

Appendix A: Budget & Budget Narrative Instructions

*** Please read through this entire document before creating your budget. Always ensure that the amounts in the budget and budget narrative match your SF-424 and SF-424A Section B. ***

The purpose of the budget and budget narrative templates is to provide a standardized, detailed list of the itemized costs required to complete a proposed project. Applicants should use the budget and budget narrative templates to expand upon the general cost categories of the SF-424A Section B and provide the specific items, per category, that will be charged to the grant.

Applicants are required to use the Microsoft Excel-based budget template, while the budget narrative should be written separately in Microsoft Word. Applicants must download the Excel spreadsheet, labeled **Appendix B. Budget Template**, from the funding opportunity in Grants.gov. The format for the budget narrative can be found within this appendix.

Please do not submit internally formatted budgets. All applicants are expected to use Appendix B. Budget Template.

Budget Template Guidance

- The items described within the template are only intended to be examples of what your budget may look like. Applicants are not required to use the same titles, descriptions, or rates. The budget should be tailored to your organization's terminology, policies, rates, and descriptions.
- Applicants should not change the overall structure of the budget categories and column headings, however, applicants are encouraged to include as many (or as few) rows as necessary to convey all the associated costs of the project.
- The budget should only have short, concise descriptions within the template. Explanations and further information should be included in the budget narrative.
- For your five-year budget:
 - Each year should have its own tab within the spreadsheet.
 - Applicants should propose the same total dollar amount for each year of funding but are not required to have five identical budgets. Each budget year should be tailored to the anticipated activities and/or progression of the proposal.
- The USCG reminds applicants that the budget at the time of application is an informed estimate that may change over time. Applicants are encouraged to give their best estimate for anticipated costs even if there is a degree of uncertainty. Grantees will have the opportunity to submit a revised budget ahead of each subsequent year of funding.
- Not every category within this template will apply to your organization or the activities that you propose. This template is our attempt to standardize as much unique information as possible into generic categories. This standardization helps our reviewers to clearly

identify and assess your proposal's budget. Please be mindful to include only costs that are informed, reasonable, necessary, and clearly defined.

Specific Guidance for using Excel

- Ensure that your formulas are accurate and working. Check that all cells are properly accounted for in the calculations.
- Each category subtotal should appear in **blue font** in the same row as the category heading. This is to ensure that the subtotal is uniformly located and easily identifiable across all sections.
- Manually run spell check on each tab before submitting your budget. Excel does not highlight spelling or grammar mistakes within the text. Spell check can be found on the "Review" tab in the first position on the far left.
- Do not round up your totals. Dollar amounts should be set to two decimal points.

Budget Narrative Guidance

- The budget narrative should describe, explain, and fully justify, in the same order and in complete sentences, the requested items in your budget. Reviewers will use this as a tool to assess the necessity and cost reasonableness for each line item. **Do not include dollar amounts in your budget narrative.**
- The budget narrative is the appropriate location to provide descriptions of job titles, roles and responsibilities, proposed travel, contracts and their purposes, as well as context for specific line items requests. Please review the **Instructions Matrix** for more information.
- The format for the budget narrative should mirror the lettering specified in the SF-424A Section B and budget template. In lieu of paragraphs, you may use bullets, numbers, or letters under each section header to convey the descriptions of your line items. If using numbers or letters, however, please also include the corresponding number or letter in the budget so it is easy to cross-reference between documents. This is especially helpful if a category has many individual line items that all warrant separate descriptions.
- As previously mentioned, not every category within the template will apply to your organization or the activities that you propose. Applicants may write, "Not applicable," in lieu of a description, as appropriate. Including this statement will alert reviewers that information is not unintentionally missing.

Budget Narrative Format

The budget narrative should be written as a regular text document but organized into sections using the letters and headings from the SF-424A Section B and budget template (listed below). There is no need to format the budget narrative into a table. Applicants should also follow the guidance in the **Instructions Matrix** for the types of descriptions that should be included in each

section. Sections delineated with an asterisk (*) are sections that the USCG acknowledges may have minimal or no description.

- A. Personnel
- B. Fringe Benefits*
- C. Travel
- D. Equipment*
- E. Supplies
- F. Contractual
- G. Construction – *Unallowable for this program*
- H. Other
- I. Total Direct Charges*
- J. Indirect Charges*
- K. Total*

General Advice

- Please remember that when applying for federal assistance, you should request the amount of money necessary to complete the proposed project – not an unrealistic amount that either appears to be “pie in the sky” or a lower, “competitive” rate that could potentially undercut your ability to be a successful grantee.
- Costs should be informed, reasonable, necessary, and clearly defined. Use the budget narrative to your advantage; include important, relevant information to demonstrate to reviewers that your budget is based in knowledge and experience.
- Refrain from using internal office jargon, short-hand, or abbreviations. Use clear, concise terminology, titles, or specific names, as relevant.
- Given that these costs at the time of application are estimates, we recommend that you include a few sentences within your budget narrative about how you would reprogram your money should cost savings become available. We encourage you to proactively think about the future of your activities and anticipated costs.
- Understand that these are cooperative agreements, and that by definition (see NOFO **Section B.6. Funding Instrument Type**), it provides for substantial involvement between the USCG and nonprofit grantee to carry out the activities of the award. Please be advised that if successful, USCG staff will work with you to negotiate and revise activities and their related costs, as necessary.

Instructions Matrix

These are side-by-side instructions for the information that should be captured in the budget vs. the budget narrative. It also identifies where costs should be captured as it relates to employees, contractors, volunteers, committee members, etc.

	Category	Budget	Budget Narrative
A	Personnel	<ul style="list-style-type: none"> • List by generic title the employees associated with the project (i.e. these are staff who receive a W2). • Itemize hourly rates and estimated hours. <p><i>For nonprofits staffed entirely by contractors, please include your title/role and hourly rate under the Contractual section.</i></p>	<ul style="list-style-type: none"> • Describe the roles and responsibilities of the employees listed in the budget. • Explain why their role is important to the proposal, what their primary tasks will be, and how they will contribute to the success of the project. • Include all relevant employees.
B	Fringe Benefits	<ul style="list-style-type: none"> • Include your organization’s fringe benefits rate. • The rate should be calculated using the total amount from the Personnel category. 	<ul style="list-style-type: none"> • Fringe benefits are understood as contributions to employee benefits such as social security, pension funds, etc. • A minimal description is sufficient.
C	Travel	<ul style="list-style-type: none"> • This is for employee travel only. • Include a brief title of the trip. • Provide itemized cost estimates per trip. • Estimates should include airfare and/or other transportation, accommodations, per diem, and other approved, associated costs as defined by your organization’s travel policy. 	<ul style="list-style-type: none"> • Clearly identify and describe each trip charged to the grant. This should include the purpose of the trip(s), how it relates to grant activities, the number of travelers, and the anticipated destinations. • Ensure that any costs itemized in your budget are allowable per your organization’s travel policy. • Applicants may use the published GSA per diem rates. • If requesting international travel, applicants should be familiar with the Fly America Act and incorporate its requirements into your travel policy.

	Category	Budget	Budget Narrative
D	Equipment	<ul style="list-style-type: none"> • Federal regulations define equipment as tangible personal property costing equal to or more than \$5,000 per unit. • List any equipment required for the proposed project. • The anticipated cost per unit (CPU) should be defined, as well as the number of item(s) to be purchased or leased. 	<ul style="list-style-type: none"> • Provide specific details about the item(s) to be purchased, such as make, model, technical specifications, etc. • Explain why these items are necessary for the proposed activities.
E	Supplies	<ul style="list-style-type: none"> • Federal regulations define supplies as tangible personal property costing less than \$5,000 per unit. • List any supplies required for the proposed project. • If making bulk purchases, please list each item separately with their estimated CPU and quantity. 	<ul style="list-style-type: none"> • Provide specific details about the item(s) to be purchased and how they will be used to complete the proposed activities. • If bulk item estimates may change based upon price quotes or the availability of products, include a list of potential items that may also be considered for purchase using the allocated funds.
F	Contractual	<ul style="list-style-type: none"> • List by generic title the contract staff associated with the project (i.e. these are staff who may receive a 1099 form). • Itemize hourly rates and estimated hours. • Include any contract staff travel. Estimates should include airfare and/or other transportation, accommodations, per diem, and other approved, associated costs as defined by your organization's travel policy. • Itemize by short name and dollar amount any consultant services, subcontracts, and subcontractors (if known) that will be hired to execute specific grant activities. • This may include services such as digital marketing, promotional materials, video production, graphic design, website maintenance, etc. 	<ul style="list-style-type: none"> • Describe the roles and responsibilities of the contract staff listed in the budget. • Explain why their role is important to the proposal, what their primary tasks will be, and how they will contribute to the success of the project. • Clearly identify and describe each trip charged to the grant. This should include the purpose of the trip(s), how it relates to grant activities, the number of travelers, and the anticipated destinations. • Ensure that any costs itemized in your budget are allowable per your organization's travel policy. • Please refer back to the previously hyperlinked resources in the Travel section. • Describe each service, subcontract, and subcontractor (if known) identified in the budget.

	Category	Budget	Budget Narrative
			<ul style="list-style-type: none"> • Explain the service, expertise, and/or product to be provided and how it directly relates to the necessary execution of the grant. • Remember: Federal regulations (2 CFR 200.320 Methods of procurement to be followed) require recipients to obtain price or rate quotations from an adequate number of qualified sources before contracting a service. The bids do not need to be submitted for USCG review, but recipients must be able to substantiate the bids upon request from their USCG representative.
G	Construction	<i>Unallowable for this program</i>	
H	Other	<ul style="list-style-type: none"> • Include any other applicable costs that do not fit into the pre-determined categories. This may include intangible items such as insurance, audit expenses, shipping costs, etc. • Please refer to 2 CFR 200 Subpart E – Cost Principles if you have questions regarding allowable costs. • If you are seeking approval for committee travel or for volunteers who will travel on behalf of your organization to conduct business, list their expenses in this section. If awarded, USCG may work with you to better capture or reclassify these costs, as necessary. 	<ul style="list-style-type: none"> • Provide specific details about each expense and how it relates to the proposed activities. • Per 2 CFR 200.422 Advisory councils: “Costs incurred by advisory councils or committees are unallowable unless authorized by statute, the Federal awarding agency or as an indirect cost where allocable to Federal awards.” This section should be used to describe, explain, and justify how the proposed, related expenses are necessary to the committee’s success. • Travel for committee members or volunteers who will travel on behalf of your organization should be included in this section. Please follow the guidance under Travel and list their expenses in this section.
I	Total Direct Charges	No description is required.	No description is required.

	Category	Budget	Budget Narrative
J	Indirect Charges	<ul style="list-style-type: none"> • Specify your organization’s negotiated indirect cost rate – OR – if your organization has never received a negotiated indirect cost rate, you may elect to charge a de minimis rate of 10% of modified total direct costs. • If your organization does not charge indirect costs to the grant, please write a zero (0). • Please see 2 CFR 200.414 Indirect (F&A) Costs for more information. 	<ul style="list-style-type: none"> • If applicable, specify the indirect cost rate, the name of the federal agency that negotiated it, and the date that it was approved.
K	Total	No description is required.	No description is required.