

## Instructions for the Completion of the Budget Narrative

The Budget Narrative provides an explanation for each line item of the SF-424A. Each line item explanation must include the information requested below. The explanation should include an itemization of component costs falling under each line item. The itemization must total the amount listed for each SF-424A line item.

1. **Personnel** – 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.
2. **Fringe Benefits** – Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.
3. **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, and the projected number of travelers.
4. **Equipment** – 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. **Supplies** – Supplies include all tangible personal property other than “equipment.” The detailed budget should identify categories of supplies (e.g. office supplies). List the quantity and unit cost and total cost per item.
6. **Contractual** – Identify each proposed contract and specify its purpose and estimated cost. The subtotal of each contractor's cost must collectively total the amount listed on the Contractual line item. If applicable, identify any sub-recipient agreements, including purpose and estimated costs by line item.
7. **Construction** – Construction costs are not allowed and this line must be left as zero. Minor alterations to adjust an existing space for grant activities (such as a classroom alteration) may be allowable. DOL does not consider this as construction and the costs must be shown on other appropriate lines such as Contractual.
8. **Other** – List each item in sufficient detail for DOL to determine whether the costs are reasonable or allowable. List here any item which does not fit in any other category on the SF-424A.
9. **Indirect Charges** – If indirect charges are included in the budget, include the current approved indirect cost rate notification with a copy of the Indirect Cost Rate Agreement. Provide the calculation used to derive the total amount of indirect charges.