



SAMPLE BUDGET NARRATIVE

Include a line-item budget narrative explaining the amounts requested for each row in Section B: Budget Categories of the Budget Information: Budget Details form, including details on both the federal request and non-federal resources. The budget narrative is for one year, based on the FY 2019 budget period (August 1, 2019 through July 31, 2020). Upload the budget narrative in the Budget Narrative field section in EHBs.

Budget Justification	FY 2019 Budget Period August 1, 2019 – July 31, 2020		
	Federal		Non-Federal
	Federal Program Costs	Federal Grant Administrative Costs (10% Cap for NHHCS Only)	Non-Federal Matching Funds
REVENUE – <i>Should be consistent with information presented in Section B of the Budget Information: Budget Details Form.</i>			
NHHCIA Grant Amount			
Program Income (fees, third party reimbursements, and payments generated from the projected delivery of services)			
State Funds			
Local Funds			
Other Federal Funding (break out by source — e.g., HUD, CDC)			
OTHER SUPPORT			
NON-FEDERAL MATCHING FUNDS (NHHCS only)			
TOTAL REVENUE			
EXPENSES: <i>Object class totals should be consistent with those presented in Section B of the Budget Information: Budget Details Form.</i>			
PERSONNEL – <i>Include budget details for each staff position as seen in the Personnel Justification sample below.</i>			
ADMINISTRATION			
MEDICAL STAFF			
DENTAL STAFF			
BEHAVIORAL HEALTH STAFF (i.e., Mental Health and Substance Abuse Disorder)			
ENABLING STAFF			
OTHER STAFF			

Budget Justification	FY 2019 Budget Period August 1, 2019 – July 31, 2020		
	Federal		Non-Federal
	Federal Program Costs	Federal Grant Administrative Costs (10% Cap for NHHCS Only)	Non-Federal Matching Funds
TOTAL PERSONNEL			
FRINGE BENEFITS			
FICA @ X.XX%			
Medical @ X%			
Retirement @ X%			
Dental @ X%			
Unemployment & Workers Compensation @ X%			
Disability @ X%			
TOTAL FRINGE @ X%			
TRAVEL			
Provider Training: 2 trainings in QI/QA @ \$X per person x 2 FTEs 5 hotel nights @ \$X per night x 2 FTEs x 2 trainings			
Outreach (X,XXX miles @ \$0.XX per mile)			
TOTAL TRAVEL			
EQUIPMENT – Include items of moveable equipment that cost \$5,000 or more and with a useful life of one year or more.			
Ultrasound machine			
3 dental chairs @ \$X,XXX each			
TOTAL EQUIPMENT			
SUPPLIES			
4 laptop computers @ \$X each			
Office Supplies (\$X per month x 12 months)			
Printing Costs (\$X.XX per brochure x 4 brochures x X,000 copies)			
TOTAL SUPPLIES			
CONTRACTUAL – Include sufficient detail to justify costs.			
Pharmacy Services (\$X per contract)			
Laboratory Services (\$X per sample x X,XXX samples)			

Budget Justification	FY 2019 Budget Period August 1, 2019 – July 31, 2020		
	Federal		Non-Federal
	Federal Program Costs	Federal Grant Administrative Costs (10% Cap for NHHCS Only)	Non-Federal Matching Funds
Housekeeping Services (\$X per month x 12 months)			
Ophthalmology Services (\$X per patient x XXX patients)			
Waste Removal (\$X per month x 12 months)			
TOTAL CONTRACTUAL			
OTHER – Include detailed justification. Note: Federal funding CANNOT support construction, fundraising, or lobbying costs.			
EHR provider licenses \$X each x XX providers			
Staff Recruitment – newspaper and Internet posting			
Audit Services with HIJ Firm			
Membership Dues (specify membership organization and cost per each)			
Property Insurance			
Repairs and Maintenance - not covered by warranty (\$X per month x 12 months)			
Rent (\$X per month x 12 months)			
TOTAL OTHER			
TOTAL DIRECT CHARGES (Sum of TOTAL Expenses)			
INDIRECT CHARGES – Include approved indirect cost rate.			
X% indirect cost rate (includes utilities and accounting services)			
TOTALS (Total of TOTAL DIRECT CHARGES and INDIRECT CHARGES)			

Additional Budget Justification:

Personnel Object Class Category Justification

See the table below for an example of the information required for staff positions supported in whole or in part by the NHHCIA grant funds.

Personnel Justification Sample

Name	Position Title	% of FTE	Base Salary	Adjusted Annual Salary*	Federal Amount Requested
J. Smith	Physician	50%	\$255,000	\$189,600	\$94,800
R. Doe	Nurse Practitioner	100%	\$75,950	no adjustment needed	\$75,950
D. Jones	Data/AP Specialist	25%	\$33,000	no adjustment needed	\$8,250
Total			\$363,950	N/A	\$179,000

*used when the base salary is over the limitation of \$189,600

Instructions for the Budget Narrative

Include a line-item Budget Narrative explaining the amounts requested for each row in Section B: Budget Categories of the Budget Information: Budget Details form, including details on both the federal request and non-federal resources. The Budget Narrative is for **one year, based on the upcoming FY 2019 budget period (August 1, 2019 through July 31, 2020)**. Upload the Budget Narrative in the Budget Narrative field section in EHBs. The Budget Narrative must contain detailed calculations explaining how each line-item expense is derived. Demonstrate the following in the Budget Narrative:

- The total resources required to achieve the goals and objectives (both federal and non-federal).
- The maximization of non-grant revenue relative to the proposed plan.
- A complete breakdown of the costs for each activity.
- **For NHHCS only:** A detailed presentation of the breakdown and sources for matching funds as required in 42 U.S.C. § 11705(e).
- **For NHHCS only:** A demonstration of adherence to the 10% administrative cap.
- **For POL only:** One-time equipment purchases (see definition of equipment on page 10).

Include the following sections in the Budget Narrative:

Personnel Costs: Explain personnel costs by listing each staff member who will be supported by federal NHHCIA funds, and include the name (if possible), position title, percentage of full time equivalency (FTE), and annual salary. **Reminder:** Federal funds may not be used to pay the salary of an individual at a rate in excess of Federal Executive Level II, currently \$189,600. See Section 4.1 of HRSA's [SF-424 Application Guide](#) for additional information. An individual's base salary, per se, is **NOT** constrained by the legislative provision for a limitation of salary. The rate limitation simply limits the amount that may be awarded and charged under the NHHCIA. Provide an individual's actual base salary if it exceeds the cap.

Ensure that personnel costs are supported by official records that accurately reflect the work performed and that internal controls provide reasonable assurances that the personnel costs are accurate, allowable, and allocable to the NHHCIA award.

Fringe Benefits: List the components that comprise the fringe benefit rate (e.g., health insurance, taxes, unemployment insurance, life insurance, retirement plan, tuition reimbursement). The fringe benefits should be directly proportional to the portion of personnel costs that are allocated for the project. If an individual's base salary exceeds the legislative salary cap, adjust fringe proportionally.

Travel: List travel costs categorized by local and long distance travel. For local travel, the mileage rate, number of miles, reason for travel, and staff/board members completing the travel must be outlined. For long distance travel, include the reason for travel (e.g., name of conference and location), staff traveling, as well as itemized costs associated with airfare, ground transportation, per diem, hotel, conference/meeting registration

fees, etc. The budget must also reflect travel expenses associated with participating in proposed meetings, trainings, or workshops.

Equipment: (POL only) List equipment costs and provide justification for the need of the equipment to carry out the program's goals. Extensive justification and a detailed status of current equipment must be provided when requesting funds for the purchase of items that meet the definition of equipment (a unit cost of \$5,000 or more and a useful life of one or more years). For example, large items of medical equipment.

Supplies: List the items that will be used to implement the proposed project. Separate items into three categories: office supplies (e.g., paper, pencils), medical supplies (e.g., syringes, blood tubes, gloves), and educational supplies (e.g., brochures, videos). Items must be listed separately.

Per [45 CFR § 75.321](#), property will be classified as supplies if the acquisition cost is under \$5,000. Note that items such as laptops, tablets, and desktop computers are classified as supplies if the value is under the \$5,000 equipment threshold.

Contracts: Provide a clear explanation as to the purpose of each contract, how the costs were estimated, and the specific contract deliverables. Include the basis for your cost estimate. You are responsible for ensuring that your organization has in place an established and adequate procurement system with fully developed written procedures for awarding and monitoring all contracts consistent with the federal procurement standards set forth in [45 CFR Part 75](#): Uniform Administrative Requirements for Awards and Subawards to Institutions of Higher Education, Hospitals, Other Nonprofit Organizations, and Commercial Organizations or [45 CFR Part 92](#): Uniform Administrative Requirements for Grants And Cooperative Agreements to State, Local, and Tribal Governments, as appropriate.

For consultant services, list the total costs for all consultant services. Identify each consultant, the services he/she will perform, total number of days, travel costs, and total estimated costs. Per the Suspension and Debarment rules in the Uniform Administrative Requirements, as implemented by HRSA under 45 CFR § 75.212, non-federal entities and contractors are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR parts 180 and 376. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

Other: Include all costs that do not fit into any other category and provide an explanation of each cost (e.g., audit, legal counsel). In some cases, rent and utilities fall under this category if they are not included in an approved indirect cost rate.

Indirect Costs: Indirect costs include costs incurred for common or joint objectives that cannot be readily identified but are necessary to organizational operation (e.g., facility operation and maintenance, depreciation, administrative salaries). Visit the [Program Support Center](#) to learn more about indirect cost rate agreements, including the process for applying for an agreement. **Note:** If your organization claims indirect costs in your budget, you must upload a copy of your most recent indirect cost rate agreement in Attachment 8: Other Relevant Documents.