

GUIDELINES FOR COMPLETING PROJECT BUDGET NARRATIVE AND JUSTIFICATION (FORM 6)

The purpose of Form 6 is to explain and provide justification for each the line item cost identified in the Proposal Annual Budget, Form 5. The narrative must indicate the costs, methods to estimate costs, and justification.

PERSONNEL

Description: Costs of salaries and wages of personnel that provide direct services. Cost of other personnel that may be associated with the proposal must be included in indirect costs. Total indirect cost must not exceed 15% of the total request.

Justification: Identify personnel associated with the proposal. For each staff person, provide the title, time commitment to the project (as a percentage or full-time equivalent), annual salary, salary to be charged to the grant. Do not include the costs of consultants or personnel costs of delegate agencies.

FRINGE BENEFITS

Description: Costs of employee fringe benefits unless treated as part of an approved indirect cost rate.

Justification: List applicable fringe benefits (e.g. FICA, unemployment insurance, health benefits, retirement plan). Explain the formula or rationale used to compute the cost of the fringe benefits listed in the budget proposed.

STAFF TRAVEL/MILEAGE

Description: This category includes costs of project related travel by employees.

Justification: Describe purpose of travel. Explain the agency's allowable cost for travel, including its policy for mileage allowance, parking, public transportation and other miscellaneous expenses incurred for employee local transportation. Mileage allowance may not exceed the State maximum, currently \$0.375.

EQUIPMENT

Description: "Equipment" means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of (a) the capitalization level established by the organization for the financial statement purposes, or (b) \$5,000. (Note: Acquisition cost means the net invoice unit price of an item of equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as taxes, duty, protective in-transit insurance, freight, and installation shall be included in or excluded from acquisition cost in accordance with the organization's regular written accounting practices.)

Justification: For each type of equipment requested, provide a description of the equipment, the cost per unit, the number of units, the total cost, and a plan for use on the project, as well as use or disposal of the equipment after the project ends. An applicant organization that uses its own definition for equipment should provide a copy of its policy or section of its policy which includes the equipment definition.

SUPPLIES

Description: Costs of all tangible personal property other than those included under the Equipment category. This category may include office supplies, paper stock, postage.

Justification: Indicate what items are included and how costs are estimated.

CONTRACTUAL

Description: Costs of all contracts for services and goods except for those which belong under other categories such as equipment and supplies. Third-party contracts (if applicable) and contracts with secondary recipient organizations, including delegate should be included under this category.

Justification: Provide a detailed justification for each Third-party contractor. Include budget and budget narrative for each agency, by agency title, along with the required supporting information.

OTHER DIRECT COSTS

Description: Costs for space rental and equipment rentals, printing (photocopying) and publication, computer use, training costs, client training costs such as tuition and stipends, staff development costs, utilities, telephone, cell phones, bonds and insurance, and other administrative costs not included in Personnel above.

Justification: Provide a narrative description and a justification for each cost under this category.

INDIRECT COST

Description: Indirect costs are those costs that have been incurred for common or joint objectives and therefore cannot be readily identified directly with a particular project. All costs that can be identified as direct costs should be included as direct line item expenditures. Agencies that have a number of projects or programs will have indirect costs that are difficult to identify specifically but may charge up to 10% of their direct costs to cover their indirect costs.

Justification: Describe formula used to compute indirect costs.