

Organization Name: \_\_\_\_\_ Year: \_\_\_\_\_

**BUDGET NARRATIVE**

**NOTE:** All proposed direct and indirect costs must be consistent with costs incurred for like or similar items on all other federal and nonfederal projects or cost centers. Provide a Budget Narrative for each year of the project and for each joint venture participant. Any interorganizational transfers included in the respective object class categories that are not within the United States must be clearly identified next to the budgeted item as "Foreign Interorganizational Transfer." All figures must be rounded to the nearest dollar and correspond with those on the NIST-1262 or NIST-1263. Be sure arithmetic is correct. This form should not be altered. If additional space is needed, indicate, "continued on next page," and attach additional sheets following the same format of specific item.

**A. Personnel**—List each employee’s name, if available, and position title below. Provide the annual salary and the percentage of time to be devoted to the project. Compensation paid for employees must be consistent with that paid for similar work within the proposer’s organization and similar positions in the industry. Employees who are considered indirect labor should not be included in the breakdown of direct personnel costs or in item 1.A. (page 3) of Form NIST-1262 or Form NIST-1263. Escalation rates for the out-years should be reasonable. If unable to identify all of the personnel to be assigned to the project, state "To be determined" under name and use generic position titles such as "senior chemical engineer." Non-employees of the organization such as consultants and temps should NOT be included in this category but included in Section F Subcontract of this form and described on Form NIST-1262 or Form NIST-1263, pages 4 and 5, respectively.

Employee’s Name and Position Title	Annual Salary	Percentage of Time on Project	Cost
			<b>TOTAL</b> _____

**B. Fringe Benefits**—Identify percentage rate, and if greater than 35 percent, provide a breakdown of what makes up the fringe benefits (vacation; sick and military leave; health and life insurance; retirement; social security; etc.). If fringe benefits are normally included in the organization’s indirect costs, check the box below.

Check here if included in indirect costs.

\_\_\_\_\_ Percentage Rate. If rate exceeds 35 percent, provide breakdown:

**TOTAL** \_\_\_\_\_

**C. Travel**—Provide best estimate of travel required for the project, and provide the basis of computation (i.e., item multiplied by number of people multiplied by number of trips). Note that ATP recipients are expected to adhere to government policies regarding travel, such as coach rather than first-class accommodations. Do not include travel to NIST for project review meetings, because these meetings are held at the funded organizations. Travel costs should represent a coherent part of the project’s “communications strategy” for smooth coordination among participants. While foreign travel is not precluded, it is discouraged and will require a strong justification. Likewise, conference costs are not generally considered R&D-related expenses and should not typically be included; however, if attendance is critical to performing the R&D, a strong justification must be provided (see below).

Purpose of Travel	Destination	Item (mode of transportation, lodging and subsistence)	Computation	Cost
<p>Justification for foreign travel and/or foreign conference(s) [include an explanation of how the foreign travel and/or foreign conference(s) are specifically related to the R&amp;D activities of the ATP project (i.e., how will the information gathered contribute to funded tasks), why the information cannot be obtained in the United States, and summarize conference agenda or topics for meeting with key experts (name and expertise) at the conference, etc.]:</p>				
<p>Justification for domestic conference(s) [include an explanation of how the conference(s) specifically relates to the R&amp;D activities of the ATP project (i.e., how will the information gathered contribute to funded task(s), summarize conference agenda or topics for meeting with key experts (name and expertise) at the conference, etc.]:</p>				
				<b>TOTAL</b> _____

**D. Equipment**—Identify each item of equipment and the methodology used to arrive at the proposed costs (i.e., historical costs, competitive bid, published price lists, or cost/price analysis), basis of computation (i.e., cost per item multiplied by number of items), and cost. In addition, be sure the need for the equipment is clearly stated in the technical plan. Budget estimates for each equipment item exceeding \$100,000 must be described and justified separately. Additionally any equipment item exceeding \$100,000 to be purchased outside the United States requires justification. Also identify by placing an asterisk on any in-kind owned equipment and its current depreciated value using the participant’s preestablished depreciation accounting methods. The value of equipment will be further prorated according to the share of total use dedicated to carrying out the proposed project. ATP funds may not be used for the construction of new buildings. ATP funds may, however, be used for construction of experimental research and development facilities to be located within a new or existing building provided that the equipment or facilities are essential for carrying out the project. If such costs are proposed, include below and provide justification. General-purpose office equipment, e.g., office computers, printers, copiers, etc., are normally included in indirect costs and therefore should not be budgeted as direct costs. If they are not included in indirect costs, they can be considered direct costs; however, they must be used exclusively for the ATP project, and a justification and explanation must be provided below. Office furniture is unallowable.

Item	Methodology	Computation	Cost
<p>Justification for each equipment item exceeding \$100,000, to be purchased outside the United States, and/or any construction costs:</p>			
			<b>TOTAL</b> _____

**E. Materials/Supplies**—Provide a complete breakdown of each item/type of expendable materials and supplies, methodology used to arrive at the proposed costs (i.e., historical costs, competitive bid, published price lists, or cost/price analysis), basis of computation (i.e., item multiplied by number of items), and cost. Office supplies, e.g., paper, pens, toner cartridges, etc. are normally included in indirect costs and should not be included here. If they are not included in indirect costs, they must be used exclusively for the ATP project, and a justification and explanation must be provided below.

Item	Methodology	Computation	Cost
			<b>TOTAL</b> _____

**F. Subcontracts**—For each subcontractor/consultant identified on Form NIST-1262 (page 4) or Form NIST-1263 (page 5), enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project. Proposers are encouraged to promote free and open competition in awarding subcontracts/consultants. NOTE: If proposing any foreign subcontractors/consultants, you must provide a completed R&D Work Performed Outside the United States by the Recipient or Subcontractor Questionnaire.

Name of Subcontractor/Consultant	Service Provided	Computation	Cost
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If subcontractor's/consultant's fees are in excess of \$450 per day, justify here:

*Subtotal* \_\_\_\_\_

**Subcontractor Expenses:** List any expenses to be paid from the award to the individual subcontractors/consultants in addition to their fees. Office supplies and conferences/workshops for subcontractors/consultants are unallowable.

Name of Subcontractor/Consultant	Expense	Computation	Cost
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*Subtotal* \_\_\_\_\_

**TOTAL** \_\_\_\_\_

**G. Other**—Identify and provide a detailed description of any other direct costs that do not fall into the object cost categories above, basis of computation (i.e., cost per item multiplied by number of items), and cost. The cost of the project audit should also be included in this category unless it is part of the indirect costs or to be performed by a cognizant federal audit agency. If it is part of the indirect costs, indicate it as such. Each joint venture participant should budget for an audit. Audits must be performed in accordance with the *NIST Program-Specific Audit Guidelines for ATP Cooperative Agreements With Single Companies* or the *NIST Program-Specific Audit Guidelines for ATP Cooperative Agreements With Joint Ventures*. For nonprofit organizations subject to OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, the annual Circular A-133 audit is deemed to meet the ATP audit requirement. All of these documents may be found at <http://atp.nist.gov/atp/helpful.htm>. Audits must be conducted by an external auditor (CPA or cognizant federal audit agency). For awards less than 24 months, an audit is required at the end of the project; for 2-, 3-, or 4-year awards, an audit is required after the first year and at the end of the project; for 5-year awards, an audit is required after the first year and the third year and at the end of the project. If a recipient has never received federal funding from any federal agency, a certification will be required from an external auditor to determine whether the recipient has a functioning financial management system that meets the provisions of 15 C.F.R. § 14.21.

Description	Computation	Cost
<b>Audit</b>		
<input type="checkbox"/> Check here if audit is part of indirect costs.		
<input type="checkbox"/> Check here if cognizant Federal audit agency will perform audits and provide names of agency:		
		<b>TOTAL</b> _____

**H. Indirect Costs**—Specify the current indirect cost rate(s) and cost. If an indirect cost rate was negotiated with a cognizant federal agency, include a copy of the approved negotiated agreement.

**Percentage Rate:** \_\_\_\_\_

- Check here if negotiated indirect cost rate agreement by a cognizant federal agency is attached.
- Check here if indirect cost rate has not been established by a cognizant federal agency.

**TOTAL** \_\_\_\_\_

**I. COST SHARING COMPOSITION**—Identify the total source of funding by cash and in-kind contributions.

Cash: \_\_\_\_\_ In-kind: \_\_\_\_\_ (In-kind contributions cannot exceed 30 percent of the nonfederal share of the total project costs. Additionally, except as specified in 15 C.F.R. § 295.25, the value of in-kind contributions should be determined in accordance with 15 C.F.R. § 14.23.)

Identify the name of the source of in-kind contribution(s), type (e.g., equipment, research tools, software, supplies, etc.), valuation method, and associated amount(s) below:

**TOTAL COST SHARE** \_\_\_\_\_