



Memorandum

To: Subrecipients

From: Elizabeth Jankowski, Contracts & Financial Compliance Manager

RE: Creation of Budgets

As per the standard set by the Department of Labor; the following guidelines will set forth the requirements for budget creation and submission for approval. Note that all budgets submitted for application to contracts must meet all the below requirements. Budgets submitted that lack the qualifications will be returned for corrections and may hold up implementation of contracts and the start of program operations.

Project Budget

In preparing the Budget Narrative, you must provide a concise narrative explanation to support each line item requested, explained in detail below.

Budget Narrative: The budget narrative must provide a description of costs associated with each line item. It should also include a description, including the source and amount, of leveraged resources provided (as applicable) to support grant activities.

Use the following guidance for preparing the budget narrative:

Personnel – List all staff positions by title (both current and proposed). Give the annual salary of each position, the percentage of each position's time devoted to the project, the amount of each position's salary funded by the grant, and the total personnel cost for the period of performance. Note: This will be detailed on page 2 of the Budget Narrative (SCHEDULE A: Subcontract - Staff Wage Detail).

Fringe Benefits – Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.

Travel – Specify the purpose, mileage, per diem, estimated number of in-state and out-of- state trips, and other costs for each type of travel.

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Equipment – Is not an allowable expense on this contract.

Supplies – Supplies include all tangible personal property other than “equipment” (see 2 CFR 200.94 for the definition of Supplies). The detailed budget should identify categories of supplies (e.g. office supplies). List the quantity and unit cost per item.

Contractual – Identify each proposed contract and specify its purpose and estimated cost. If applicable, identify any subrecipient agreements, including purpose and estimated costs.

Other – List each item in sufficient detail for us to determine whether the costs are reasonable or allowable. List any item, such as stipends or incentives, not covered elsewhere here. *Note: Municipal Services, Utilities, etc. may not be covered in this category based on DOL interpretation of De Minimis. These costs must be included within your 10% De Minimis Indirect Rate.

Indirect Costs – If indirect costs are included in the budget, then include either, a) the approved indirect cost rate with a copy of the Negotiated Indirect Cost Rate Agreement (NICRA), a description of the base used to calculate indirect costs along with the amount of the base, and the total indirect costs requested, or b) if you meet the requirements to use the 10 percent de minimis rate as described in 2 CFR 200.414(f), then include a description of the modified total direct costs base (see 2 CFR 200.68 for definition) used in the calculation along with the amount of the base, and the total indirect costs requested based on the 10 percent de minimis rate.

Additionally, the following link contains information regarding the negotiation of Indirect Cost Rates at DOL: <http://www.dol.gov/oasam/boc/dcd/index.htm>.

* Leveraged resources should also be described in the budget narrative – if applicable