**GRANT APPLICATION BUDGET NARRATVE**

***[Instructions for Applicants:***

*Please use this template to develop your budget narrative. When writing the narrative, please remember that the purpose of this document is to provide the following information for each cost included in the budget:*

* *The type of expense.*
* *The purpose of the expense, including how it contributes to achieving the project objectives.*
* *The basis of the cost estimate.*
* *How the rate or amount was calculated.*
* *Whether the cost is fully or partially allocated to the project.*

*All instructions within the document are highlighted in green. Please delete these instructions from the final version of your budget narrative.*

*Gray highlighted text must be tailored for your project. For example, where it says Applicant, please replace it with your organization’s name.*

*Please carefully review the budget and budget narrative to ensure that all amounts match*

*Please submit questions about the budget and budget narrative by the deadline specified in the Notice of Funding Opportunity.]*

**Grant Detailed Budget Narrative**

**Name of Project**

**Period of Performance: Start Date to End Date**

**Introduction**

Applicant Name is pleased to present the Name of Project with a total cost of **$XXX** over a X month period.

*[Explain any important points about how the budget is structured and how costs were estimated.}*

**Major Assumptions**

**Budget Scope:** This budget presents costs for a project with an anticipated start date of XXX and an end date of YYY.

**Staffing:** The staffing structure for implementing the project is based on the program description outlined in the technical application.

**Salaries:** All staff salaries conform to Applicant Name personnel compensation policies. Staff salaries are determined based on national labor guidelines and market conditions of Country. For budgeting purposes, salaries are escalated at an average annual rate of X%; actual merit increases are based on performance.

**Inflation:** An inflation rate of X% is applied to travel, transportation, and other direct costs. Inflation is not applied to indirect costs.

**Detailed Budget Notes**

1. **Personnel**

*[Describe each position listed in the budget. This should include each position’s role, how it contributes to the project, the basis for the salary, and the amount of time needed to work on the project (i.e. level of effort over the life of the project).* ***]***

*Position name*: Description of responsibilities. Level of Effort: X%.

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1. **Fringe Benefits**

*[Describe the fringe benefits that you provide your employees. Identify benefits that are required by national law and benefits that are provided under your compensation policies.]*

Applicant provides the following fringe benefits required by Country labor laws and government regulations:

* List government required benefits

Applicant has applied a X% fringe benefit rate for all legally mandated benefits.

Applicant provides the following benefits as part of its compensation package:

* List additional benefits and note whether they are calculated as an amount or a percentage

1. **Travel, Transportation & Per Diem**

*[Describe any in-country travel details. Explain how they are budgeted, including the basis of the estimate (e.g. historical data, quotations from travel agents, etc.). Where possible indicate the tasks and possible locations, the number of trips to these locations, an explanation of the reasons for each trip, and the possible activities they support.]*

**In-Country Travel:**

1. *Domestic airfare:* This amount is budgeted to account for transportation costs within Country to various program sites and cities. *[Include the reason these trips are necessary, how they achieve the project objectives, the number of trips, and cost per person per trip.]*
2. *Domestic Lodging:* Domestic lodging costs are based on *[include an explanation of the basis for the domestic lodging rates.]*
3. *Domestic M&IE:* Domestic meals and incidental expenses (M&IE) are based on *[include an explanation of the basis for the domestic M&IE rates.]*
4. *Ground Transportation:* This line covers the traveler’s costs between home and the airport and between the airport and the hotel. If other ground transportation costs is applicable, please provide detailed explanation. *[Include estimated cost per trip.]*
5. **Equipment**

*[Equipment means an item of property that has a useful life of more than one year and a per-unit acquisition cost of $5,000 or more, or your organization’s capitalization level if it is less than $5,000. For example, if your capitalization level is $3,000, all items with a unit cost of $3,000 or more are considered equipment.*

*List each type of equipment separately and describe the basis for unit price cost estimates (e.g. recent procurement contract prices, quotes, vendor price lists, etc.)* ***Describe why the equipment is necessary to accomplish project objectives.***

***This is an example:***

1. *Generators (60KvA): Two generators will be purchased, one each for the Capital and Town offices, in Year 2, as that is when the current generators will need to be replaced. The proposed price is based on recent quotations and includes installation costs.]*
2. **Supplies**

*[Supplies means expendable property, including computing devices, that do not meet the definition of equipment (see above). Please describe the basis of unit price cost estimates (e.g. recent procurement contract prices, quotes, vendor price lists, etc.)*

***These are examples:***

1. *Laptops: Five laptops with extended warranties, Windows operating system, and Microsoft Office pre-installed will be purchased for professional staff who will work between various program sites. Prices are based on recent quotes from vendors.*
2. *Laptop Accessories: Five sets of computer monitors, computer mice, computer keyboards, and laptop docking stations; one for each laptop computer. Prices are based on recent quotes from vendors.*
3. *Software and License Subscriptions: A lump sum has been budgeted for the following software and licenses:*

* *A Windows Enterprise Server License which permits users to access printers, files, and a central login service for user management of computers and network devices.*
* *Adobe Acrobat software and licenses will be used to create and read PDF files.]*

1. **Contractual**

*[Please explain any contracted services that are required for project implementation. This includes consultants and service support vendors.*

***These are examples:***

1. *Radio/TV Content Producer: In line with the technical application, a short-term consultant will be engaged to assist with the design and production of news bulletins and debates for target radio and TV stations in the beneficiary communities. The daily rate is based on historical rates for engaging consultants to provide similar services.*
2. *IT Support: A professional IT firm will be contracted to provide support and assistance during the life of the project. A consistent, well-functioning IT system is needed to maintain regular communication with stakeholders and project staff. The estimated cost is based on the price of the current contract with the service provider.]*
3. **Other Direct Costs**

*[Please use sub-categories to group similar other direct costs together.*

***These are examples:***

1. *Cyber Security and Media Trainings: A series of 5 trainings will take place over the life of the program to train local civil society and/or radio station partners on international digital security standards as well as a variety of media trainings, including news writing, montage, radio production, and social media. These trainings are essential to strengthening the capacity of local partners and achieving project objectives. Costs will cover lunch, coffee breaks, and venue rental for 50 participants. The venue cost is $X. The cost for coffee breaks and lunch is $X or $X/person. The cost for trainer fees is $X or $X/day. Amounts are based on recent costs incurred for a similar event.*
2. *Office Utilities: This represents the monthly utilities costs for the office. The amount is based on historical costs.*
3. *Communications: This cost reflects estimated monthly communications expenses for internet service for the office. The amount is based on historical costs.]*
4. **Total Direct Costs**

The estimated amount for all direct costs is $ X.

1. **Indirect Costs**

*[Please explain how your indirect costs will be recovered. Your organization must choose one option for indirect cost recovery. Indicate which of the following options you will use:*

* *You must use your Negotiated indirect cost rate agreement (NICRA) if your organization has a NICRA with the U.S. Government. Please describe the indirect cost categories and current rates and provide a copy of your NICRA.*
* *If your organization does not have a NICRA, you may use the de minimis rate which is a flat indirect cost rate of 15% of Modified Total Direct Costs as defined in 2 CFR 200.414(f). Please describe the indirect costs that will be covered by the 15% de minimis rate.*
* *If your organization has a documented indirect cost rate, indicate how the rate is applied, e.g. to all direct costs, to wages and salaries only, etc. Please provide a copy of audited financial statements to justify the rate.*
* *If your organization does not have a NICRA and does not use the de minimis rate, indirect costs may be charged as a fixed amount as described in Non-US Standard Provision RAA 4. Please provide a detailed budget of all indirect costs in the budget spreadsheet and provide explanations of costs in this budget narrative.*
* *If your organization does not have a NICRA and does not use the de minimis rate, indirect costs may be charged as direct costs proportionately calculated for this project. If you use this option, please state that all costs are treated as direct costs.]*

1. **Total Federal Share**

The total amount budgeted for direct and indirect costs is $X.