

GUIDELINES FOR PREPARING BUDGET AND BUDGET JUSTIFICATION

A. SALARIES AND WAGES

Budget

Assign personnel to the various categories according to the explanations provided which conform to NOAA/Sea Grant usage (these definitions do not necessarily conform to usage in your institution). Identify project personnel by name as indicated on the form. Use accurate current salaries as the basis for calculating salaries and wages for each individual. If funds are being requested to support a vacant position, so indicate (vac. pos.) and use a salary rate appropriate to the position. Enter the calendar months effort the individual will work on the project for both Sea Grant and matching funds. Entries must be done in separate columns as indicated on the form.

Budget justification

For Salaries and Wages, NOAA Grants Management Division expects the budget justification to address the following questions:

- Is each individual identified by name, position and role in the project?
- Are time commitments such as hours and percent of time stated for each position?
- Are the total charges for each person listed along with an explanation of how the costs were calculated?
- Do the time commitments and charges appear reasonable?
- Are all individuals employees of the applicant's organization? (If not, explain)
- Is a cost of living increase built into the budget?
- Are salary increases justified for the grant period?
- Are any salary/personnel costs unallowable (i.e., Federal Employees or legislative personnel)

B. FRINGE BENEFITS

Budget

Fringe benefits are those customarily paid by the grantee institution, following its usual practices in the payment of such benefits. If the fringe rate varies, leave the fringe percent blank and provide an explanation in the budget justification.

Budget justification

For Fringe Benefits, NOAA Grants Management Division expects the budget justification to address the following questions:

- Are fringe benefits identified as a separate item?
- Are all the elements that comprise fringe benefits indicated?

- Do the fringe benefits and charges appear reasonable?
- Are the total charges for each person listed along with an explanation of how the charges were calculated?
- Are fringe benefits charged to federal and matching categories in the same proportion as salaries?

C. PERMANENT EQUIPMENT

Budget justification

For any item(s) of equipment that has (have) a useful life of more than one year or costing \$5,000 per unit or more, a description of the item and associated cost is required. For Permanent Equipment, NOAA Grants Management Division expects the budget justification to address the following questions:

- Is each item of equipment listed?
- If over \$5,000 is there a description of how it will be used in the project?
- If over \$5,000 has a lease vs. purchase analysis been completed?
- For each item of equipment, is the number of units, cost per unit and total cost specified?
- Is each item of equipment necessary for the successful completion of the project?
- Are the charges for each item reasonable and realistic?

D. EXPENDABLE SUPPLIES AND EQUIPMENT

Budget justification

For Expendable Supplies and Equipment, NOAA Grants Management Division expects the budget justification to address the following questions:

- Are supplies itemized by type of material or nature of expense?
- For general office or business supplies, is the total charge listed along with the basis for the charge (i.e. historical use rates)?
- For other specific supply categories, is the number of units, cost per unit and total cost specified?
- Are the charges necessary for the successful completion of the project?
- Are the charges reasonable and realistic?
- Are disallowed costs (e.g. liquor, entertainment) excluded?

E. TRAVEL

Budget justification

The budget narrative is required for all travel. It must provide a detailed breakdown of travel costs totaling more than \$5,000 or 5% of the total project cost, whichever is greater. For Travel, NOAA Grants Management Division expects the budget justification to address the following questions:

- For foreign and domestic travel, is each trip listed along with the destination, estimated mileage, method of travel, cost per mile and
- duration, number of travelers, per diem rate for meals and lodging?
- If actual trip details are unknown, what is the basis for the proposed travel charges?
- Is the requested travel directly relevant to the successful completion of the project?
- Are the travel charges reasonable and realistic?

F. PUBLICATION AND DOCUMENTATION COSTS

No special instructions.

G. OTHER COSTS

Budget justification

For Other Costs, NOAA Grants Management Division expects the budget justification to address the following questions:

- Are items listed by type of material or nature of expense?
- For each charge, is the number of units, cost per unit and total cost specified?
- Are the charges necessary for the successful completion of the project?
- Are the charges reasonable?
- Are disallowed costs (e.g. liquor, entertainment) excluded?
- Are charges which duplicate indirect cost items excluded?

For G.6. Subcontract, NOAA Grants Management Division expects the budget justification to address the following questions:

- Is each subcontract listed as a separate item? (Separate budgets are required for subcontracts regardless of the dollar value.)
- Are the products/services to be acquired described along with the applicability of each to the project?
- Do the costs appear reasonable and realistic?
- Are any sole source subcontracts contemplated?
- If yes, is a sole source justification included with the application which describes why the proposed sole source entity is the only source

- capable of meeting the applicant's project needs?
- Are there subcontracts with non-US organizations?
- Do you have a CD-512 on file for each of your subcontracts?

H. INDIRECT COSTS

Budget

- Indirect Cost is the institution's negotiated Facilities and Administrative (Indirect) cost rate and its relation to those elements of the proposed grant budget to which that rate is to be applied.
- Each indirect cost is computed as the product of its base amount times its indirect percent.
- An institution will identify the direct costs to which indirect costs can be applied. To use the total direct costs as the base amount, please check the box in section H. If your institution does otherwise, enter the appropriate amounts in the base amount boxes. An explanation of all indirect costs must be included in the budget justification.
- Unrecovered indirect cost may be included as part of cost sharing and matching.

Budget justification

For Indirect Costs, NOAA Grants Management Division expects the budget justification to address the following questions:

- Are indirect costs requested?
- Is the correct rate being used? (If a lower rate than is authorized in the indirect cost rate agreement is being proposed you must explain why your organization is deviating from the approved rate.)
- Is the rate applied to the correct base?
- Are charges which duplicate direct costs excluded? (If no, explain/revise.)