



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 2020 budget period (August 1, 2020 through July 31, 2021). Upload the budget narrative in the Budget Narrative field section in EHBs.

Budget Justification	FY 2020 Budget Period August 1, 2020 – July 31, 2021		
	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 Use Disorder)			

ENABLING STAFF			
OTHER STAFF			
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)			
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:

Instructions for the Budget Narrative

The Budget Narrative is for **one year, based on the upcoming FY 2020 budget period (August 1, 2020 through July 31, 2021)**. Upload the Budget Narrative in the Budget Narrative field in EHBs.

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 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 (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 POL:** One-time equipment purchases (see definition of equipment on page 8).
- **For NHHCS:**
 - A detailed presentation of the breakdown and sources for matching funds as required in [42 U.S.C. § 11705\(e\)](#).
 - A demonstration of adherence to the 10 percent administrative cap.

Include the following sections in the Budget Narrative:

Personnel Costs: Provide the following information for all direct hire staff and contractors you propose to support with federal NHHCIA funding: name (if possible), position title, percentage of full time equivalency (FTE), annualized base salary, adjusted annual salary based on salary limitation requirements, and the amount of federal funding requested.

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 \$197,300. See Section 4.1 of HRSA's [SF-424 Application Guide](#) for additional information. This salary rate limitation also applies to sub-awards/sub-contracts under a HRSA grant. 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.

The table below provides the information that must be included for each staff position supported in whole or in part with NHHCIA funds.¹

Budget Sample for Salary Limitation

Name	Position Title	% of FTE	Annualized Base Salary	Adjusted Annual Salary*	Federal Amount Requested
J. Smith	Physician	50	\$255,000	\$197,300	\$98,650
R. Doe	Nurse Practitioner	100	\$75,950	no adjustment needed	\$75,950
D. Jones	Data/IT Specialist	25	\$33,000	no adjustment needed	\$8,250

*Used when the base salary is over the 2020 Executive Level II salary limitation of \$197,300.

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.

¹ If a full-time staff member is paid from several HRSA funding sources, the total federal contribution to that staff person's salary cannot exceed \$197,300.

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

Travel: Categorize by local and long distance travel. For local travel, outline the mileage rate, number of miles, reason for travel, and staff/board members completing the travel. 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. Your budget must reflect travel expenses associated with participating in proposed meetings, trainings, or workshops, as applicable.

Equipment: (POL only): Per [45 CFR § 75.320](#), property will be classified as equipment if the per unit acquisition cost is \$5,000 or more and the property has a useful life of one or more years. List equipment costs and provide justification for the need of the equipment to support program 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. For example, large medical equipment.

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

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). List items separately.

Contracts: Provide a clear explanation for 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 established an adequate procurement system with fully developed, written award and monitoring procedures for all contracts. Procedures should be 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 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](#), and [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 align with any other category. 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: Include costs incurred for common or joint objectives that are not readily identified but are necessary for organizational operation (e.g., facility operation and maintenance, depreciation, administrative salaries). Visit the U.S. Department of Health and Human Services [Program Support Center Cost Allocation Services webpage](#) 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](#).