in Budget Section H.

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
<b>Total Equipment</b>	<b>\$33,200</b>

**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 200.318 through 200.327](#). Applicants should consult these requirements to ensure that they are complying with all rules regarding competition, disadvantaged 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.” For further information see the consultant fee cap regulations at [2 CFR 1500.10](#) and the [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#).

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 200.327](#). However, the procurement standards do not apply in the award of subawards or subgrants.)

Examples of items in the “Other” category include telephone service and utilities; occasional document reproduction at local copying centers; tuition remission; rental/lease of equipment, office space, and meeting or conference facilities; participant support costs; subawards, etc.

Examples of Other Costs Computation:

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

#### **J. 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. 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. There is also a 10-percent [de minimis rate](#) available in certain circumstances, i.e., where no previous rate existed or lapsed or special permission has been granted regional office.

Example of Indirect Costs Computation:

Indirect Cost Rate	Base Computation	Total Cost
45% MTDC	Total Direct Costs (\$428,600) <ul style="list-style-type: none"> <li>- Less Equipment (-\$33,200)</li> <li>- Less the amount of each subaward in excess of \$25,000 (-\$25,000)</li> <li>- Equates to \$370,400 at 45% MTDC</li> </ul>	
<b>Total Indirect Costs</b>		<b>\$ 166,680</b>
<b>Total Project Costs</b>		<b>\$ 595,280</b>

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. While not depicted here, please show EPA funding in Column 1 of Section B of the 424A and recipient cost-share in Column 2.

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
a. Personnel	\$ 165,000.00	\$	\$	\$	\$ 165,000.00
b. Fringe Benefits	33,000.00				33,000.00
c. Travel	3,200.00				3,200.00
d. Equipment	33,200.00				33,200.00
e. Supplies	4,500.00				4,500.00
f. Contractual	137,000.00				137,000.00
g. Construction					
h. Other	52,700.00				52,700.00
i. Total Direct Charges (sum of 6a-6h)	428,600.00				\$ 428,600.00
j. Indirect Charges	166,680.00				\$ 166,680.00
k. TOTALS (sum of 6i and 6j)	\$ 595,280.00	\$	\$	\$	\$ 595,280.00
7. Program Income	\$	\$	\$	\$	\$

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Prescribed by OMB (Circular A -102) Page 1A

**SAMPLE  
(DO NOT SUBMIT WORKSHEET WITH APPLICATION)**

**CHESAPEAKE BAY PROGRAM ADMINISTRATIVE COST CAP WORKSHEET**

**INSTRUCTIONS:** In accordance with Clean Water Act (CWA) Section 117(d)(4) and 117(e)(6) , the costs of salaries and fringe benefits incurred in administering a grant under CWA Section 117(d) or 117(e) shall not exceed 10 percent of the annual grant award. The annual grant award is the total costs including Federal and cost share amounts. The worksheet below is provided to assist you in calculating allowable administrative costs. The Budget Detail of your Application for Federal Assistance (SF-424) should reflect how your administrative costs will comply with the cap. For specific guidance, refer to the next page of this sample "Compliance with CWA Section 117 Requirements Restricting Administrative Costs."

Total Costs	\$ _____
Cap %	X .10
<b>Limit on Administrative Costs</b>	<b>\$ (a) _____</b>
List Administrative Costs: (Budgeted costs for application)	
_____	\$ _____
_____	_____
_____	_____
_____	_____
<b>Total</b>	<b>\$ (b) _____</b>

**Line (b) cannot exceed Line (a).**

## COMPLIANCE WITH CWA SECTION 117 RESTRICTING ADMINISTRATIVE COSTS

### Statutory Authority

Under statutory authority, applicants applying for Chesapeake Bay Program grants/cooperative agreements under Clean Water Act (CWA) Section 117 (d) or (e) must adhere to the requirement on administrative costs as follows:

- Under CWA Section 117(a)(1) Administrative Cost - The term “administrative cost” means the cost of salaries and fringe benefits incurred in administering a grant under this section.
- Under CWA Section 117(d)(4) - Administrative Costs. - Administrative costs shall not exceed 10 percent of the annual grant award.
- Under CWA Section 117(e)(6) - Administrative Costs. -Administrative costs shall not exceed 10 percent of the annual grant award.

### Guidance for Determining Administrative Costs

As determined by EPA/CBPO, the following provides guidance in determining administrative costs for grants/cooperative agreements under CWA Section 117 (d) and (e).

#### 1. Administrative Costs

Salaries and fringe benefits charged against the project or program element for the sole purpose of administering the grant/cooperative agreements shall not exceed 10% of the annual grant **award (Federal and cost share)**. 100% of the salaries and fringe benefits related to these functions are considered administrative costs. Examples of administrative costs include, but are not limited to, preparation and submission of grant applications, fiscal tracking of grants funds, maintaining project files, and collection and submission of deliverables.

#### 2. Non-administrative Costs

Salaries and fringe benefits related to the implementation of the project or program element of the grant/cooperative agreement are not considered administrative costs. None of the salaries and fringe benefit costs related to these functions shall be considered administrative costs. Example:

- The salaries and fringe benefits for technical staff to conduct work to accomplish specific Bay Program goals as outlined in the program or project elements are not administrative costs.

#### 3. Calculation of Administrative Costs

In order to ensure compliance with this requirement, use the format above or a similar format to calculate the costs and include in the Budget Detail of your Application for Federal Assistance (SF-424).

#### 4. Questions Regarding Administrative Costs

The recipients shall direct questions to the EPA Project Officer who will determine what costs should be included as administrative costs on a case-by-case basis.