# Fiscal Year (FY) 2023 Budget Template

The Federal Motor Carrier Safety Administration (FMCSA) **encourages** the use of this template by applicants to aid with developing a responsive budget narrative.

## Budget Narrative

Providea description of the expenses by budget category which match the application’s SF-424a Budget Category columns for **each project**. Narrative must include a detailed justification for the costs necessary to complete the proposed project. The level of detail should be sufficient for the reviewer to evaluate expenses are necessary, reasonable, allowable, and allocable as established by 2 C.F.R. part 200 and FMCSA’s MCSAP Comprehensive Policy (MCP). **Expenses must be itemized to demonstrate how the total cost was determined.** For example, Travel cost must not be bundled but must show how total was determined by itemizing cost for airline, lodging, taxi, etc. **All line items must be rounded to the nearest whole dollar amount.**

**Personnel costs** are employee salaries working directly on a grant project. Include costs for only those personnel employed by your organization. Individuals not employed by your organization will be classified as either a sub-grantee or contractor. See the contractual object class section for additional information.

Personnel Budget Narrative

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| --- | --- | --- | --- | --- |
| **Position(s)** | **# of Staff** | **% of Time on Grant project** | **Annual Salaries** | **Total Cost** |
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|  |  |  |  |  |
| **Sub-Total Personnel** | | | |  |
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**Fringe benefits** are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. The costs of fringe benefits are allowable under 2 CFR 200.431 provided that the benefits are reasonable and are required by law, a non-Federal entity-employee agreement, or written policy of the non-Federal entity. The FMCSA will only reimburse fringe costs for personnel and only for the percentage of time they devote to the project. Explain how the fringe benefit amount is calculated (e.g., actual fringe benefits, rate approved by the Health and Human Services Statewide Cost Allocation Plan or cognizant agency). Explain what is included in the benefit package. **Do not combine the fringe benefit costs with direct salaries and wages in the personnel category.**

Fringe Benefits Budget Narrative

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| **Position(s)** | **Rate** | **Base Amount** | **Total Cost** |
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| ***Sub-Total Fringe Benefits*** | | |  |
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**Travel costs** include field work activities or travel to professional meetings. The FMCSA reviews the travel budget to ensure that amounts are reasonable based on the level of effort described in the project plan and alignment with 2 CFR § 200.475. Please include estimates for unforeseen travel such as possible FMCSA required meetings, with estimated costs of attendance. Explain the reason for travel expenses for project personnel (staff training, field interviews, advisory group meeting, etc.) and, if known, identify the location/destination of travel. Do not include payroll, fringe, or other costs listed as part of the travel. For example, payroll is included in Personnel, fringe is included in Fringe and fuel costs are included in Other. **Travel cost must not be bundled and should show how total was determined by itemizing cost for airfare, lodging, ground transportation, per diem, etc.** Reminder: Travel conducted by consultants/contractors or guest travel should be accounted for and itemized under Contractual Budget Category.

Travel Cost Budget Narrative

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| **Purpose** | **# of Staff** | **Days** | **Total Cost** |
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| ***Sub-Total Travel*** | | |  |
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**Equipment** is tangible personal property with a useful life of more than one year and a per unit cost of the lesser of the capitalization threshold established by the non-Federal entity or $5,000. The FMCSA evaluates the need for the equipment (e.g., ratio of employees to equipment) in the budget narrative and how it supports project activities. The FMCSA also evaluates the extent to which the equipment is being used to support more than one cost objective. If it does, FMCSA reviews the cost to ensure the expenses have been properly allocated. Additionally, FMCSA reviews past performance information to determine if the same equipment for the project/program was purchased in previous years. If the same equipment was previously purchased for the same project/program in previous years, the applicant must explain the need for the additional equipment. If the applicant’s capitalization threshold is less than $5,000, please state in narrative the threshold level to support it was properly categorized.

Equipment Cost Budget Narrative

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| --- | --- | --- | --- |
| **Item Name** | **# of Items** | **Cost per Item** | **Total Cost** |
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| ***Sub-Total Equipment*** | | |  |
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**Supplies** are tangible personal property other than equipment. The FMCSA evaluates supplies costs to ensure a sufficient level of detail that would allow an informed reader to understand the standard office supplies are reasonable. FMCSA will not accept a bundle amount for general office supplies.

Supplies Cost Budget Narrative

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| --- | --- | --- | --- | --- |
| **Item Name** | **# of Units/Items** | **Unit of Measurement** | **Cost per Unit** | **Total Cost** |
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| ***Sub-Total Supplies*** | | | |  |
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**Contractual costs** are associated with a legal instrument by which a recipient purchases property or services necessary to carry out the Federal project.

The FMCSA reviews the contractual budget narrative to ensure it contains sufficient descriptive information about what specific costs (products and/or services) would be charged to the grant, a rationale for how those costs were derived, and the applicability and necessity of each to the grant.

Include the name of the vendor/subrecipient, if known. If not, indicate that the selection is pending and an estimated timeframe when the vendor/sub-grant recipient will be selected. In the application, the most important component of the contractual budget narrative is the purpose of the contract/sub grant and how the cost was estimated/derived.

**Guidance for Contract Costs:**

A contractor is one who provides goods and services within normal business operations; provides similar goods or services to many different purchasers; normally operates in a competitive environment; provides goods or services that are ancillary (but necessary) to the operation of the Federal program. A contractor is not subject to Federal compliance requirements as a result of the grant, though similar requirements may apply for other reasons.

For example, contractual costs could include training, maintenance contracts, or other service contracts except those which belong in different object classes such as equipment or supplies (depending upon your organization’s policy). The term “procurement” is used to identify the process of acquiring goods and services from sources outside of the grant recipient organization. When procuring goods and services under a Federal award, an organization must follow the procurement standards at 2 CFR §§ 200.317 - 200.326 and same policies and procedures it uses for procurements for its non-Federal funds. Non-competitive procurements should only be used in limited circumstances and should be a last resort.   
Non-competitive procurements must comply with 2 CFR § 200.320(c).

**Guidance for Subrecipient Costs:**

A subaward is an award provided by the recipient (also known as a pass-through entity or prime recipient) to a subrecipient. Characteristics of a subrecipient include that the subrecipient has its performance measured in relation to whether objectives of a Federal program were met; has responsibility for programmatic decision making; is responsible for adherence to applicable Federal program requirements specified in the Federal award; and (in accordance with its agreement) uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity. For more information in determining subrecipients see 2 CFR 200.331.

A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. Federal regulations require that all sub-grant recipients obtain and maintain an active System for Award Management registration at all times during an active Federal award.

If you intend to provide funding to another organization as a subaward, provide a new object class budget narrative and line-item budget for each sub-grant recipient organization.

Contractual Cost Budget Narrative

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| **Description of Services** | **Total Cost** |
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| ***Sub-Total Contractual*** |  |
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**Other costs** are expenses that do not fit within any of the other object class categories. Typical costs in this category include, but not limited to, professional services, audit, postage, printing, and facilities expenses such as rent and utilities **(note: CDLPI grant program: rent, lease and purchase of building and space are not allowable)** used to conduct project activities. The FMCSA evaluates the costs to ensure that no unallowable costs, such as entertainment expenses, are included.

A lease is considered Other cost when you are not the prime on the contract; rather, you are partnering with a different agency in your State or using a shared utility, facility or other services purchased through the State for one or more agencies. A lease is considered a contractual cost when you directly engage, and form a contract with, a vendor.

Group Other object class costs whenever possible (e.g., space, rental, communication, printing, maintenance) in the budget and explain how they support the grant activities. Other costs must show how totals were determined by itemizing costs in the budget narrative justification.

Ensure that costs such as professional services, audit, postage, printing, and facilities expenses are not already accounted for in either your indirect cost rate agreement or cost allocation plan.

Other Cost Budget Narrative

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| --- | --- | --- | --- | --- |
| **Item Name** | **# of Unit/ Items** | **Unit of Measurement** | **Cost Per Unit** | **Total Cost** |
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|  |  |  |  |  |
| ***Sub-Total Other*** | | | |  |
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**Indirect Costs:**Indirect costs are costs incurred for common or joint objectives that benefit more than one project but are not easily or accurately allocable to more than one project. They may be administrative and/or operational. The FMCSA reviews indirect cost rates to ensure the rate is valid, calculations are correct in the budget, and that the rate is applied to the appropriate base.

Remember to include your indirect cost rate agreement with your application in Grants.gov if your project’s budget will include indirect costs. If your rate will not be approved by the application due date, attach the letter of renewal or letter of request that you sent to your cognizant agency. This documentation is used as a placeholder until the rate is approved. Recipients may not receive reimbursement for indirect costs until the rate is approved.

To support the budgeted indirect costs, provide the calculations that were used to derive the amount, such as the base to which the indirect cost rate was applied, the rate, and the total amount.

Indirect Cost Budget Narrative

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| --- | --- | --- | --- |
| **Type of Rate** | **Rate percentage** | **Base of Budgeted amount** | **Total IDC Cost** |
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| |  |  | | --- | --- | | **Total Cost for Other:** |  | | | | |