

## Sample Budget Justification Narrative

Applicants must provide a 12 month Budget Justification Narrative that explains the amounts requested for each line item in the Federal Object Class Categories Form. The Budget Justification Narrative must contain sufficient detail to enable HRSA to determine if costs are allowable<sup>1</sup> and must outline federal and non-federal (if any) costs for each line item. It is important to **ensure that the Budget Justification Narrative contains detailed calculations explaining how each line-item expense is derived** (e.g., cost per unit).

FY 2016 PCMH supplemental funding to may not supplant other resources and cannot be used to support the following:

- Costs incurred prior to award;
- Costs that are covered by the HRSA Accreditation and PCMH Recognition Initiative;
- Patient care (e.g., laboratory tests, medical or office supplies);
- Construction, including minor alterations and renovation;
- Fixed/installed equipment; and/or
- Facility, land, or vehicle purchases.

The budget justification should describe how each cost will support the proposed objectives, and include the following information:

Budget Justification Narrative	12 Month Funding Period (8/1/2016 – 7/31/2017)	
	Federal	Non-Federal
<b>EXPENSES:</b> <i>Object class totals should be consistent with those presented in the Federal Object Class Categories Form.</i>		
<b>PERSONNEL</b> – List each staff member who will be supported by one-time FY 2016 PCMH funds, name (if possible), position title, percent full time equivalency (FTE), and annual salary. <b>The details shown in the <a href="#">table on page 3</a> must be included for all proposed staff to be supported with federal funding.</b>		
OPERATIONS STAFF		
CLINICAL STAFF		
ENABLING STAFF		
SUPPORT STAFF		
OTHER STAFF		
<b>TOTAL PERSONNEL</b>		

<sup>1</sup>For allowable costs, see <http://www.hhs.gov/sites/default/files/grants/grants/policies-regulations/hhsgps107.pdf>

Budget Justification Narrative	12 Month Funding Period (8/1/2016 – 7/31/2017)	
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<b>FRINGE BENEFITS</b> – 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 allocated for the PCMH development activities.		
FICA @ X.XX%		
Medical @ X.XX%		
Retirement @ X%		
Dental @ X%		
Unemployment/Workers Compensation @ X%		
Disability @ X%		
<b>TOTAL FRINGE @ XX%</b>		
<b>TRAVEL</b> – The budget should reflect expenses associated with consultant travel and travel for staff or providers to attend trainings. List travel costs according to local and long distance travel. For local travel, include the mileage rate, number of miles, reason for travel, and staff traveling.		
Local travel: mileage rate, number of miles, reason, staff travelling		
PCMH Training Conference: trainings @ \$X per person x number of people		
<b>TOTAL TRAVEL</b>		
<b>EQUIPMENT</b> – List equipment costs and provide justification under the program’s goals. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.		
Patient Engagement Equipment (e.g. kiosks) @ \$XX each		
Electronic Health Record Software Add-on @ \$XX each		
<b>TOTAL EQUIPMENT</b>		
<b>SUPPLIES</b> – List the items necessary for implementing the proposed project. Equipment that does not meet the \$5,000 threshold listed above should be listed here.		
Office Supplies (\$XX per month x 12 months)		
1 Laptop computer at less than \$5,000		
<b>TOTAL SUPPLIES</b>		

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<b>CONTRACTUAL</b> – Provide a clear explanation as to the purpose of each contract, how the costs were estimated, and the specific contract deliverables. Each applicant is responsible for ensuring that its organization/institution has in place an established and adequate procurement system with fully developed written procedures for awarding and monitoring contracts.		
Temporary PCMH Development Coordinator (purpose of contract, cost, deliverables)		
<b>TOTAL CONTRACTUAL</b>		
<b>OTHER</b> – Include all costs that do not fit into any other category and provide an explanation of each cost.		
Consultant Request for Proposals – Newspaper/Internet posting fees		
<b>TOTAL OTHER</b>		
<b>TOTAL DIRECT CHARGES</b> (Sum of all TOTAL Expenses above)		
<b>INDIRECT CHARGES</b> – <i>Include approved indirect cost rate if applicable.</i>		
X.XX% indirect rate (includes utilities and accounting services)		
<b>TOTALS</b> (Total of TOTAL DIRECT CHARGES and INDIRECT CHARGES)		

**Additional Budget Justification: Personnel Costs**

The information included in the table below must be provided for all staff proposed to be supported by federal funding through the FY 2016 PCMH funding opportunity. Staff supported entirely with non-federal funds do not require this level of information.

**Budget Justification Sample for Proposed Staff**

Name	Position Title	% of FTE	Base Salary	Adjusted Annual Salary	Federal Amount Requested
R. Doe	Nurse Transformation Lead	30%	\$74,500	No adjustment needed	\$22,350
D. Jones	Data/AP Specialist	10%	\$33,000	No adjustment needed	\$3,300