# RECOMMENDED BUDGET NARRATIVE TEMPLATE

## Note: Instructions and examples should be deleted from your submission.

## Instructions

The purpose of the budget narrative is to explain the costs that PRM expects an organization to include in each budget category when preparing an estimate of expenses for carrying out a proposed program whether the program is fully funded by PRM or jointly funded with multiple donors.

Costs listed in the Budget Detail and Budget Narrative documents must match. The budget narrative, for each year for multi-year proposals, must include the following and be included in a single document.

## Personnel:

### Year 1:

Identify each position, base salary, and time each person will spend on the project and indicate its support of the program and/or sector(s). If not provided in the budget detail, indicate the numerical justification for the total cost.

**For example:**

* Director of Assistance Programs – This individual is responsible for the overall management of the program. He/she ensures compliance with all the terms and conditions of the agreement including implementation, program, and financial reporting. $85,000/year x 10% of time = $8,500.

If possible, include anticipated position title(s), the proposed daily rate to be paid as compensation, and the number of consultant days that are anticipated.

### Years 2/3:

(Insert as applicable)

## Fringe Benefits:

### Year 1:

If an established NICRA includes a rate for fringe benefits, please ensure that you utilize and/or adjust the rate appropriately. If the fringe benefit rate is not included in the NICRA, please provide a copy of the company policy and/or rates (as a percentage) that are being charged per category of benefits.

### Years 2/3:

(Insert as applicable)

## Travel:

### Year 1:

All headquarters and/or program employees’ travel must be identified via mode of travel, departure and arrival city, purpose, unit of measurement, and duration of trip. Please note that the movement of program participants and supplies is a separate transportation line item.

**For example:**

* 10 in-country trips via air transportation will be conducted to implement workshops and training sessions. Roundtrip airfare from Kinshasa to Goma for 5 employees is anticipated. Each trip will include 5 days of per diem per employee.
* In-country Airfare – 10 trips x 5 employees x $200 = $10,000
* Lodging - 10 trips x 5 employees x 5 days x $161/day = $40,250
* Per diem - 10 trips x 5 employees x 5 days x $57 = $14,250

### Years 2/3:

(Insert as applicable)

## Equipment:

### Year 1:

Include a detailed listing of all non-expendable equipment anticipated to be purchased for program activities including justification.

For example:

* Land Rover – Due to the challenging road conditions, inclement weather, terrain conditions, and geographical location(s) of program sites, it is deemed reasonable and necessary to purchase a new vehicle. Vehicle x 1 quantity = $40,000.

### Years 2/3:

(Insert as applicable)

## Supplies:

### Year 1:

General Office supplies include the following items: pens, pencils, notebooks, printer paper, ink cartridges, etc.

**For example:**

* 12 months x $100/month x 3 program offices = $3,600
* Due to the opening of a new program office to support Sector “X” activities, program supplies include the following items: 2 laptop computers, 3 desktop computers, 2 printers, etc.
* 2 laptop computers x $700 = $1,400
* 3 desktop computers x $1,200 = $3,600
* 2 printers x $400 = $800

### Years 2/3:

(Insert as applicable)

## Contractual:

### Year 1:

Detailed budgets should be included for sub-grantees, if known. Identify consultants here, separately, from other permanent staff in the personnel section.

* ABC Organization will serve as a partner to assist with implementing sector “X” activities. $75,000 detailed budget is attached.
* XYZ Organization will provide security services via a contract. $50,000 detailed budget is attached.

### Years 2/3:

(Insert as applicable)

## Construction:

### Year 1:

(Note: Generally, the Bureau limits the use of Federal assistance awards to implement new construction programs and programs involving significant construction activities consistent with Department-wide policy. An applicant may, however, request consideration of minor construction related activities that consist of the renovation or rehabilitation of existing permanent structures with a sufficient description of the activities and/or related statements of work to be performed. The construction, renovation, or rehabilitation of temporary structures should be excluded from this section.)

Detailed budgets should include a description of the activity.

**For example:**

* **Construction of semi-permanent latrines:** This will involve the construction of both a male and female latrine block to provide a clean and safe sanitation space for staff and clients.
* $3,169/unit x 100% x 2 units = $3,328
* **Construction – Staff accommodation:** This will support the construction of staff accommodation within the refugee settlement. The accommodation will also improve staff wellness and welfare by reducing travel time to and from the town to the settlement each day.
* $80,000/unit x 100% x 1 unit = $80,000

### Years 2/3:

(Insert as applicable)

## Other:

### Year 1:

The following direct program expenses are related to the implementation of all sector activities and are proportionate based on actual use.

**For example:**

* Rent of Office space in three locations – 12 months x 3 offices x $400 = $14,400
* Utilities – 12 months x 3 offices x $100 = $3,600
* Postage – 12 months x 3 offices x $50 = $1,800
* Courier – 25 trips x 2 offices x $25 = $1,250
* Communication (phone, fax, internet) = 12 months x 3 offices x $200 = $7,200
* Transportation cost of medical supplies via ground freight
* 2 trips x $3,000 = $6,000

### Years 2/3:

(Insert as applicable)

## Indirect Costs:

### Year 1:

Show the amount of indirect costs and the base amount on which it is determined. A copy of the most current Negotiated Indirect Cost Rate Agreement must be submitted for recipient and sub-recipient(s), if applicable. In accordance with new guidance from the United States Office of Management and Budget (OMB), applicants with no NICRA may elect to charge a de minimis rate of 10% of Modified Total Direct Costs (MTDC) which may be used indefinitely ([2 CFR 200, Subpart E, Section 414 Indirect (F&A) Costs](http://www.ecfr.gov/cgi-bin/text-idx?SID=5109ff6e8d797593341ebf0c16d7f95c&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1414)). A de minimis rate calculation must be provided if the applicant elects to charge the de minimis rate. Any rate below 10% is acceptable if voluntarily offered by the applicant.

### Years 2/3:

(Insert as applicable)