

ATTACHMENT II

BUDGET INFORMATION INSTRUCTIONS

Part 2 of the proposal should be titled "PART II-PROPOSED PROJECT BUDGET." The applicant must prepare the proposed budget using Standard Form (SF) 424 and 424A (available in Adobe Acrobat format at <http://www.doleta.gov/sga/forms.cfm>).

Sections A, B, and C of the SF-424A should include budget estimates for the entire grant period. In the past, in sections A and B applicants were asked to identify how costs would be allocated among different functional areas or cost classifications, such as administration and participant wages and fringe benefits. Applicants are no longer required to identify on this form how costs are allocated among functional areas. However, applicants must continue to follow the program requirements regarding the expenditure and reporting of funds, including requirements regarding the proportion of funds to be spent in each functional area.

The following instructions are intended to clarify the process of completing the SF-424 grant application and the SF-424A budget form. The current authorizing legislation and regulations should be reviewed as well as OW Bulletin No. 00-20, Allocation of Indirect Costs. Sufficient funding for administrative costs must go to the local levels of program operation.

CLARIFYING INSTRUCTIONS FOR STANDARD FORM 424

If additional space is needed to complete an item, insert an asterisk and use an extra sheet of paper. For the most part, this form is self-explanatory. Complete all applicable items.

Item 14. List the counties with the number of authorized positions to be placed in each one. If the space on the form is not sufficient, please continue on a separate page. This list must be consistent with the appropriate current individual State Equitable Distribution plans.

Item 18. The Federal funding for Program Year 2007 for all applicants is listed in Attachment V. Applicants should be aware that once they identify the non-federal resources on this form that will be used to support their SCSEP project, the Employment and Training Administration (ETA) will require them to provide those resources to support their project. Applicants should not list resources in excess of the program's non-federal share requirement. If they do so, ETA will consider the full amount specified on the SF-424 as required and will adjust the costs if the specified non-federal resources are not provided.

CLARIFYING INSTRUCTIONS FOR STANDARD FORM 424-A

Section A - Budget Summary

Lines 1, Columns (a) and (b).

Under Column (a), enter “SCSEP.”

Under Column (b) on Line 1, enter “17.235”.

Line 1, Column (c) through (g). Enter in Columns (c) (Federal), and (d) (Non-Federal) the appropriate amount of funds needed to support the project for the grant period, and in column (g) enter the total. Leave Columns (e) and (f) blank.

Lines 2 – 4. Leave these lines blank.

Line 5. Show totals for Columns (c), (d), and (g). The non-Federal share must be no less than 10 percent of the total cost of the project. The legislative requirement is found in section 502(c)(1) of the OAA Amendments. The cost sharing or match requirements for States and local governments are found in the administrative regulations, 29 CFR Part 97. The cost sharing or match requirements for nonprofit and commercial organizations are found in the administrative regulations, 29 CFR Part 95.23. As noted with the 424 form, applicants should be aware that once they identify the non-federal resources on this form that will be used to support their SCSEP project, ETA will require them to provide those resources to support their project. Applicants should not list resources in excess of the program’s non-federal share requirement. If they do so, ETA will consider the full amount specified on the SF-424A as required and will adjust the costs if the specified non-federal resources are not provided. Please indicate as a remark (on Line 23) the specific source(s) and amounts (if known) of any non-Federal funds and include this information in the detailed budget narrative.

Section B – Budget Categories

In the past, applicants were asked to identify the amount of grant funds budgeted for each functional area by object class category; object class categories are listed in lines 6(a) through 6(k). However, in section B of the SF - 424A applicants will no longer be asked to identify how grant funds are budgeted by functional area, but instead to note the total amount of funds for each object class category.

Lines 6a through 6h, Column 1. Show the estimated amount of funds (both federal and non-federal) for each direct object class category. All costs to be incurred under contracts or sub-grants should be reflected in line 6f (Contractual). For the purposes of this budget, costs associated with participant wages and fringe benefits should be categorized the following ways:

- When a participant has a community service employment assignment at the grantee’s facilities and is considered an employee of the grantee, then participant wage costs should be listed in “Personnel” and fringe benefits in “Fringe Benefits”
- When a participant has a community service employment assignment at a host agency or sub-recipient’s facilities, but is considered an employee of the grantee, then participant wage costs should be listed in “Personnel” and fringe benefits in “Fringe Benefits”
- When a participant has a community service employment assignment at a host agency or sub-recipient’s facilities, and is considered an employee of the host-agency or sub-recipient, then participant wage and fringe benefit costs should be listed in “Contractual”

Line 6i, Column 1. Show the total of entries made for lines 6a through 6h.

Line 6j, Column 1. Show the amount of indirect costs. If the applicant plans to expend federal funds on indirect costs, a copy of the current indirect cost rate agreement must be sent with the application. Applicants that do not have an in-direct cost rate, but have more than one source of funds, are required to contact the Department of Labor’s Division of Cost Determination to determine the process to follow to apply for an indirect cost rate.

Line 6k, Column 1. Enter the total of the amounts indicated on lines 6i and 6j. For all applications, the total amount in Column (1), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5.

Line 7. Do not enter an estimate of program income expected to be generated from this project. **Note:** Income generated by SCSEP projects must be used for SCSEP activities.

Section C – Source of Non-Federal Resources

Line 8. Enter amounts of non-Federal resources that will be used in the grant; do not break down non-Federal resources by functional area.

Column (a). Enter “SCSEP.”

Column (b). Enter the amount of cash and/or in-kind contributions to be made by the applicant.

Column (c). Enter the State(s) contribution. This requirement does not apply to State grantees, when the State is the applicant.

Column (d). Enter the amount of cash and/or in-kind contributions to be made from all other sources.

Column (e). Enter totals of Columns (b), (c), and (d). The amount under Column (e) should be equal to the amount on Line 5, Column (d), Section A.

Line 12. Under each column enter the same figure entered in Line (8).

Section D - Forecasted Cash Needs

Make no entries.

Section E - Budget Estimates of Federal Funds Needed for Balance of Project

Make no entries.

Section F - Other Budget Information

Line 21 - Direct Charges. In the space provided type “A Detailed Budget Narrative is Attached.”

You must provide a Detailed Budget Narrative with the Grant Application Package. You should prepare this and have available for inspection the basis for their estimated costs by line item (including the detail for the "Other" line item). The cost breakout should reflect the SF-424A so that totals match for both the form and the detailed budget narrative. You should present information by line item and category, and you should indicate which functional areas costs are associated with – administration, participants wages and fringe benefits, and other participant costs. Applicants must provide detail for all line items.

The budget narrative must show costs that occur at the national and/or state and the local level. The detailed budget narrative should also indicate the specific kinds of non-Federal resources that will be used to meet the match requirement, such as the provision of office space or the salaries of project staff, and the organization(s) providing them.

You may consult with the Federal Project Officer regarding the needed level of detail. In categorizing costs and their applicability, all applicants must follow OAA 2006 Section 502(c) and the Regulations at 20 CFR Part 641 Subpart H, sections 641.847 - 641.876. Please also see the discussion of administrative costs in the One-Stop Comprehensive Financial Management Guide at http://www.doleta.gov/sga/pdf/FinalTAG_August_02.pdf, pages II-5-3 to II-5-6.

Other considerations: Successful applicants are expected to attend DOL- sponsored training and should prepare their budgets accordingly. For example, you should allocate funds to attend the meeting for SCSEP grantees to be held in conjunction with the Workforce Innovations conference in 2007, and could allocate funds to attend the financial and administrative training sponsored by ETA. In addition, you must have current computer technology and ensure that your organization has the capability to link to the Internet. Reporting will continue to be done via the Internet.

Line 22 - Indirect Charges. Enter the type of indirect rate (provisional, predetermined, final, or fixed) that will be in effect during the grant period, and the nature and the

amount of the base to which the rate is applied, and the total indirect charges. Include a copy of your agency's approved indirect cost rate agreement. It should cover the entire grant period. If not, state that a new one will be provided when available.

If you not have an indirect cost rate, but have more than one source of funds, you must contact DOL's Division of Cost Determination to determine the process to follow to apply for an indirect cost rate.

Line 23 – Remarks. Provide any other explanations or comments deemed necessary. We suggest entering the words “See Attached Detailed Budget Narrative” in this section.