

All proposals must include a detailed budget justification and narrative that explains the proposed expenditures broken out by the cost categories listed below. Please note that the numbers below are included only to demonstrate the calculation of costs, they are not intended to indicate that actual anticipated contract costs.

- The Budget Narrative and justification must be consistent with and support the Project Narrative.
- The Budget Narrative and justification must be concrete and specific. It must provide a justification for the basis of each proposed cost in the budget and how that cost was calculated. Examples to consider when justifying the basis of your estimates can be ongoing activities, market rates, quotations received from vendors, historical records. The proposed costs must be reasonable and necessary for the supported activity.

Cost Categories:

A. Personnel

Provide the following information for the budget narrative and justification:

1. **Position** – Provide the title of the position and an explanation of the roles and responsibilities of the position as it relates to the objectives of the award supported project.
 - a. The position must be relevant and allowable under the project. The only allowable position under this RFP is the case manager.
 - i. The salaries of staff who will assist in the administration of this position (e.g. managers, financial support staff, administrative support staff) are to be treated as indirect costs.
2. **Name** – The name of the individual to serve in the position. If the position is vacant, identify the anticipated hire date.
 - a. If the position is being performed by someone other than a full-time, part-time, or temporary employee of the applicant organization (e.g., consultant or contractor), the grant-supported position should be listed under the contracts category.
3. **Salary/Rate** – The estimated annual salary or rate. If providing a rate, specify the time basis (e.g., hourly, weekly).
 - a. Salaries should be comparable to those within your organization.
4. **Level of Effort (LOE)** – The level of effort (percentage of time) that the position contributes to the project. The anticipated LOE for this position is 100%.
 - a. You should ensure the cost of living increase is built into the budget and justified.

- Total Salary** – The total salary/amount each position is paid based on their contribution to the project.

Sample Personnel Narrative

Position (1)	Name (2)	Annual Salary/Rate (3)	Level of Effort (4)	Total Salary Charge to Award (5)
(1) Case Manager	TBD (anticipated hire date 9/15/20)	\$64,890	75%	\$ 48,667.50
Total				\$ 48,667.50

Sample Justification for Personnel

- The anticipated salary for this position is \$64,890/year. The case manager will work full time to perform the duties listed in the RFP for the PRCS Reentry Court. The level of effort is adjusted to reflect the partial project period (Sept 1, 2020 – June 30 2021) in year one.

B. Fringe Benefits

Fringe benefits are allowances and services provided to employees as compensation in addition to regular salaries and wages.

Provide the following information for the narrative and justification:

- Position** – The title of the position being charged to the award to which the fringe rate is being applied.
- Name** – The name of the individual associated with the position (note if the position is vacant.)
- Rate** – The total fringe benefit rate used and a clear description of how the computation of fringe benefits was done.
 - The justification must detail the elements that comprise the fringe benefits, e.g., FICA, worker’s compensation. If a fringe benefit rate is not used, you should explain how the fringe benefits were computed for each position.
- Total Salary Charged to Award** – Use the amount provided under section A. Personnel (5).
- Total Fringe Charged to Award** – Provide total fringe amount based on the rate applied to the total salary charted to the award.

- a. Fringe benefits charged to the award can only reflect the percentage of time devoted to the project.
- b. Do not combine the fringe benefit costs with direct salaries and wages in the personnel category.

Sample Fringe Benefits Narrative

Position (1)	Name (2)	Rate (3)	Total Salary Charged to Award (4)	Total Fringe Charged to Award (5)
Case Manager	TBD (anticipated hire date 9/15/20)	29.65%	\$ 48,668	\$14,430
Total				\$14,430

Sample Justification for Fringe Benefits

XYZ organization’s Fringe benefits are comprised of:

Fringe Category	Rate
Retirement	10%
FICA	7.65%
Insurance	6%
Social Security	6%
Total	29.65%

The fringe benefit rate for full-time employees for year one is calculated at 29.65%. For year two it is anticipated to increase to 31%.

C. Travel

The budget should include anticipated travel costs for one individual to attend the annual conference for the National Association of Drug Court Professionals in Washington, DC, in May 12 – 15, 2021. If your organization does not have documented travel policies, the federal GSA rates must be used (<https://www.gsa.gov/portal/category/26429>). If specific travel details are unknown, the basis for proposed costs should be explained (e.g., historical information).

Funds requested in the travel category should be only for project staff. Travel for consultants and contractors should be shown in the “Contract” cost category along with consultant/contractor fees.

Provide the following information for the narrative and justification:

1. **Location** – specify the start and end locations of the trip
2. **Item** – specify the costs associated with travel, e.g., mode of transportation accommodations, per diem.
3. **Rate Calculation** – specify the basis for the travel costs.
 - a. For mileage, specify the number of miles and the cost per mile. For air transportation, specify the cost. For per diem, specify the number of days and daily cost. For lodging, specify the number of nights and daily cost.
 - b. Costs for contingencies and miscellaneous costs are not allowable.
4. **Travel Cost Charged to Award** – provide the total cost of the travel to be charged to the award during the budget period.

Sample Travel Narrative

Purpose	Location (1)	Item (2)	Calculation (3)	Travel Cost Charged to the Award (4)
Mandatory Recipient Conference	Oakland CA to Washington DC	Airfare	\$400 roundtrip	\$400
		Hotel	\$180/night x 5 nights	\$900
		Per Diem (meals and incidentals)	\$40/day x 6 days	\$240
Local Travel		Mileage	3,000 miles @.575/mile	\$1,725
Total				\$3,265

Sample Justification for Travel

1. Case Manager to attend mandatory conference in Washington, DC.
2. Local travel is needed to reimburse case manager for transportation between treatment locations and to attend local meetings and training events. Local travel rate is based on organization’s policies/procedures for privately owned vehicle reimbursement rate.

D. Consultant

List the budgets for the evaluator/consultant:

Provide the following information for the narrative and justification:

1. **Name** – Provide the name of the entity or state the anticipated contract start date.
2. **Service** – Identify the products or services to be obtained.
 - a. As part of the justification provide a summary of the scope of work, the specific tasks to be performed (see the RFP for guidance). Include the dates/length for the performance period. NOTE: costs that are outside the period of performance of the award cannot be charged to the award.

3. **Rate** – provide an itemized line item breakdown.
4. **Contract Costs Charged to the Award** – Provide the total of the consultant costs to be charged to the award during the budget period.

Sample Contracts Narrative

Name (1)	Service (2)	Rate (3)	Other	Cost (4)
Program Evaluator	Program Evaluation	40 hours per month x 9 months x \$97/hour = \$46,560		\$ 34,920
Total				\$34,920

***Represents separate/distinct requested funds by cost category**

Sample Justification for Contracts

1. The Evaluator will complete all requirements specified in the RFP.

E. Other

This category addresses any costs not included in of the other cost categories. Costs that fall under “Other” would include:

- Conference registration fees

Provide the following information for the narrative and justification:

1. **Item** – List items by type of material or nature of expense. In the justification, explain the necessity of each cost for successful implementation and completion of the project.
2. **Rate** – Break down costs by quantity and cost per unit as applicable.
3. **Costs Charged to the Award** – provide the costs charged to the award.

Sample Narrative for “Other”

Item	Rate	Cost
NADCP Conference Registration Fee	\$745	\$745
Total		\$745

Sample Justification for Other

1. Based on historic costs, the anticipated cost for the NADCP conference registration fee is \$745

F. Total Direct Charges

TOTAL DIRECT CHARGES - (This is the sum of all charges above)	\$102,028
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G. Indirect Cost Rate

Indirect costs are those costs incurred for common or joint objectives which cannot be readily identified with an individual project or program but are necessary to the operations of the organization. Indirect costs may be charged to the award. It cannot, however include costs for: equipment, capital expenditures, charges for patient care, rental costs, tuition reimbursement, scholarships and fellowships, participant support costs, and the portion of each sub-award in excess of \$25,000.

Provide the following information for the narrative and justification:

1. **Calculation** – Briefly summarize type of indirect cost.
2. **Indirect Cost Charged to the Award** – list the total indirect costs that will be charged to the award. The cost must be calculated using the correct indirect cost base award (the categories of costs to which the indirect cost rate is applied).

Calculation (1)	Indirect Cost Charged to the Award (2)
Organization's Indirect Cost Rate to administer this contract is 20% (20% of personnel and fringe - .20 x \$63,098)	\$12,620

Provide the total proposed project period and funding as follows:

Proposed Project Period

a. Start Date: 09/1/2020

b. End Date: 6/30/2022

BUDGET SUMMARY (should include future years and projected total)

Category	Year 1	Year 2*	Total Project Costs
Personnel	\$48,668	\$68,135	\$116,803
Fringe	\$14,430	\$21,122	\$35,552
Travel	\$3,265	\$0	\$3,265
Contractual	\$34,920	\$46,560	\$81,480
Other	\$745	\$0	\$745
Total Direct Charges	\$102,028	\$135,817	\$237,845
Indirect Charges	\$12,620	\$17,851	\$30,471
Total Project Costs	\$114,648	\$153,668	\$268,316

***FOR REQUESTED FUTURE YEARS:**

1. Justify and explain any changes to the budget that differ from the amounts reported in the Year 1 Budget Summary.
2. If a cost of living adjustment (COLA) is included in future years, provide your organization's personnel policy and procedures which states that all employees within the organization will receive a COLA. (e.g. "Year 2 includes a 5% COLA for the case manager.")