

Extension Risk Management Education Competitive Grants Program

ONLINE BUDGET AND BUDGET NARRATIVE INSTRUCTIONS

The Extension Risk Management Education Centers review proposed project costs to make certain those costs are reasonable to the project and allowable per the following federal statutes and regulations which apply to project grants awarded under this program. The statutes include but are not limited to:

- **2 CFR, Part 215** (OMB Circular A-110) - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.
- **2 CFR, Part 230** (OMB Circular A-122) - Cost Principles for Non-Profit Organizations.
- **OMB Circular A-133** - Audits of States, Local Governments, and Non-Profit Organizations.
- **2 CFR, Part 220** (OMB Circular A-21) - Cost Principles for Educational Institutions.
- **7 CFR 3015** - USDA Uniform Federal Assistance Regulations.
- **7 CFR 3019** - USDA Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

Copies of the applicable Code of Federal Regulations and USDA Federal Assistance Regulations may be found at the following web-site:

<http://www.csrees.usda.gov/business/awards/fedregulations.html>

To assist in this review, as well as to expedite the award process, proposals are required to have both a budget and budget narrative detailing the various line items. The categories listed below are examples of some of the more common items found in project budgets. All items should be described in the narrative in sufficient detail to enable the Centers to determine that the costs are reasonable and allowable for the project per the regulations.

BUDGET SECTIONS A & B:

Salaries – Show the number of work months that will be charged to the project for which salary is paid by USDA [e.g., two project directors on a 12 month project – one will spend 100% of time (12 months) and one will spend 50% of time (6 Months); total work months would be 18 months]. List the funded months in either Academic and Summer or Calendar months depending on the academic appointment of the person. Non-academic institutions would report salary months under the Calendar category.

Profit and Non-Profit organizations salary rates of pay should not exceed an Executive Level IV salary range (in 2010, this rate is currently at \$155,500 a year or \$595.78 a day). This rate does not include any fringe benefits, G&A, overhead, or other expenses. Provide a justification for the higher rate if any salary rates exceed this amount.

Information on future Executive Level IV salary rates may be found at the Office of Personnel Management website: <http://opm.gov>. Click on “Salaries and Wages”.

Please note that only persons employed by the recipient organization should be listed in this category. Those employed elsewhere would be listed as subcontractors or consultants in the “Other Direct Costs” (ODC) category.

Secretarial and Clerical Salaries – For these salaries to be allowable as a direct charge to the award, a justification of how that person will be directly involved in the project must be included in the narrative. The duties must be directly related to the project plan.

Fringe Benefits – Show the total of allowable fringe benefits.

BUDGET SECTION C:

Equipment – The purchase of equipment is not allowed under the program. Equipment is defined as an article of equipment equal to or in excess of \$5,000 and having a useful life of more than one year. See Budget Section F.6. for possible alternatives.

BUDGET SECTION D:

Travel – Domestic travel (includes Canada, Mexico and U.S. Possessions). Provide information used in estimating the cost such as: the destination if known, purpose, number of travelers, and estimated cost per trip (e.g., St. Louis, Missouri to attend a conference, 2 persons - \$1,000 ea.). This includes all travel paid directly by the grantee organization.

Use the GSA Domestic Per Diem Rate Schedule if you are unsure of the maximum rates allowable for specific locations. Travel and subsistence should be in accordance with organizational policy. Regardless of the organizational policy, allowances for airfare will not normally exceed round trip jet economy air accommodations.

BUDGET SECTION E:

Participant/Trainee Support Costs – Applicant should leave this section blank. If you are conducting a train-the-trainer project and/or your project has a train-the-trainer component, please consult with your regional Center to determine how these costs should be listed.

BUDGET SECTION F:

Other Direct Costs (ODC) are those anticipated direct project charges not included in other budget categories. A description and cost must be included in the budget narrative for each item. Items in ODC should be listed with the corresponding dollar amounts, along with an explanation of the costs provided in the Budget Narrative. Examples of items are:

1. Materials and Supplies – List materials and supplies with estimated costs. This could include items such as office supplies, software, educational or field supplies. For items that are not typical materials & supplies, a detailed narrative of how the item fits the program must be included.

2. Publication Costs – This line is associated with costs related to the publishing of articles in a scientific or technical journal or other type of field/program related

publication and is not allowed under this program. Printing of program materials should be included under “Materials and Supplies”. Photocopying costs should be included under the “Other” category.

3. Consultants – A consultant is someone who renders expert advice in his/her field. The consultant should not be affiliated with the performing organization. Include the name of the consultant and his/her organization, a statement of work, and a breakdown of the amount being charged to the project (e.g., number of days of service, rate of pay, travel, per diem, etc.). A resume or vita for each consultant should be included. A letter of collaboration or intent signed by the consultant or the Authorizing Representative of the consultant organization should also be included.

Consultant rate of pay should not exceed an Executive Level IV (currently \$155,500 per year or \$595.78 per day based on an 8 hour day). This does not include fringe benefits, G&A or overhead or other expenses. Rates exceeding this amount must be documented and justified as to why the person or persons command a higher salary rate.

Information on future Executive Level IV salary rates may be found at the Office of Personnel Management website: <http://opm.gov>. Click on “Salaries and Wages”.

Please note that any limitation or prohibition of indirect costs on the Program also applies to the consultants. The authorizing legislation for this grant program limits indirect costs to the lesser of the institution’s federally negotiated indirect cost rate or 30% of the total Federal funds awarded. If your organization does not have a federally negotiated indirect cost rate, you are allowed to include in your budget only those administrative costs that are directly related to the administration of your grant. (See Budget Sections A & B, Salaries and also Budget Section H, Indirect Costs).

4. Computer (ADP) Services – Computer services are not allowed under the program. This represents the charges associated with the organization’s shared computer system (i.e., line charges or computer processing usage costs). Charges for Internet access may be included in this category. Equipment purchases should be listed under “Materials and Supplies” as appropriate.

5. Subawards/Consortium/Contractual Costs – When a portion of the work proposed will be performed by outside sources, as part of your online submission a statement of work (proposal), budget and budget narrative from the proposed subcontractor must be submitted (uploaded). The proposal should include a letter of collaboration or intent signed by the subcontractor’s Authorizing Representative. The level of detail required for the subcontract budget is the same as the applicant organization. All funds cannot be allocated to subcontracts, as it is expected the awardee organization will have some involvement on the project.

Profit or non-profit subcontractor employee rates of pay should not exceed an Executive Level IV (currently \$155,500 per year or \$595.78 per day). This does not include fringe

benefits, G&A, or overhead or other expenses. Rates exceeding this amount must be documented and justified as to why the person or persons command a higher salary rate. Information on future Executive Level IV salary rates may be found at the Office of Personnel Management website: <http://opm.gov>. Click on “Salaries and Wages”. Please note that any limitation or prohibition of indirect costs on the Program also applies to the subawards.

6. Equipment/Facility Rentals/User Fees –

- a. **Equipment Rental** – When there is a need to rent equipment for use on the project, provide information regarding the type of equipment to be rented, the purpose or use on the project, the length of time needed, and the rental rate.
- b. **Facility** – When it is necessary to rent office or other facility spaces for project implementation, and the space(s) are located off-site from the organization’s main facility in space not owned by the recipient organization, the cost of the rent may be charged against the award if the space is used specifically for the project. The budget narrative should provide details on the normal monthly rental charge and how the rent is pro-rated to the project.

7. Alterations/Renovations – Alterations/Renovations are not allowed under the program.

8. Other – For other costs not specifically listed above. Identify and provide details of the costs involved. Some of the more common items included in this category are:

- a. **Communications** – Mailings, postage, express mail, faxes, and telephone long distance charges. Specific dollar amounts are not required.
- b. **Photocopying** – In-house photocopying of materials associated with the program. Photocopying should not be confused with Publications/Page Charges which are costs related to publishing in a journal or commercial printing of brochures and other materials. Specific dollar amounts may not be required.
- c. **Service or Maintenance Contracts** – Costs should be in direct correlation to the use of the equipment for the project (i.e., if a particular machine is used 50% of the time for the project, the project should only be charged 50% of the service/maintenance costs). Provide details of the type of equipment and the amount of the service contract to be paid from Federal funds.
- d. **Conferences/Meetings** – Costs of holding a conference or meeting are included in this category. Some examples are the rental of facilities and equipment for the meeting, honorariums or fees for trainers or guest speakers, and travel and per diem for participants and speakers. Details of costs for each conference or meeting should be broken out and provided in the budget narrative.

Meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, it is NIFA policy that a formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. Breakfast meals are generally not allowable because no continuity of the meeting exists.

e. **Speaker/Trainer Fees** – Information on speakers should include the fee and a description of the services they are providing.

f. **Honorariums** – Honorariums to persons providing a service are allowable. Provide information regarding the honorarium amount (rate of pay) and a brief statement regarding what the person is doing to earn the honorarium.

BUDGET SECTION H:

Indirect Costs – Indirect costs on awards supported by USDA/NIFA under this program may not exceed the lesser of the institution's official federally negotiated indirect cost rate or 30% of the total Federal funds awarded. No indirect costs are allowed unless your organization has a federally negotiated rate. It is possible, however, to charge staff time that can be documented as being directly related to the administration of your grant, and to the project plan. For additional information, please refer to Budget Sections A & B, Salaries.

Other Items of Note:

Cost Sharing/Matching – This program does not allow cost share or matching funds.

UNALLOWABLE COSTS

The following is a list of selected items of costs which are usually unallowable. This list is not all inclusive. For more information on whether costs are allowable, please refer to Section J., General Provisions for Selected Items of Cost, in the Office of Management and Budget Circular A-21: http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html.

- Alcoholic beverages
- Entertainment costs
- Promotional give away items such as tote bags, coffee mugs, t-shirts, etc.
- Incentives such as gift certificates, cash, etc. given to entice participation in meetings, surveys, and other events.
- Rent for grantee owned facilities
- Award ceremonies

- Receptions
- Proposal writing costs
- Meals:
 - Business meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, it is USDA/NIFA's policy that a formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.
 - Note: Meals consumed while in official travel status do not fall in this category. They are considered to be per diem expenses and should be reimbursed in accordance with the organization's established travel policies. If you have questions concerning meals please contact your appropriate regional Center.