

Budget Narrative Guidance for Digital Equity Planning Project

All applications for Digital Planning Equity Projects must have a detailed budget narrative explaining the federal expenditures by object class as listed in the SF-424A.

For each object class in the SF-424A, applicants should include detailed descriptions and cost justifications for the listed costs. The budget narrative must match the budget detail spreadsheet and SF424A dollar amounts.

Costs proposed for this grant program must be reasonable, allowable, allocable, and necessary to the supported activity. Please refer to 2 CFR Part 200 for applicable administrative requirements and cost principles. Please refer to the Notice of Funding Opportunity (NOFO) for program objectives as well as allowable and unallowable costs and activities.

Total Federal Funding for Digital Equity Planning Project

List the total requested funding at the top of the budget narrative.

Applicants should list total project costs, the total Federal grant request, total cash matching funds (if applicable), and total in-kind matching funds (if applicable).

A. Personnel:

Each position that will be charging any portion of their time directly to the grant must be listed. For each listing, you must include the title, percent of time they will be charging to the grant, the amount of time they will be charging that percent, and the annual salary for that position (if annual salary). If there are multiple positions with the same title, but different salaries, list them out separately. If there are multiple positions with the same title and salary, you can note that the position will have two individuals charging to that title and salary. Please note that this is only for the percent of time the individual will charge to the grant, which may be different than how much time and effort they spend on the project (some positions may have multiple funding streams).

If known, provide the name of the person in each position.

Examples of administrative personnel expenses include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services.

Sample Justification

Project Manager – Sam Smith (\$30,000 total; \$28,800 direct costs; \$1,200 administrative costs). The project manager will direct day to day project activities to manage the digital inclusion

project. The project manager will coordinate with stakeholders, host meetings with telecom partners, conduct data analysis on digital inclusion metrics, interpret the data, and is responsible for overall program and project evaluation and success. Position will spend 96 percent of their time on direct programmatic activities for one year. Salary for position is \$30,000 annually (12 months). Total amount spent on grant activities is \$28,800 for 12 months/one year. The project manager will spend the remaining 4 percent of his time completing direct administrative activities to include managing the budget and completing grant reports. The total personnel cost for administrative activities is \$1,200.

B. Fringe:

Fringe benefits are usually applicable to salaries and wages charged to an award. Each position that will be charging fringe to the grant award must be listed individually. For each listing you must include the fringe percentage (fringe benefit rate) and how long the fringe percentage will be applied (this usually matches the amount of time the position will charge to the grant program). Additionally, you must include a breakdown of what the fringe includes. If fringe amounts differ between positions, please explain why the percentages are different. Usually this is because some positions/people choose different fringe benefit packages than others. If fringe benefits are not computed by a percentage, please provide a breakdown for how the computation is done.

The applicant should not combine the fringe benefit costs with salaries and wages in the personnel category. Additionally, the applicant should specifically identify the amount of fringe benefit costs allocable to wages charged to staff performing direct programmatic activities and to staff performing administrative activities, respectively.

Sample Justification

Project Manager – Sam Smith (\$9,000 total; \$8,640 direct programmatic costs; \$360 administrative costs). Mr. Smith's total salary is allocated 96 percent to direct programmatic activities and 4 percent to administrative activities. The fringe benefit rate for the project manager position is calculated at 30 percent of the salary charges for one year/12 months, totaling \$9,000 (30 percent of \$30,000). Fringe for this position includes FICA, Health and Dental, Basic Life Insurance, Retirement/Long Term Disability, Workers' compensation and personnel charges. Accordingly, of the total \$9,000 in fringe costs charged to the award, \$8,640 (\$9,000 x 96 percent) would be allocated to direct programmatic activities and \$360 (\$9,000 x 4 percent) would be allocated to administrative activities.

C. Travel:

Travel requested should be for staff travel only. Travel for consultants/contractors should be shown in the contractual category along with the consultant's fee, unless this charge is included in their general contract.

Each type of travel needs its own calculation. Each type of trip (*e.g.*, local, domestic, international, conferences) needs to be broken down as much as possible, with you showing the calculations for how you got to the total dollar amount. Each entry should include the total per trip and all the calculations you made to get to that trip. Hotel costs should be inclusive of fees and taxes. If renting a car, please note if the costs will be shared between the travelers. If using per-diem, please note what it is included and for how many days. If per diem is prorated for travel days, please note this in the justification. If traveling to a conference where lunch/dinner will be served, please indicate if your entity has a policy around per-diem at conferences, and what the rate is for those specific days.

Each trip should include origin and destination, estimated costs and type of transportation, number of travelers, related lodging and per diem costs, a brief description of the travel involved, its purpose, and an explanation of how the proposed travel is necessary for successful completion of the project.

If some travel details are unknown then the basis for proposed costs should be explained (*e.g.*, historical information) or estimated to the best of your ability.

Sample Justification Without Airfare

Local travel

One employee will conduct trips within the local area to validate digital inclusion metrics, meet with stakeholders, and complete project activities. One employee will take two (2) trips each quarter for four (4) quarters (8 trips total). Each trip will last a total of two days and one night. Total cost per trip is \$432 which includes \$200 for lodging, \$112 for mileage reimbursement (200 miles at \$0.56 per mile) and \$120 per diem (\$60 for 2 days). Entity travel policy has employees use the Federal mileage reimbursement for work trips. The Federal mileage reimbursement for 2021 is \$0.56 per mile. Entity travel policy has work travel per diem at \$60 per day. Per diem covers meals and incidentals for the trip such as tolls, parking fees, and other miscellaneous charges.

Travel will be to the four project sites, all of which are 100 miles from the applicant city. The average hotel cost per night in each of the four project sites is \$200.

Breakdown per trip:

1 person x 1 trip:

Lodging: \$200 per night x 1 night = \$200

Mileage: 200 miles x \$0.56 per mile = \$112

Per Diem: \$60 per day x 2 days =	\$120
Total per trip =	\$432

Sample Justification with Airfare

Travel – Domestic, not local

Two employees will travel to a total of two (2) meetings. Total number of trips is 4. Total cost per trip is \$1,330 including \$600 round trip basic airfare, \$400 total lodging for two nights (\$200 a night for two nights), \$150 for car rental, and per diem at \$180 (\$60 per day for three days). Entity travel policy has work travel per diem at \$60 per day. Per diem covers meals and incidentals for the trip such as tolls, parking fees, and other miscellaneous charges.

Travel location is to be determined. \$600 for round trip coach-class airfare is the average airfare for traveling to Washington, DC, San Diego, CA, and Dallas TX. First-class and business-class airfare costs are not allowable. If flights vary significantly, the applicant will discuss the price variance with the grantor before making any purchases.

Average cost for lodging in Washington, DC, San Diego and Dallas is \$200 a night. If lodging varies significantly, the applicant will discuss the price variance with the grantor before making any purchases.

The two employees will share a rental car. The car rental is estimated at \$100 a day for three days, totaling \$300 for each trip (\$150 per person for each trip).

1 person x 1 trip:

Airfare: \$600 round trip =	\$600
Lodging: \$200 a night x 2 =	\$400
Car Rental: \$150 per person =	\$150
Per Diem: \$60 a day x 3 =	\$180
Total =	\$1,330

D. Equipment:

As set forth in 2 C.F.R. 200.1, equipment is defined as an article of tangible personal property (including information technology systems) that has a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. *See also* the definitions of *capital assets, computing devices, general purpose equipment, information technology systems, special purpose equipment, and supplies* in 2 C.F.R. 200.1.

Each item must be listed individually and include the name (if applicable), type, cost, unit cost (if applicable), and purpose of the equipment. The purpose should justify the use of each item and relate the item to the allowable activities listed in the NOFO.

For every item over \$5,000, the applicant must provide a lease vs. purchase analysis. This must accompany every individual equipment request over \$5,000. If a lease vs. purchase analysis cannot be completed, please provide a statement explaining why not, and how you determined that the chosen procurement method is the most economical approach.

Sample Justification

Applicant will purchase two (2) servers at \$3,000 each, totaling \$6,000. The servers are Dell precision towers. An online search found that several local stores (Target, Best Buy, Computer Store) sell these servers for an average of \$3,000 per server. The Tribe will purchase the servers using the tribal procurement policy requirements and guidelines, which require three quotes and a purchase justification before being approved by the Tribe administrative officer. The servers will be used to support digital inclusion activities and will be housed in the two main buildings on the entity property. The servers will come pre-loaded with XYZ software, BBB Malware, and the necessary cables to be compatible with existing technology for the tribe. The servers will be locked in computer closets in each of the buildings and will be tagged with a barcode for inventory management.

E. Supplies:

As set forth in 2 C.F.R. 200.1, *supplies* are defined as all tangible personal property other than those described in the definition of *equipment* in 2 C.F.R. 200.1. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. *See also* the definitions of *computing devices* and *equipment* in 2 C.F.R. 200.1.

List all supplies by item when appropriate. An explanation is necessary for supplies costing more than \$5,000 or more than 5 percent of the award, whichever is greater. Show unit costs of each item, the number needed, and the total amount. Provide a justification for supplies and relate them to the program objectives.

General office supplies may be shown by an estimated amount per month multiplied by the number of months in the budget period.

Sample Justification

Printing of materials for digital inclusion meetings and outreach activities. Estimated \$5 a month for 12 months totaling \$60 for one year. Materials will include fact sheets about the program,

guidance on how to access and use digital inclusion training sites, and information sheets on broadband.

F. Contractual: Total Amount \$ 10,500

For each contract, the applicant will need to spell out what the contract is for and the cost information. If the contract is hours based, the applicant needs to note the total number of hours, during what period of time (contract period of performance), and the rate per hour. If the contract is a flat fee, the applicant needs to explain the rate and breakdown of the charges. For each contract, list and describe the tasks to be performed.

You must have and use documented procurement procedures, consistent with State, local, and Tribal laws and regulations and the standards of 2 CFR 200.318, for the acquisition of property or services required under a Federal award or subaward. Your documented procurement procedures must conform to the procurement standards identified in 2 CFR 200.317-327.

If selected, provide the name of the contractor/company/vendor. If not yet selected, explain the procurement process for selecting a contractor for the task(s).

Provide an explanation on how contractual support is selected (high level explanation of your competition process).

If the applicant expects to use a non-competitive procurement pursuant to 2 C.F.R. 200.320, you must explain which one or more of the following circumstances apply: 1) the aggregate dollar amount of the property or services does not exceed the micro-purchase threshold; 2) the item/service is available only from one source; 3) the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or 4) competition is determined inadequate after solicitation of a number of sources.

For each contract, provide the known or estimated dates and length for the contract period of performance. If there are sub-tasks with different periods of performance, write out each period of performance for each sub-task.

Sample Justification

Training consultant (\$10,500) - Training consultant to provide digital inclusion training as a part of the project activities. The work is a direct programmatic activity as the objective of the training is to educate the public (tribe at large) on digital inclusion. Estimated no more than 175 hours over 1 year period (12 months) at \$60 per hour. Contractor will be responsible for developing digital inclusion training slides and presenting these slides at training sessions. Contract is not yet awarded and will be awarded if this application is funded. The contractor will be selected following our procurement policy which requires at least three bids to be reviewed and scored to ensure the contractor meets the needs of the project and is appropriately priced. Contracting officer will review the scores and select the contractor following policy.

G. Construction: Total Amount \$0

Construction is not allowable as part of a digital equity planning project.

H. Other:

This category contains both sub-awards and other items not included in the previous categories.

Sub-awards: A sub-award is an award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a Federal award, including a portion of the scope of work or objectives. Provide separate budgets for each sub-award, regardless of the dollar value and indicate the basis for the cost estimates in the narrative.

Sample Sub-award justification

ABC entity will sub-award \$75,000 to XYZ entity to complete telehealth surveys and analysis of tribal telehealth data, in accordance with the allowable costs and activities listed in the NOFO. XYZ entity will develop and distribute surveys to all XYZ entity members on their access to, use of, and needs regarding broadband for telehealth services. XYZ will collect and analyze the data and submit to ABC entity for broader analysis on telehealth in the entity areas. The budget for this subaward is attached to this application submission.

Other: List items by type and break down the costs by quantity and cost per unit if applicable.

Sample other justification

Internship Stipend (\$1,000). Four (4), \$250 internship stipends to be awarded during the period of performance. Stipend will ensure interns are able to support the project.

I. Indirect Costs:

Indirect costs are costs that are incurred for common or joint objectives and cannot be easily and specifically identified with a particular project or activity. These costs are sometimes called “overhead” costs. Indirect costs are different than direct costs, which can be attributed to direct project activities. Indirect administrative costs must align with the requirements in 2 CFR 200.414.

Examples of administrative expenses include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services; facility occupancy costs, e.g., rent, utilities,

insurance, taxes, and maintenance; general liability insurance that protects the organization (not directly related to a program); depreciation on buildings and equipment; general office supplies; and general and administrative salaries and wages.

Sample Justification

Indirect Costs – Tribe has a NICRA, issued by the Department of the Interior, at a rate of 10%. The indirect cost rate agreement covers office utilities (water, sewer, landline service, electrical, heat). The Tribal entity will charge only 0.1% of the indirect costs in order to stay under the administrative expense cap. Any remaining indirect costs will be covered by non-grant funds as necessary. The indirect cost rate agreement is attached to the application.

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Name of Entity and Name of Project

Applicant Name:

Applicant Type:

Proposed Period of Performance:

Total Project Costs:

Total Federal Grant Request:

Total Matching Funds (Cash):

Total Matching Funds (In-Kind):

Total Matching Funds (Cash + In-Kind):

Total Matching Funds (Cash + In-Kind) as Percentage of Total Project Costs:

Total Federal Funding for Digital Equity Planning Project:

A. Personnel: Total Amount \$

B. Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed. **Fringe: Total Amount \$**

C. Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed. **Travel: Total Amount \$**

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

D. Equipment: Total Amount \$

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

E. Supplies: Total Amount \$

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

F. Contractual: Total Amount \$

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

G. Construction: Total Amount \$0

No construction charges for this project.

H. Other: Total Amount \$

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.

I. Indirect Costs: Total Amount \$

Provide a narrative that includes a detailed description and justification of the estimated costs, proposed activities, and additional information as needed.