

**Cooperative State Research, Education and Extension Service
Office of Extramural Programs
Awards Management Branch**

REQUIRED BUDGETARY DETAILS

CSREES reviews proposed project costs to make certain those costs are reasonable to the project and allowable per the Code of Federal Regulations (CFR), 2 CFR Part 215 -- Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 2 CFR Part 220 -- Cost Principles for Educational Institutions; 2 CFR Part 230 -- Cost Principles for Non-Profit Organizations; 7 CFR Part 3015 -- USDA Federal Assistance Regulations; 7 CFR 3019 -- Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Organizations; 7 CFR 3430 -- Competitive and Noncompetitive Nonformula Grant Programs—General Grant Administrative Provisions and Program-Specific Administrative Provisions for the Specialty Crop Research Initiative, and other statutory regulations as applicable.

To help in this review, as well as to expedite the award process, budgets need to include a narrative detailing the various line items. The categories listed below are examples of some of the more common items found in project budgets. All items should be described in the narrative in sufficient detail that would enable CSREES to determine that the costs are reasonable and allowable for the project per the regulations.

Budget Sections A and B:

Salaries – Show CSREES Funded work months that will be charged to the project for which salary is paid by USDA (e.g., Two PD's on a 12 month project. One will spend 100% of time (12 months) and one will spend 50% time (6 Months); total work months would be 18 months). List the funded months in either Academic and Summer or Calendar months depending on the academic appointment of the person. Non-academic institutions would report salary months under the Calendar category.

Profit and Non-Profit organizations salary rates of pay should not exceed an Executive Level IV salary range (currently at \$153,200 a year or \$587.28 a day). This rate does not include any fringe benefits, G&A, overhead, or other expenses. Provide a justification for the higher rate if any salary rates exceed this amount.

Please note that only persons employed by the recipient organization should be listed in this category. Those employed elsewhere would be listed as subcontractors or consultants in the "Other Direct Costs" (ODC) category.

Secretarial and Clerical Salaries - For these salaries to be allowable as a direct charge to the award, a justification of how that person will be directly involved in the project must be included in the narrative. General administrative duties such as answering telephones, filing, typing, or accounting duties are not considered acceptable. The duties must be directly related to the project plan.

Fringe Benefits - Show the total of allowable fringe benefits.

Budget Section C:

Equipment - This category includes items of equipment equal to or in excess of \$5,000 (or lower depending on the institutional policy) and having a useful life of more than one year. Details such as the type of equipment, cost, and a brief narrative on the intended use of the equipment for project objectives are required. Purchases of less than \$5,000 may be listed under Materials and Supplies or "ODC." Please note that a computer system (keyboard, monitor and hard-drive) would be considered a unit and does not have to be listed separately. If the proposed equipment was previously purchased for the project, a brief narrative should be included to provide a rationale of why new equipment is needed.

Each item of equipment should be listed with the corresponding cost. General purpose equipment (office equipment, etc.) must be justified as to how it will be used on the project. Some items such as passenger carrying vehicles will require a lease vs. purchase cost analysis prior to approval. Rental of equipment should be listed under ODC in Budget Section F. Some Programs have limitations on the amount or type(s) of equipment to be purchased for the project. Therefore, please refer to the Program's Request for Application for any limitations.

Items of equipment requested for purchase using Federal or Matching funds should be listed with the dollar amount of the item in Section C. Equipment Description with the corresponding justification on an attachment to the Budget.

Fabrication of equipment should be listed under ODC.

Software is not considered to be Equipment and should not be listed here. It is more appropriately listed under Materials and Supplies.

Budget Section D:

Travel – For Foreign and Domestic travel, provide information used in estimating the cost such as: the destination if known, purpose, number of travelers, and estimated cost per trip (e.g., St. Louis, Missouri to attend a conference, 2 persons - \$1,000 ea.). This includes all travel paid directly by the grantee organization.

Budget Section E:

Participant/Trainee Support Costs- Includes scholarships, stipends, tuition, travel and subsistence. Costs should be itemized with a dollar amount provided for each item. The number of students to be supported should be indicated for each item. Obtaining the names of students is not necessary. The institution should submit an itemization of these costs.

Budget Section F:

Other Direct Costs (ODC) are those anticipated direct project charges not included in other budget categories. A description and cost must be included in the budget narrative for each item.

Items in ODC for Federal & Matching funds should be listed with the corresponding dollar amounts with an explanation of the costs provided in the Budget Narrative. Examples of items are:

1. **Materials and Supplies** - This includes things such as office supplies, software, educational or field supplies, and laboratory supplies such as chemicals, reagents, and glassware. For those things that aren't typical materials & supplies, a brief narrative or justification of how the item fits the program should be included. Indicate the types of materials and supplies in general terms with estimated costs. Depending on the accounting practices of the organization, certain types of non-traditional materials and supplies might be listed here (postage, shipping, etc.).

2. **Publication Costs** - This line is associated with the publishing of an article in a scientific or technical journal or other type of field/program related publication or for commercial printing of brochures and program materials. Photocopying costs should be included under the "other" category.

3. **Consultants** - A consultant is someone who renders expert advice in his/her field. The consultant should not be affiliated with the performing organization. Include the name of the consultant and his/her organization, a statement of work, and a breakdown of the amount being charged to the project (e.g. number of days of service, rate of pay, travel, per diem, etc.). A resume or vita for each consultant should be included. A letter of collaboration or intent signed by the consultant or the Authorizing Representative of the consultant organization should also be included.

Consultant rate of pay should not exceed an Executive Level IV (currently \$153,200 per year or \$587.28 per day based on an 8 hour day). This does not include fringe benefits, G&A or overhead or other expenses. Rates exceeding this amount must be documented and justified as to why the person or persons command a higher salary rate.

Please note that any limitation or prohibition of indirect costs on the Program also applies to the consultants.

4. **Computer (ADP) Services** - Represents the charges associated with the organization's shared computer system (i.e., line charges or computer processing usage costs). Charges for Internet access may be included in this category. Equipment purchases should be listed under "Equipment Costs" or "Materials and Supplies" as appropriate.

5. **Subawards/Consortium/Contractual Costs** - When a portion of the work proposed will be performed by outside sources, a statement of work (proposal), budget and budget narrative from the proposed subcontractor should be submitted. The proposal should include a letter of collaboration or intent signed by the subcontractor's Authorizing Representative. The level of details required for the subcontract budget is the same as the recipient's organization. All funds cannot be allocated to subcontracts as it is expected the awardee organization will have some involvement on the project.

Profit or non-profit subcontractor employee rates of pay should not exceed an Executive Level IV (currently \$153,200 per year or \$587.28 per day). This does not include fringe benefits, G&A or overhead or other expenses. Rates exceeding this amount must be documented and justified as to why the person or persons command a higher salary rate.

Please note that any limitation or prohibition of indirect costs on the Program also applies to the subawards.

6. **Equipment/Facility Rentals/User Fees** -

a. **Equipment Rental** – When there is a need to rent equipment for use on the project, provide information on the type of equipment to be rented, the purpose or use on the project, the length of time needed, and the rental rate.

b. **Facility** - When it is necessary to rent office or other facilities spaces for project implementation, and the space(s) are located off-site from the organization's main facility in space not owned by the recipient organization, the cost of the rent may be charged against the award if the space is used specifically for the project. The budget narrative should provide details on the monthly rental charge and if the rent is pro-rated to the project. For laboratory facilities, please provide a letter signed by an Authorizing Representative of the rented space attesting their agreement to allow the project to operate in the space.

c. **Land-Use Charges** - When there is a charge for using land owned by others for project purposes, provide the charge per acre (or other rate charged), number of acres, and total cost.

d. **User Fees** – When there are usage fees, provide information on the type of service being charged, how it relates to the project, an explanation and break-down of the costs.

7. **Alterations/Renovations** - When space must be altered or renovated to accommodate the program, provide explicit details of the renovation and a justification of why this is necessary to the project. Provide details of the cost involved.

Please note, most CSREES Program do not allow Alterations/Renovations as a direct cost to the award.

8. **Other** – For other costs not specifically listed above. Identify and provide details of the costs involved. Some of the more common items included in this category are:

a. **Communications** - Mailings, postage, express mail, faxes, and telephone long distance charges. Specific dollar amounts are not required.

b. **Photocopying** - In-house photocopying of materials associated with the program. Photocopying should not be confused with Publications/Page Charges which are costs related to publishing in a journal or commercial printing of brochures and other materials. Specific dollar amounts may not be required.

c. **Service or Maintenance Contracts** - Costs should be in direct correlation to the use of the equipment for the project (i.e., if a particular machine is used 50% of the time for the project, the project should only be charged 50% of the service/maintenance costs). Provide details of the type of equipment and the amount of the service contract to be paid from Federal funds.

d. **Conferences/Meetings** - Costs of holding a conference or meeting are included in this category. Some examples are the rental of facilities and equipment for the meeting, honorariums or fees for trainers or guest speakers and travel and per diem for participants and speakers. Details of costs for each conference or meeting should be broken out and provided in the budget narrative.

Meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, it is CSREES policy that a formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. Breakfast meals are generally not allowable because no continuity of the meeting exists.

e. **Speaker/Trainer Fees** - Information on speakers should include the fee and a description of the services they are providing.

f. **Honorariums** - Honorariums to persons providing a service are allowable. Provide information regarding the honorarium amount (rate of pay) and a brief statement regarding what the person is doing to earn the honorarium.

g. **Fabrication of Equipment** – When the project calls for an item of equipment to be developed vs. purchasing the item, the budget narrative should include a description of the item and its purpose as well as a total cost of the item.

Budget Section H:

Indirect Cost – If indirect costs are allowable under the program, state the rate used and what the rate has been charged against or what has been excluded from indirect costs. Note: we will calculate your approved negotiated rate against the maximum rate permitted by the program (if different) and will use the rate which results in a lesser dollar amount being charged to the award. You may be asked to provide your Negotiated Rate Agreement, if none exists, an indirect cost proposal showing how you arrived at the rate being charged.

Budget Section J:

Fee – If a profit-fee is permitted under the Program, include the percentage being charged and the base it is being charged against.

Other Items of Note:

Cost Sharing/Matching – The same level of details required to be provided for Federal funds should be provided for any required cost-sharing/matching. Matching which is not required should not be included on the budget.

Generally, any matching from the recipient is considered to be cash. In-kind (non-cash) contributions usually consist of property or services (i.e., Donations of equipment, use of facilities, etc).

Third Party Matching is any contribution to the project by an organization other than the recipient. Third party matching should be explained in the ODC Section of the Budget Narrative. Any Cost Sharing commitments by a 3rd party organization must include a letter signed by the contributing organization's Authorizing Representative (AR) and counter-signed by the recipient organization's AR in order for it to be accepted as a required match. This letter should also state whether the matching is cash or in-kind. If letter is submitted with the proposal, counter signature by recipient AR will not be required.

APPLICABLE REGULATIONS

Federal statutes and regulations which apply to project grants awarded under this program include but are not limited to:

2 CFR, Part 215 (OMB Circular A-110) - Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

2 CFR, Part 230 (OMB Circular A-122) - Cost Principles for Non-Profit Organizations.

OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations.

2 CFR, Part 220 (OMB Circular A-21) - Cost Principles for Educational Institutions.

7 CFR 3015 - USDA Uniform Federal Assistance Regulations.

7 CFR 3019 - USDA Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations.

7 CFR 3430 - Competitive and Noncompetitive Nonformula Grant Programs—General Grant Administrative Provisions and Program-Specific Administrative Provisions for the Specialty Crop Research Initiative

Copies of the Code of Federal Regulations and USDA Federal Assistance Regulations applicable may be found at the following web-site:

<http://www.csrees.usda.gov/business/awards/fedregulations.html>

Copies of the Office of Personnel Management Executive Level IV salary may be found at the following website:

<http://www.opm.gov/oca/09tables/pd/fex.pdf>

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