

ATTACHMENT VIII: SAMPLE BUDGET

BUDGET GUIDELINES

INTRODUCTION

Guidance is offered for the preparation of a budget request. Following this guidance will facilitate the review and approval of a requested budget by insuring that the required or needed information is provided. These guidelines address major line items. They are not necessary aligned with the order of the applicable budget summary format that you will need to prepare nor will the line items necessarily reflect the order of the award instrument you ultimately receive. Please provide the justification and support in the same order as the summary budget form.

- A. Salaries and Wages:** For each requested position, provide the following information: name of staff member occupying the position, if available; annual salary; percentage of time budgeted for this program; total months of salary budgeted; and total salary requested. Also, provide a justification and describe the scope of responsibility for each position, relating it to the accomplishment of program objectives.

Sample budget

<i>Personnel</i>				<i>Total \$_____</i>
<i>Position Title, Name, Hire Date</i>	<i>Annual</i>	<i>Time</i>	<i>Months</i>	<i>Amount Requested</i>
<i>Project Coordinator, Susan Taylor, 10/1/01</i>	<i>\$45,000</i>	<i>100%</i>	<i>12 months</i>	<i>\$45,000</i>
<i>Finance Administrator, John Johnson, 5/3/04</i>	<i>\$28,500</i>	<i>50%</i>	<i>12 months</i>	<i>\$14,250</i>
<i>Outreach Supervisor, (Vacant) 8/05 (Anticipated)</i>	<i>\$27,000</i>	<i>100%</i>	<i>12 months</i>	<i>\$27,000</i>

Sample Justification

The format may vary, but the description of responsibilities should be directly related to specific program objectives.

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Job Description: Project Coordinator - (Name)

This position directs the overall operation of the project; responsible for overseeing the implementation of project activities, coordination with other agencies, development of materials, provisions of in service and training, conducting meetings; designs and directs the gathering, tabulating and interpreting of required data, responsible for overall program evaluation and for staff performance evaluation; and is the responsible authority for ensuring necessary reports/documentation are submitted to CDC. This position relates to all program objectives.

- B. Fringe Benefits:** Fringe benefits are usually applicable to direct salaries and wages. Provide information on the rate of fringe benefits used and the basis for their calculation. If a fringe benefit rate is not used, itemize how the fringe benefit amount is computed.

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25% of Total salaries = Fringe Benefits Fringe Benefits Total \$_____

If fringe benefits are not computed by using a percentage of salaries, itemize how the amount is determined.

Example: Project Coordinator — Salary \$45,000

<i>Retirement 5% of \$45,000</i>	=	<i>\$2,250</i>
<i>FICA 7.65% of \$45,000</i>	=	<i>3,443</i>
<i>Insurance \$2,000/year</i>	=	<i>2,000</i>
<i>Workers' Compensation .05% of \$45,000</i>	=	<i><u>23</u></i>
<i>Total</i>	=	<i>\$7,716</i>

- C. Consultant Costs:** This category is appropriate when hiring an individual to give professional advice or services (e.g., staff training, expert consultant, evaluation, development of curriculum, etc.) for a fee but not as an employee of the grantee organization. The consultant's efforts contribute to the program objectives; however, their work is not designed to achieve the objectives. The services are usually professional in nature (as opposed to clerical or manual), requiring advanced education or experience in a specific technical field. See also Contractual/Subcontractual in Section H below. Written approval must be obtained from CDC prior to establishing a written agreement for consultant services. Approval to initiate program activities through the services of a consultant requires submission of the following information to CDC (see Budget Appendix A):

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1. Name of Consultant;
2. Organizational Affiliation (if applicable);
3. Nature of Services To Be Rendered;
4. Relevance of Service to the Project;
5. The Number of Days of Consultation (basis for fee); and
6. The Expected Rate of Compensation (travel, per diem, other related expenses)—list a subtotal for each consultant in this category.
7. The basis of selection (competitive bids, sole source, single source, customer directed, etc.)

If the above information is unknown for any consultant at the time the application is submitted, the information may be submitted at a later date as a revision to the budget. In the body of the budget request, a summary should be provided of the proposed consultants and amounts for each.

- D. Equipment:** Provide justification for the use of each item and relate it to specific program objectives. Maintenance or rental fees for equipment should be shown in the “Other” category.

Sample Budget

<i>Equipment</i>	<i>Total \$ _____</i>		
<u><i>Item Requested</i></u>	<u><i>How Many</i></u>	<u><i>Unit Cost</i></u>	<u><i>Amount</i></u>
<i>Computer Workstation</i>	<i>2 ea.</i>	<i>\$1,500</i>	<i>\$3,000</i>
<i>Fax Machine</i>	<i>1 ea.</i>	<i>200</i>	<u><i>200</i></u>
<i>Total</i>			<i>\$3,200</i>

Sample Justification

Provide complete justification for all requested equipment, including a description of how it will be used in the program. If this equipment is expected to be used on more than one project or grant, then you must allocate that portion of the cost of the unit that will be used on this award.

- E. Supplies:** Individually list each item requested. Show the unit cost of each item, number needed, and total amount. Provide justification for each item and relate it to specific program objectives. If appropriate, General Office Supplies may be shown by an estimated amount per month times the number of months in the budget category tied to some basis of allocation (usually FTEs).

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<i>Supplies</i>		<i>Total \$</i> _____
<i>General office supplies (pens, pencils, paper, etc.)</i> <i>12 months x \$20/month x 10 FTEs</i>	=	\$2,400
<i>Educational Pamphlets (3,000 copies @ \$1 each)</i>	=	\$3,000
<i>Educational Videos (10 copies @ \$150 each)</i>	=	\$1,500
<i>Word Processing Software (@ \$400—specify type to be used on all projects) \$4,000 x (10/100)FTEs</i>	=	\$ 400

Sample Justification

General office supplies will be used by staff members to carry out daily activities of the program. The education pamphlets and videos will be purchased from XXX and used to illustrate and promote safe and healthy activities. Word Processing Software will be used to document program activities, process progress reports, etc.

- F. Travel:** Dollars requested in the travel category should be for staff travel only. Travel for consultants should be shown in the consultant category. For other attendees, advisory committees, review panels, etcetera, the costs should show up as Other Direct Costs. Travel for staff, consultants, advisory committees, review panel, etc. should be itemized in the same way specified below. It is helpful to provide clear information regarding who, when, where, why, and how and to tie it to specific program objectives.

In-State Travel—Provide a narrative justification describing the travel staff members will perform. List where travel will be undertaken, number of trips planned, who will be making the trip, and approximate dates. If mileage is to be paid, provide the number of miles and the cost per mile. If travel is by air, provide the estimated cost of airfare. If per diem (Meals and Incidental Expenses (M&IE) and lodging) is to be paid, indicate the number of days and amount of daily per diem as well as the number of nights and estimated cost of lodging. Include the cost, mode, and purpose of ground transportation when applicable.

Out-of-State Travel—Provide a narrative justification describing the same information requested above. Include CDC meetings, conferences, and workshops if required by CDC. Itemize out-of-state travel in the format described above.

NOTE: It is helpful if you utilize the allowable travel and per diem rates that are established

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for all Government-related travel. These can be found at:

Per diem: <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd01d.html> (don't forget to add taxes to lodging)

Airline Flights: <http://www.fedtravel.com/gsa/>

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Travel (in-State and out-of-State) Total \$ _____

In-State Travel:

<i>1 trip x 2 people x 500 miles r/t x .27/mile</i>	=	\$ 270
<i>2 days per diem x \$37/day x 2 people</i>	=	148
<i>1 nights lodging x \$67/night x 2 people</i>	=	134
<i>1 nights taxes on lodging \$67 x 14% x 2 ppl.</i>	=	19
<i>25 trips x 1 person x 300 miles avg. x .27/mile</i>	=	<u>2,025</u>
<i>Total</i>		<i>\$ 2,596</i>

Sample Justification

The Project Coordinator and the Outreach Supervisor will travel to (location) to attend AIDS conference. The Project Coordinator will make an estimated 25 trips to local outreach sites to monitor program implementation.

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Out-of-State Travel:

<i>1 trip x 1 person x \$500 r/t airfare</i>	=	\$500
<i>3 days per diem x \$38/day x 1 person</i>	=	114
<i>2 nights lodging x \$67/night x 1 person</i>	=	134
<i>2 nights taxes on lodging \$67 x 14% x 1 per..</i>	=	19
<i>Ground transportation 1 person</i>	=	<u>50</u>
<i>Total</i>		<i>\$817</i>

Sample Justification

The Project Coordinator will travel to CDC, in Atlanta, GA, to attend the CDC Conferences schedule for January, April, and August .

- G. Other:** This category contains items not included in the previous budget categories. Individually list each item requested and provide appropriate justification related to the

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program objectives. It is helpful to provide a basis of allocation.

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Other

Total \$ _____

Monitoring and Evaluation (M&E) Activities:

Basis of Allocation: Per the 10-12% CDC program requirement for M&E activities (for future PEMS activities as they are determined).

Calculations: Total M&E costs are anticipated to be 10% of the total budget, \$30,000. Total M&E costs for this project is \$30,000

Telephone: Local and Long Distance

Basis of Allocation: FTEs

Calculations: Total phone costs are anticipated to be \$5,000. There are 8.3 FTEs on this project relative to the total number of FTEs of 26; therefore, the application rate is 32%. Total Telephone for this project is \$1,600

Postage: Regular, Bulk, Express

Basis of Allocation: Percentage of income

Calculations: Total postage costs are anticipated to be \$42,500. Program income is \$256,000 relative to total income of \$3.6 million; therefore, the application rate is 7%. Total Postage for this project is \$2,975

Printing:

AIDS Awareness Brochures

(\$ ___ per x ___ documents) = \$ Subtotal

Safer Sex Guidelines

(\$ ___ per x ___ documents) = \$ Subtotal

Photocopying:

Basis of Allocation: FTEs

Calculations: Total photocopying costs are anticipated to be \$1,320. There are 8.3 FTEs on this project relative to the total number of FTEs of 26; therefore, the application rate is 32%. Total Photocopying for this project is \$422

Equipment Rental: Postage Machine

Basis of Allocation: Percentage of income

Calculations: Total machine rental is anticipated to be \$1,200 (\$100 x 12 months). Program income is \$256,000 relative to total income of \$3.6 million; therefore, the application rate is 7%. Total machine rental for this project is \$84

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Internet Provider Service:

(\$18 per month x 9 months x 5.4 FTEs) = \$875

DSL Service:

Basis of Allocation: FTEs

Calculations: Total DSL costs are anticipated to be \$900 (\$100 per month for 9 months).

There are 5.4 FTEs on this project relative to the total number of FTEs of 12; therefore, the application rate is 45%. Total DSL Service for this project is \$405

Occupancy Costs: Anticipated Occupancy Costs are as follows –

Rent: \$60,000

Power: \$4,800

Water: \$1,200

Sanitation: \$1,200

Total \$67,200

Basis of Allocation: Square Footage

Calculations: There are 1,150 square feet of space (of total 5,365 square feet) dedicated specifically to this program; therefore, the application rate is 21.4%. Total Occupancy Costs for this project are \$14,404

Sample Justification

Some items are self-explanatory (telephone, postage, rent) unless the unit rate or total amount requested is excessive. If not, include additional justification. For printing costs, identify the types and number of copies of documents to be printed (e.g., procedure manuals, annual reports, materials for media campaign).

Note: Any item that exceeds one percent of the grant value is subject to additional scrutiny. Please be sure to provide adequate information for these items.

H. Contractual Costs: There are two types of contractual relationships: The first is closer to being subcontractual, the second is more general in nature. For the purposes of preparing your proposal, include subcontractual costs in the section of your budget headed Contractual. A subcontractor is an entity that performs duties that are either the same as or directly related to the scope of work of the project. Their efforts contribute directly to the outcome of the project. They actually do the program objectives. The subcontractor is basically doing the work on behalf of the grantee. Examples of subcontractors would be program trainers, community outreach workers, community advisors.

Cooperative Agreement recipients must obtain written approval from CDC prior to establishing a third-party contract to perform program activities. Approval to initiate program activities through the services of a contractor requires submission of the following

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information to CDC (see Budget Appendix B):

1. Name of Contractor;
2. Method of Selection (competitive bids, single source, customer directed, same as last year, etc.);
3. Period of Performance;
4. Scope of Work;
5. Method of Accountability; and
6. Itemized Budget and Justification.

If the above information is unknown for any contractor at the time the application is submitted, the costs will be restricted. **It is essential that supporting information along with a request to have restrictions lifted be submitted to PGO as soon after award as possible. Failure to do this will result in delays and withholding of payments.** Copies of the actual contracts should not be sent to CDC, unless specifically requested. In the body of the budget request, a summary should be provided of the proposed contracts and amounts for each.

For contractual costs that are more general in nature (janitorial, maintenance, payroll services, bookkeeping services, CPA, Audit, etc.) but their costs can be directly tied to the project at hand (the cost is allocable), then these should be considered contractual costs under Other Direct Costs. If you charge indirect via a rate, be careful that these indirect-type costs were not included in the indirect cost pool when the indirect cost rate was calculated. If they were included, then you will be double billing the Government and you will have an audit finding. You do not need to provide the level of justification that you do for subcontractual costs. However, be certain to include the basis of allocation and the method of formulation.

Sample Budget

Contractual

Total \$_____

CPA Consulting Services

Basis of Allocation: Hourly rate of \$45 x 100 hours = \$4,500

Payroll Services:

Basis of Allocation: Payroll Dollars/FTEs

Calculations: Total payroll costs are anticipated to be \$354,000. The service costs us 1% of payroll: \$3,540. There are 8.3 FTEs on this project relative to the total number of FTEs of 26; therefore, the application rate is 32%. Total Payroll costs for this project is \$1,133

Housekeeping:

Basis of Allocation: Square Footage

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Calculations: Total Housekeeping contract is \$235/month x 12 months = \$2,820. There are 1,150 square feet of space (of total 5,365 square feet) dedicated specifically to this program; therefore, the application rate is 21.4%. Total Housekeeping Costs for this project are \$603

I. Total Direct Costs \$_____

Show total direct costs by listing totals of each category.

J. Indirect Costs \$_____

To claim indirect costs, the applicant organization must have a current approved indirect cost rate agreement established with the cognizant Federal agency. A copy of the most recent indirect cost rate agreement must be provided with the application.

Sample Budget

The rate is ___% and is computed on the following direct cost base of \$_____.

<i>Personnel</i>	\$	
<i>Fringe</i>	\$	
<i>Travel</i>	\$	
<i>Supplies</i>	\$	
<i>Other</i>	\$_____	
<i>Total</i>	\$_____	<i>x ___% = Total Indirect Costs</i>

NOTE: If the applicant has an approved indirect rate but they still elect to charge a portion of indirect-types of costs (administrative, occupancy, telecommunications, insurance, etc.) as direct costs, please be certain that the direct charged costs were not included in the indirect cost pool when the rate was formulated. It is important that you provide an assurance on the budget that the costs were removed. Failure to remove the costs will result in double charging to this agreement and it will be a serious finding on your audit. Please consult your CPA on this matter.

If the applicant organization does not have an approved indirect cost rate agreement, then costs normally identified as indirect costs (overhead costs) can be budgeted and identified as direct costs. Cost breakdowns, justifications, and calculations such as indicated above will be necessary in order to support these costs.

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Appendix A:

Required Information for Consultant Approval

This category is appropriate when hiring an individual who gives professional advice or provides services for a fee and who is not an employee of the grantee organization. All consultants require prior approval from CDC annually. Submit the following required information for consultants:

- 1. Name of Consultant:** Identify the name of the consultant and describe his or her qualifications.
- 2. Organizational Affiliation:** Identify the organization affiliation of the consultant, if applicable.
- 3. Nature of Services To Be Rendered:** Describe in outcome terms the consultation to be provided including the specific tasks to be completed and specific deliverables. A copy of the actual consultant agreement should not be sent to CDC.
- 4. Relevance of Service to the Project:** Describe how the consultant services relate to the accomplishment of specific program objectives.
- 5. Number of Days of Consultation:** Specify the total number of days of consultation.
- 6. Expected Rate of Compensation:** Specify the rate of compensation for the consultant (e.g., rate per hour, rate per day). Include a budget showing other costs such as travel, per diem, and supplies.
- 7. Method of Accountability:** Describe how the progress and performance of the consultant will be monitored. Identify who is responsible for supervising the consultant agreement.

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Appendix B:

Required Information for Contract Approval

All contracts require prior approval from CDC. Funds may not be used until the following required information for each contract is submitted to and approved by CDC:

1. **Name of Contractor:** Who is the contractor? Identify the name of the proposed contractor and indicate whether the contract is with an institution or organization.
2. **Method of Selection:** How was the contractor selected? State whether the contract is sole source or competitive bid. If an organization is the sole source for the contract, include an explanation as to why this institution is the only one able to perform contract services.
3. **Period of Performance:** How long is the contract period? Specify the beginning and ending dates of the contract.
4. **Scope of Work:** What will the contractor do? Describe in outcome terms, the specific services/tasks to be performed by the contractor as related to the accomplishment of program objectives. Deliverables should be clearly defined.
5. **Method of Accountability:** How will the contractor be monitored? Describe how the progress and performance of the contractor will be monitored during and on close of the contract period. Identify who will be responsible for supervising the contract.
6. **Itemized Budget and Justification:** Provide an itemized budget with appropriate justification. If applicable, include any indirect cost paid under the contract and the indirect cost rate used.