# BUDGET NARRATIVE

The budget narrative should include a cost-justification for each expense over $5,000 included in the SF424cbw budget form. The narrative in each section should align with the SF424cbw.

The funding sources section must be completed to provide an overview of the sources of funds for this project, including their source (federal, non-federal), type (loan, grant, other), amount from each source, and date of commitment (and if not yet committed or pending, include anticipated date of commitment).

The funding sources section will also assist a grantee in identifying how much of their project is made up from federal funds. NBRC investment funds cannot be used to “supplant” existing federal programs. NBRC funds may be used to match other federally funded projects (when both federal agencies allow) only when the total funds from NBRC and other federal funders does not exceed 80% of the total project budget. 40 USC §15506(e).

NAME OF APPLICANT

1. Personnel:

2. Fringe Benefits

3. Travel and Transportation:

4. Equipment:

5. Supplies and Materials:

6. Consultants:

7. Contracts and Sub-Grantees:

8. Construction:

9. Other Direct Costs:

10. Indirect Costs

Funding Sources:

|  |  |  |  |
| --- | --- | --- | --- |
| **Funding Source (NBRC, other federal, state, local, other)** | **Type of Funding (grant, loan, in-kind)** | **Amount** | **Date of Commitment, Secured/Pending** |
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| **Total federal:** |  |  |  |
| **Total non-federal:** |  |  |  |
| **Grand total**  |  |  |  |

**GUIDANCE FOR COMPLETION OF BUDGET NARRATIVE**

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| **Item** | **Narrative** |
| 1 - Personnel (Direct Labor) | Explain the labor costs for individuals supporting the grant program effort (regardless of the source of their salaries). The hours and costs are for the full life of the grant. If an individual is employed by a contractor or sub- grantee, their labor costs should not be shown here.Please use the hourly labor cost for salaried employees (use 2080 hours per year or the value your organization uses to perform this calculation). An employee working less than full time on the grant should show the numbers of hours they will work on the grant. |
| 2 - Fringe Benefits | Use the standard fringe rates used by your organization. You may use a single fringe rate (a percentage of the total direct labor) or list each of the individual fringe charges. If your organization calculates fringe benefits differently, please use a different base and discuss how you calculate fringe as a comment. |
| 3 - Travel |
| 3a - Transportation - Local Private Vehicle | If you plan on reimbursing staff for the use of privately owned vehicles or if you are required to reimburse your organization for mileage charges, show your mileage and cost estimates inthis section and include narrative describing same. |
| 3b - Transportation - Airfare | Show the estimated cost of airfare required to support the grant program effort. Show the destination and the purpose of the travel as well as the estimated cost of the tickets.  |
| 3c - Transportation - Other | If you or are charged monthly by your organization for a vehicle for use by the grant program, indicate those costs in this section. Provide estimates for other transportation costs that may be incurred (taxi, etc.). |
| 3d - Per Diem or Subsistence | For travel which will require the payment of subsistence or per diem in accordance with your organization’s policies. Indicate the location of the travel, costs per mile, etc. |
| 4 – Equipment | Equipment is tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. See more detail in the Compliance Manual. |
| 5 - Supplies and Materials | Supplies and materials are consumable and non-consumable items that have a depreciated unit value of less than $5,000. Please list the proposed supplies and materials as either Consumable Supplies or as Non-Consumable Materials. |
| 5a - Consumable Supplies | List the consumable supplies you propose to purchase. General office or other common supplies may be estimated using an anticipated consumption rate. |
| 5b - Non-consumable materials | List furniture, computers, printers, and other items that will not be consumed in use. Please list the quantity and unit cost. |
| 6 – Consultants | Please indicate the consultants you intend to use. Indicate the type of consultant (skills), the number of days you expect to use them, and their daily rate. |
| 7 - Contracts and Sub-Grantees | List the contractors and sub-grantees that will help accomplish the grant effort. Examples of contracts that should be referenced here include but are not limited to Community Based Organizations; liability insurance; and training and certification for contractors and workers.Please provide a short description of the activity the contractor or subgrantee will perform, if not evident. |
| 8 – Construction Costs |
| 8a – Administrative and legal expenses | List the administrative and legal expenses that will be incurred on this project, and a brief narrative of what they are for, such as a grant administration contract with a Local Development District (LDD). Do not include costs that are related to the normal functions of government. |
| 8b – Land, structures, rights-ofway, appraisal, etc. | Provide a narrative on any land, structures, that will be acquired, construction of buildings, etc. rehab of existing properties, etc. The budget should reflect estimated site and right(s)-of-way acquisition costs (this includes purchase, lease, and/or easements) if they are not known at time of submission. |
| 8c – Relocation expenses and payments | Enter estimated costs related to relocation advisory assistance, replacement housing, relocation payments to displaced persons and businesses, etc. |
| 8d – Architectural and engineering fees | Provide a description of these costs as they relate to construction (this includes start-up services and preparation of project performance work plan), design work, costs to complete NEPA |
| 8e – Other architectural andengineering fees | Provide a description of these costs as they relate to costs for things such as surveys, tests, soil borings, etc. |
| 8f – Project inspection fees | Provide a narrative of these costs relative to the project.  |
| 8g – Site work | Provide a narrative relative to site preparation and restoration costs that are not included in the basic construction contract. |
| 8h – Demolition and removal | Provide a narrative relative to demolition and/or clean-up activities. |
| 8i – Construction | Provide a narrative relative to the construction contract. |
| 8j - Equipment | Provide a narrative relative to the purchase of office, shop, laboratory, safety equipment, etc. to be used at the facility, if such costs are not included in the construction contract. |
| 8k – Contingencies | Provide a narrative for any estimated contingency costs, including references to line items the contingency costs are related to. |
| 8l – Miscellaneous | Provide a narrative for any costs listed in this category and how they directly relate to the project and why they do not align with another category provided.  |
| 9 - Other Direct Costs | Provide a narrative regarding items listed in this section that are not appropriate for other sections.Other Direct Costs may include:* Staff training
* Telecommunications
* Printing and postage

Relocation, if costs are paid directly by your organization (if relocation costs are paid by a subgrantee, it should be reflected in Section 7) |
| 10 - Indirect Costs | Provide a narrative regarding Indirect costs (including Facilities and Administration costs that will be incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved.Indicate your approved Indirect Cost Rate (if any) and calculate the indirect costs in accordance with the terms of your approved indirect cost rate and enter the resulting amount. Also show the applicable cost base amount and identify the proposed cost base type. |
| **Funding Sources** | List each funding source for this project by name, provide the type of funding (i.e., other federal, state, local, in-kind, etc.) the amount from each source, and status of the funds (secured, applied for funding) together with a secured commitment date or, if not known, an estimated date when funds will be secured.  |
| **Determine Federal/Non-Federal** | Projects cannot be funded, in total, by more than 80% federal grant funds. Review the funding sources and types carefully to make sure your project is below the 80% federal grant cap. |