

General Instructions for the Completion of a Budget Justification

The budget justification must include the following information:

- Each line item on the Budget Form must be explained, and the cost provided for each. Each line item on the Budget Form pertains to projected costs.
 - The total for each line item on the Budget Justification must match the total for each line item on the Budget Form.
 - **Administrative Costs cannot exceed 10 percent of the requested funding.**
1. **Staff Salaries** – List all staff positions by title. State the annual salary of each person, the percentage of each person’s time devoted to the project, the amount of each person’s salary funded by the grant, and the total personnel cost for the period of performance. Be sure to breakout administrative and program salaries.
 2. **Fringe Benefits** – Provide the overall fringe benefit percentage which reflects the recipient’s organizational fringe, and list the components included, such as health insurance, FICA, retirement, etc. Provide the fringe benefit calculation for each staff position listed under the salary line item. Be sure to breakout administrative and program fringe.
 3. **Operational Expenses** – List each item in sufficient detail for the grantor to determine whether the costs are reasonable or allowable (cellphone, rent, utilities, video conferencing services, printing, postage, supplies, staff travel, etc.).
 4. **Other Program Expenses**– List each item in sufficient detail for the grantor to determine whether the costs are reasonable or allowable. Costs included under *Other* should not fit into any other line-item category.

Note: If including equipment, be sure to identify each item of equipment to be purchased which has an estimated acquisition cost of \$5,000 or more per unit and a useful lifetime of more than one year. List the quantity and unit cost per item. Items with a unit cost of less than \$5,000 are supplies.

5. **Procurement Methods for Contractor Services** –
 - Micro-purchase Method. Procurement by micro-purchase is the acquisition of supplies or services in which the aggregate dollar amount does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-federal entity considers the price to be reasonable.
 - Small Purchase Method. Purchases for goods or services meeting the small purchase threshold (currently at \$150,000). All purchases between \$3,000 and \$150,000 can use the “small purchase procedures” as the procedures are “relatively simple and informal.” A price or rate quotations must be obtained from three qualified sources and the method(s) of obtaining the price or rate quotations can be obtained in writing, listed by contractor price on a website, or generated via online search engine.

6. **Supplies** – List each item in sufficient detail for the grantor to determine whether the costs are reasonable or allowable. Identify if the supply will remain with participants or if supplies are to remain with program provider for program use. No one supply item is to exceed more than \$5,000. i.e., one laptop cannot exceed \$5,000 for one individual. List the quantity and unit cost per item. Items with a unit cost of more than \$5,000 is equipment.
7. **Supportive Services** – are services that enable an individual to participate in training and includes but not necessarily limited to assistance with linkages to community services, transportation, child care and dependent care, housing, educational testing, reasonable accommodations for individuals with disabilities, legal aid services, referrals to health care, needs related payment, assistance with work attire and work related tools, assistance with books, fees, school supplies and payments and fees for employment and training related applications, tests and certifications. List types of supportive services in sufficient detail for the grantor to determine whether the costs are reasonable or allowable. Be sure to include number of participants for each line item and associated costs; not to exceed (amt) per person.

Submitted with proposal, the local program must have written policies and procedures in place specifying the types of supportive services allowed, the maximum amount per person, governing the award of supportive services, and must ensure that such supportive service payments are:

- (a) Tied to the goals of the specific program;
- (c) Align with the local program's organizational policies.

8. **Incentives** - Incentives are permitted for recognition and achievement directly tied to training activities and work experiences. Incentives are Non-Cash Assets (Assets) referring to any item that holds immediate cash value, including but not limited to, gift cards, signed or certified checks, bus passes, gas cards, and bearer bonds. This may also include items purchased that hold no immediate cash value, that were acquired with the intent to issue them as incentives.

Submitted with proposal, the local program must have written policies and procedures in place specifying the types of incentives allowed, the maximum amount per person, governing the award of incentives, and must ensure that such incentive payments are:

- (a) Tied to the goals of the specific program;
- (c) Align with the local program's organizational policies.

9. **Training** – Breakout Training costs into the budget category. List each item in sufficient detail for the grantor to determine whether the costs are reasonable or allowable. Be sure to include number of participants for each line item.

For example, Classroom Training Expenditures – 15 people * \$150 Forklift Training= \$2,250.00