



HRSA
Healthy
Grants
WORKSHOP
Presented as a Web Series

HRSA
Health Resources & Services Administration

Best Practices for Budgeting June 10, 2026

**Hakeem Henderson, Leon Harrison, MBA,
Ernsly Charles**

Grants Management Specialists, MCHB

Division of Grants Management Operations

**Office of Federal Assistance and Acquisition Management
(OFAAM)**

Health Resources and Services Administration (HRSA)

Vision: Healthy Communities, Healthy People



Agenda: Overview of Budgeting for HRSA Grants

- 1 Reasonable, Allocable and Allowable
- 2 Regulations, Legislation and Policy
- 3 Notice of Funding Opportunity (NOFO) Requirements
- 4 Differences between Standard Forms
- 5 Overview of Budget Categories & Unallowable Cost
- 6 Improper Budgeting Issues



Learning Objectives

- Understand key HRSA budgeting and rebudgeting requirements.
- Identify allowable, reasonable, and allocable costs.
- Develop clear line-item budgets and budget justifications.
- Apply best practices for personnel, travel, equipment, and indirect costs.
- Recognize common budgeting and rebudgeting errors.



Definitions: Allowable, Reasonable, & Allocable

Allowable –

CFR §75.403 or 200.403

Program legislation, grant or other regulations, and the specific terms and conditions of the award determine whether federal funds can be used to cover a particular cost

- ☐ *Based on the items noted, can Federal funds be used to cover a particular cost?*

Reasonable – CFR §75.404 or 200.404

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

- ☐ *Would you, as a reasonable person, be willing to spend the amount of money requested on the item requested?*

Allocable –

CFR §75.405 or 200.405

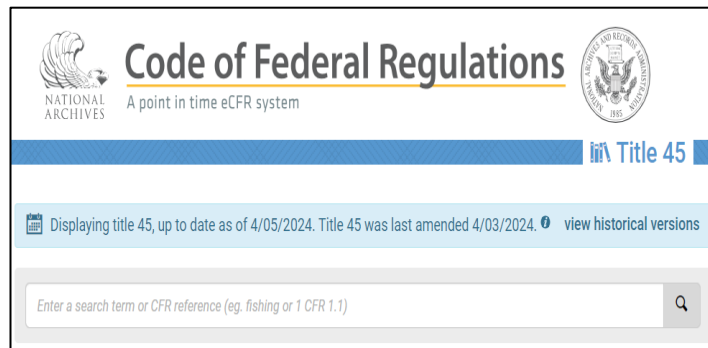
A cost is allocable to Federal award if the goods or services are chargeable or assignable to that Federal award.

- ☐ *Is this cost necessary and directly connected to carrying out the goals and objectives of the grant?*

Federal Regulations, Legislation and Policy

Uniform Administrative Requirements, Cost Principles & Audit Requirements (2 CFR 200)

<https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-A/part-75> OR
<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>



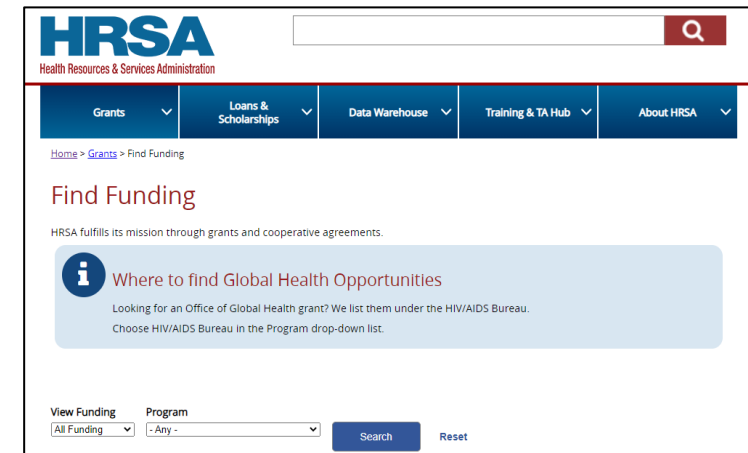
Legislative Mandates in Grants Management

<https://www.hrsa.gov/grants/manage-your-grant/policies-regulations-guidance/hhs-salary-cap>



Notice of Funding Opportunity

<https://www.hrsa.gov/grants/find-funding>



Notice of Funding Opportunity (Sample NOFO)

Sample of Notice of Funding Opportunity

U.S. Department of Health and Human Services

HRSA

Health Resources & Services Administration

NOTICE OF FUNDING OPPORTUNITY

Fiscal Year 2023

Maternal and Child Health Bureau

Division of Home Visiting and Early Childhood Systems

**Institute for Home Visiting Workforce Development and Jackie Walorski Center
for Evidence-Based Case Management**

Funding Opportunity Number: HRSA-23-121

Funding Opportunity Type(s): New

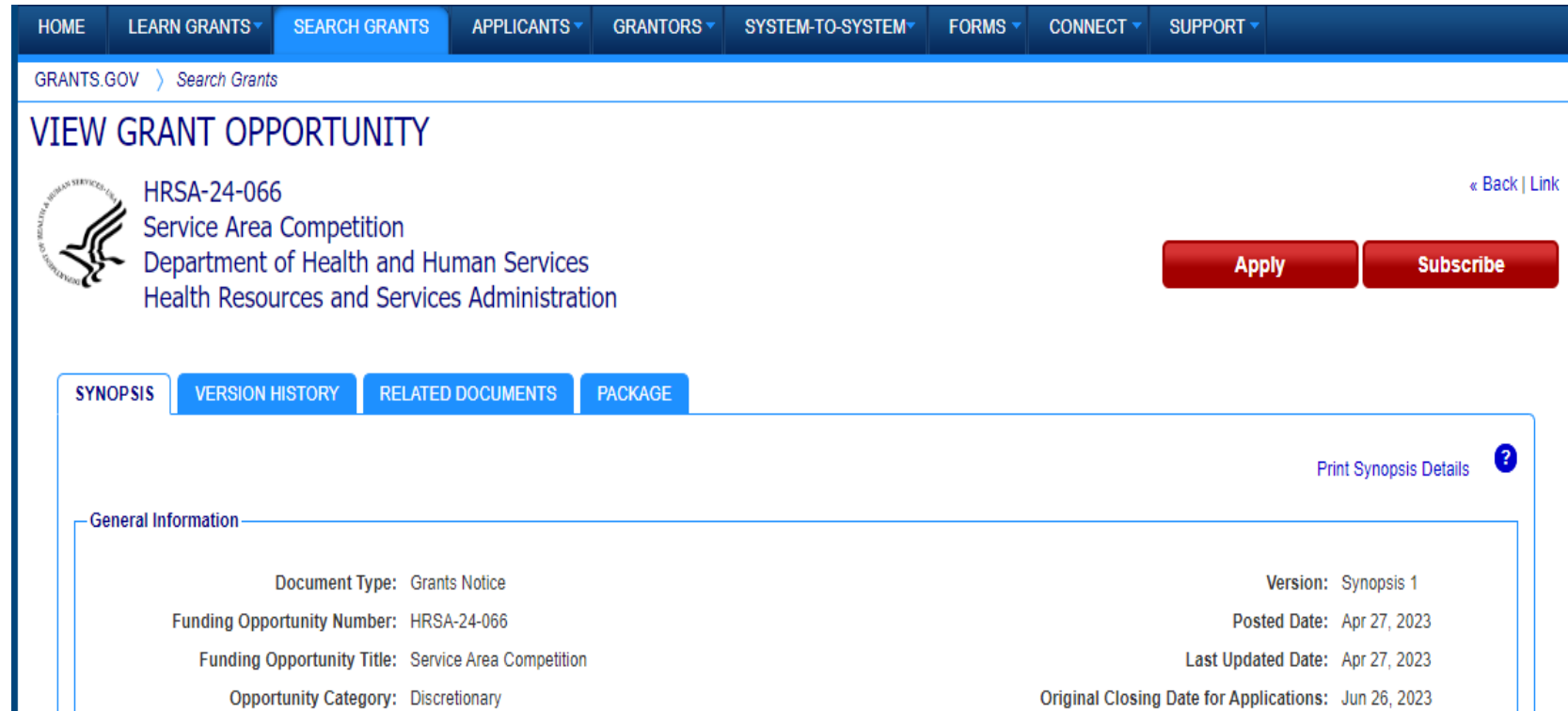
Assistance Listings Number: 93.870



Notice of Funding Opportunities (View Grant Opportunities)

- To access HRSA's latest grant and Notice of Funding Opportunities

- Visit Grants.gov and click on Search Grants
- Select the relevant Opportunity Status, Funding Instrument Type, Eligibility, and Category
- In the Agency field, first select the "+" next to All Departments of Health and Human Services, then select the box next to Health Resources and Services Administration
- Review results and select the Funding Opportunity Number for more information



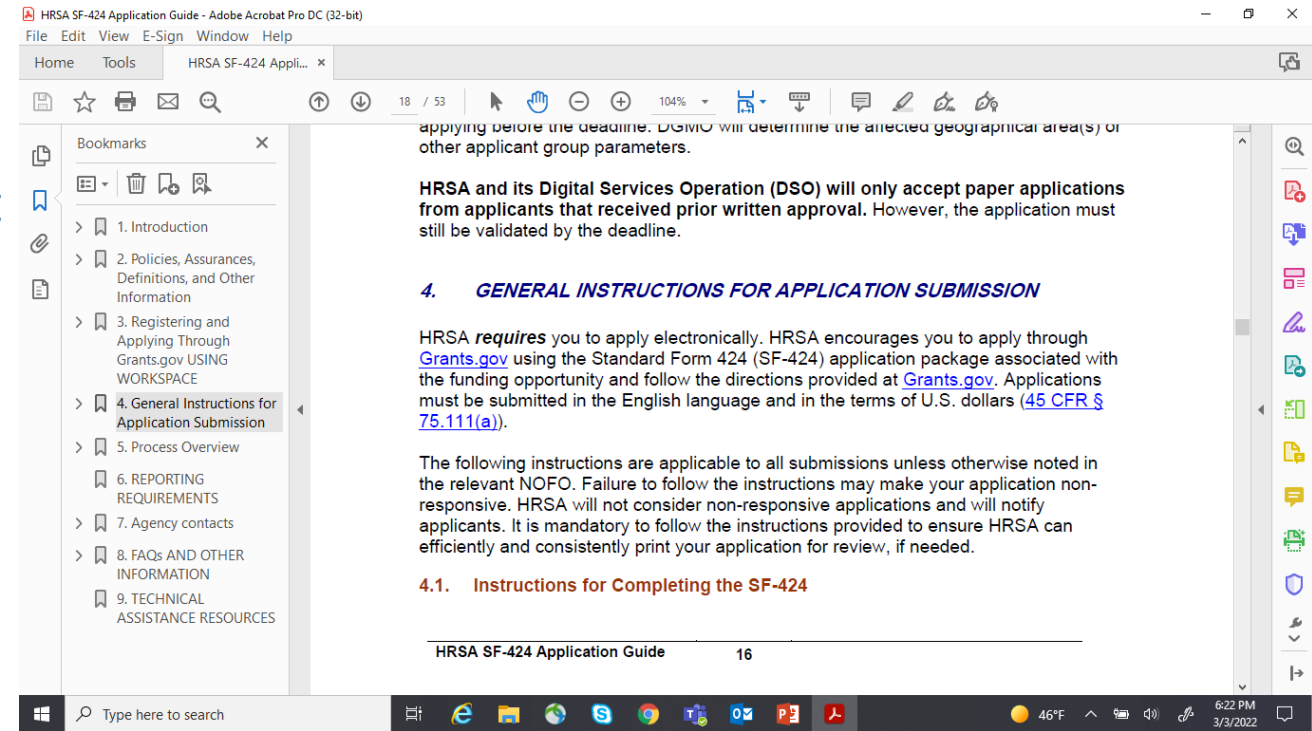
The screenshot shows the Grants.gov website interface. At the top is a navigation bar with links: HOME, LEARN GRANTS, SEARCH GRANTS (highlighted), APPLICANTS, GRANTORS, SYSTEM-TO-SYSTEM, FORMS, CONNECT, and SUPPORT. Below the navigation bar is a breadcrumb trail: GRANTS.GOV > Search Grants. The main heading is 'VIEW GRANT OPPORTUNITY'. On the left is the HRSA logo. To the right of the logo, the text reads: 'HRSA-24-066', 'Service Area Competition', 'Department of Health and Human Services', and 'Health Resources and Services Administration'. In the top right corner, there are two red buttons: 'Apply' and 'Subscribe', and a link '« Back | Link'. Below the main heading is a tabbed interface with four tabs: 'SYNOPSIS' (selected), 'VERSION HISTORY', 'RELATED DOCUMENTS', and 'PACKAGE'. Under the 'SYNOPSIS' tab, there is a section titled 'General Information' with a 'Print Synopsis Details' link and a help icon. The 'General Information' section contains the following details: 'Document Type: Grants Notice', 'Funding Opportunity Number: HRSA-24-066', 'Funding Opportunity Title: Service Area Competition', and 'Opportunity Category: Discretionary'. On the right side of this section, it shows 'Version: Synopsis 1', 'Posted Date: Apr 27, 2023', 'Last Updated Date: Apr 27, 2023', and 'Original Closing Date for Applications: Jun 26, 2023'.



Notice of Funding Opportunity (Budget Responses)

NOFO budget responses include:

- **Budget Narrative/Justification –**
 - Clearly stated for **each year** of project period
 - Describes complexity of activities and results
- **Budget Costs –**
 - Reasonable, allowable, & allocable
 - Clearly describe program costs



Differences Between Standard Forms (Budget Categories)

Budget Categories: A Closer Look

SF-424 A Budget Categories

- Personnel
- Fringe
- Travel
- Equipment
- Supplies
- Construction/Renovation
- Contractual
- Other
- Indirect Costs

SF-424 R&R Additional Categories

- Participant/Trainee Costs:
 - Tuition/Fees/Health Insurance
 - Stipends
 - Subsistence
- Senior Key Personnel (other than PD/PI)
- Other More Detailed Personnel Costs

SF-424 C Additional Categories

- Land, Structural, Right-of-way, Appraisal
- Relocation Expenses
- Architectural and Engineering Fees
- Project Inspection Fees
- Site Work
- Demolition and Removal
- Construction
- Equipment
- Contingencies



Differences between Standard Forms (Continued)

Standard Form (SF) 424

- **Section A – Budget Summary**
 - Include Fed + Non-Fed total under the New or Revised column.
- **Section B Budget Categories**
 - **Object Class Categories** – total amount requested for cost line item
- **Program Income**
 - Estimated program income sharing/matching, as applicable

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-0044

SECTION A - BUDGET SUMMARY							
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget			
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)	
1. Name of Grant		\$		\$	565,940.00	\$	565,940.00
2.							0.00
3.							0.00
4.							0.00
5. Totals		\$	0.00	\$	0.00	\$	565,940.00
SECTION B - BUDGET CATEGORIES							
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					Total (5)	
	(1) Cares Supplemental	(2)	(3)				
a. Personnel	\$	342,050.29	\$		\$	342,050.29	
b. Fringe Benefits		97,997.41				97,997.41	
c. Travel						0.00	
d. Equipment						0.00	
e. Supplies						0.00	
f. Contractual		16,355.53				16,355.53	
g. Construction						0.00	
h. Other						0.00	
i. Total Direct Charges (sum of 6a-6h)		456,403.23		0.00	0.00	456,403.23	
j. Indirect Charges		109,536.77				109,536.77	
k. TOTALS (sum of 6i and 6j)	\$	565,940.00	\$	0.00	\$	0.00	
7. Program Income	\$		\$		\$	0.00	

Previous Edition Usable

Authorized for Local Reproduction

Standard Form 424A (Rev. 7-97)
Prescribed by OMB Circular A-102



Differences between Standard Forms (SF-424 R&R and Construction)

SF-424 R&R – Research and Related

RESEARCH & RELATED BUDGET - Cumulative Budget

	Totals (\$)
Section A, Senior/Key Person	
Section B, Other Personnel	
Total Number Other Personnel	
Total Salary, Wages and Fringe Benefits (A+B)	
Section C, Equipment	
Section D, Travel	
1. Domestic	
2. Foreign	
Section E, Participant/Trainee Support Costs	
1. Tuition/Fees/Health Insurance	
2. Stipends	
3. Travel	
4. Subsistence	
5. Other	
6. Number of Participants/Trainees	
Section F, Other Direct Costs	

SF-424C – Construction

[View Burden Statement](#)

OMB Number: 4040-0008
Expiration Date: 02/28/2022

BUDGET INFORMATION - Construction Programs			
NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.			
COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$	\$	\$
2. Land, structures, rights-of-way, appraisals, etc.	\$	\$	\$
3. Relocation expenses and payments	\$	\$	\$
4. Architectural and engineering fees	\$	\$	\$
5. Other architectural and engineering fees	\$	\$	\$
6. Project inspection fees	\$	\$	\$
7. Site work	\$	\$	\$
8. Demolition and removal	\$	\$	\$
9. Construction	\$	\$	\$
10. Equipment	\$	\$	\$
11. Miscellaneous	\$	\$	\$
12. SUBTOTAL (sum of lines 1-11)	\$	\$	\$
13. Contingencies	\$	\$	\$
14. SUBTOTAL	\$	\$	\$
15. Project (program) income	\$	\$	\$
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$	\$	\$



Frequently Asked Questions

1. Do you include both Federal and Non-Federal Funding on your SF-424A?

- Yes, if your program requires it, such as a cost sharing requirement.

2. Where can you find forms like the SF-424A/C/R&R, or others?

- All Federal forms are available at: [SF-424 Family | GRANTS.GOV](#)

3. Do I need to include all budgeted future years on the SF-424A?

- Yes, if your grant award covers more than 1 year, you must include each support year.



Overview of Budget Categories (Budget Justification)

Budget Narrative/Justification

- Include details for each item of cost under the budget category

Additional Documents (if applicable)

- Personnel Justification Table (*discussed later*)
- Equipment List

SUPPLIES	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
4 laptop computers for staff @ \$X each				-
Office Supplies (\$X per month x 12 months)				-
Printing Costs (\$X.XX per brochure x 4 brochures x X,000 copies)				-
Medical Supplies (\$X.XX per visit x X,XXX visits)				-
Dental Supplies (\$X.XX per visit x X,XXX visits)				-
TOTAL SUPPLIES				-
Contractual - Include sufficient detail to justify costs.	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
Pharmacy Services (\$X per contract)				-
Laboratory Services (\$X per sample x X,XXX samples)				-
Housekeeping Services (\$X per month x 12 months)				-
Ophthalmology Services (\$X per patient x XXX patients)				-
Waste Removal (\$X per month x 12 months)				-
TOTAL CONTRACTUAL				-

Overview of Budget Categories (Personnel)

Personnel

HRSA needs to know who is paid on a Federal grant.

- The Personnel section of your budget justification should have the following:
 - ✓ Full name or indication of vacancy
 - ✓ Position title/role,
 - ✓ FTE
 - ✓ Annual Base salary and federal amount requested.

Each staff member also needs to have a brief description of the duties and responsibilities for their role under the respective grant program.



Compensation Salaries and Wages

- Personnel/labor charges
- Allowed to charge grants for actual labor only
- Charging budgeted labor is unallowable
- Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed
- Reconciliation between budget and actual
- Time and Effort Reporting -- Personnel Activity Reports
- **2026 Executive Level II Salary Cap - \$228,000**
- Compensation costs are allowable if:
 - Reasonable for the services rendered and consistently applied to both federal and non-federal activities;
 - Follows non-federal entity's hiring guidelines; and
 - Is adequately supported and documented for allowable activities.



Poll Question #1 – Personnel Salaries and Wages

William Atlas has an annual base salary of \$250,000 which is above the federal maximum rate of \$228,000.00. Is the salary table presented below acceptable?

Name	Role	Total FTE	Annual Base Salary	Federal Maximum Salary	Is the Base Salary within the Federal Limit \$212,100	Adjusted Base Salary	Amount of Federal Request
Jane Doe	RN	1.0	\$75,000	\$228,000	No Change Required	\$75,000	\$75,000
John Doe	LPN	0.75	\$45,000	\$228,000	No Change Required	\$45,000	\$33,750
William Atlas	CFO	0.5	\$250,000	\$228,000	Exceeds Maximum Federal Salary Rate – Adjustment Needed	\$228,000	\$114,000
Ebony Jones	MD	0.6	\$300,000.00	\$228,000	Exceeds Maximum Federal Salary Rate – Adjustment Needed	\$228,000	\$136,800
Total - \$359,550							



Overview of Budget Categories (Fringe Benefits)

- List the Fringe Benefits Rate
- Directly proportional to % FTE allocated to grant.
- Adjust proportionally if base salary exceeds maximum allowable salary of \$228,000.00

Fringe Benefits

List the components of your fringe benefit rate

FRINGE BENEFITS	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
FICA @ XXX%				-
Medical @ XX%				-
Retirement @ XX%				-
Dental @ XX%				-
Unemployment & Workers Compensation @ XX%				-
Disability @XX%				-
TOTAL FRINGE @ XX%				-

Poll Question #2:

True or False?

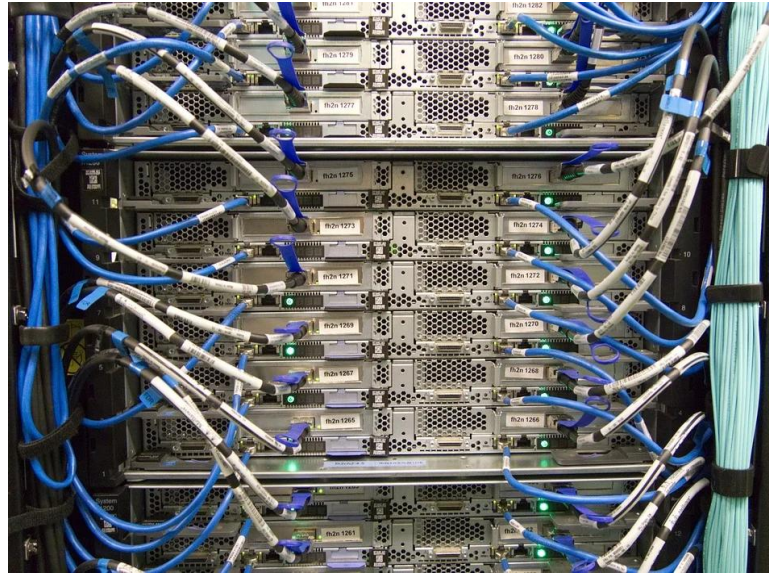
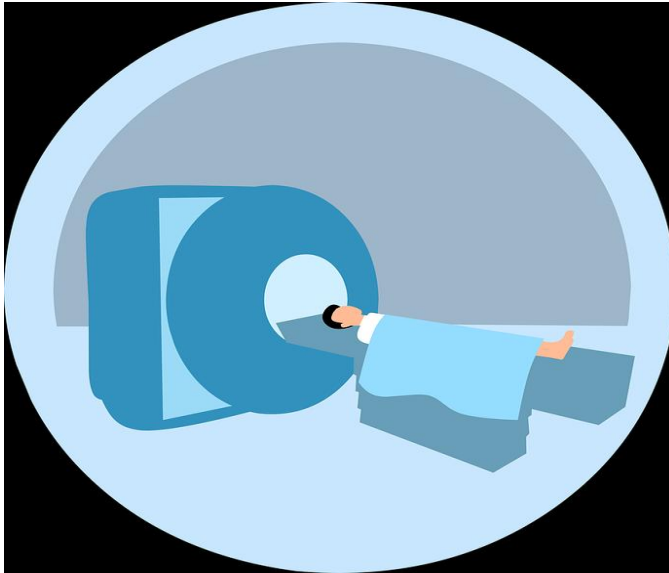
Providing only the fringe benefits rate in the budget justification is sufficient.

Overview of Budget Categories (Equipment)

2 CFR 200.313 (e)

Equipment – tangible personal property (includes IT systems):

- Useful life of >1 year, and
- Per-unit acquisition cost $\geq$ \$10,000



Overview of Budget Categories (EQUIPMENT LIST FORM)

EQUIPMENT LIST FORM

DEPARTMENT OF HEALTH AND HUMAN SERVICES Health Resources and Services Administration EQUIPMENT LIST (AS APPLICABLE)		FOR HRSA USE ONLY		
		Grant Number	Application Tracking Number	
Instructions				
Equipment costs entered here should be consistent with those provided in the Budget Narrative and SF-424A Budget Information Form. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$10,000. Equipment that does not meet the \$10,000 threshold should be considered supplies and should not be entered on this form.				
Type	Description	Unit Price	Quantity	Total Price
☐ Clinical				
☐ Non Clinical				
☐ Clinical				
☐ Non Clinical				
☐ Clinical				
☐ Non Clinical				
☐ Clinical				
☐ Non Clinical				
☐ Clinical				
☐ Non Clinical				
		TOTAL		



Overview of Budget Categories (Travel)

Travel

Local Travel

Example:

Reimbursable employee mileage:

- $\$0.70/\text{mile} \times 10 \text{ miles/trip} \times 25 \text{ trips}$

Total = \$175

Long Distance Travel

Example:

4 staff attend a conference in Denver:

- $4 \text{ flights} \times \$350/\text{flight} = \$1,400$;
- $3 \text{ nights hotel @ } \$125/\text{night for 4 staff} = \$1,500$
- $\text{Per diem @ } \$65/\text{day for 4 staff} \times 4 \text{ days} = \$1,040$
- $\text{Car rental @ } \$100/\text{day} \times 4 \text{ days} = \400

Total = \$4,340



Overview of Budget Categories (Supplies)

Supplies

All tangible personal property other than those described in Equipment.

**Uniform Guidance
75.321 or 2 CFR
200.314 (a)**

SUPPLIES	Federal Grant Year 1	Federal Grant Year 2	Total
4 laptop computers for staff at \$X each			
Office Supplies (pens, paper, etc.) \$X per month X 12 months			
Printing Costs (\$X.XX per brochure x 4 brochures x 100 copies			
Medical Supplies (gloves, prep pads, etc.) \$X.XX per visit x 100 visits			
Dental Supplies (face masks, mouth solution, etc.) \$X.XX per visit x 100 visits			
TOTAL SUPPLIES			



Overview of Budget Categories (Contractual)

Contractual

Consult the NOFO for requirements

- a clear explanation for the purpose of each contract and how the contract relates to the project goals and objectives
- an explanation on how the costs were calculated, including a salary rate table if applicable
- and the specific contract deliverables

Poll Question #3:

A grantee is asking for 100% of their office rent to be paid by HRSA but are using half of the building for another grant project with a different agency. Is 100% of the rent allocable to the HRSA grant?

- Yes
- No

Overview of Budget Categories (Other Cost)

Other Costs

Includes all costs that do not fit into any other category.

Provide explanation for each cost –

- EHR provider licenses
- Recruitment
- Dues, etc.
- Training

Note:

Rent, utilities, audits, and insurance may fall in Other category if not included in approved indirect cost rate.

OTHER – Include detailed justification. Note: Federal funding CANNOT support fundraising, or lobbying costs.	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
EHR provider licenses \$X each				-
Staff Recruitment - newspaper and Internet posting: Type of advertisement x number of ads x cost per ad				-
Audit Services with HIJ Firm				-
Membership Dues (specify membership organization and cost per each)				-
Property Insurance (\$X per month x 12 months)				-
Repairs and Maintenance on X-Ray machine - not covered by warranty (\$X per month x 12 months)				-
Rent (\$X per month x 12 months)				-
TOTAL OTHER				-

Overview of Budget Categories (Indirect Costs Rate Agreements)

Indirect Costs Rate Agreements (IDCRAs)

Uniform Guidance §75.414 or 2 CFR 200.414

Grantees may claim indirect costs with:

- Federally negotiated indirect cost rate agreement (IDCRA)
- De Minimis Cost Rate
(15% of Modified Total Direct Cost)
- Cost Allocation Plan

IDCs must be applied uniformly across all HRSA awards.



Overview of Budget Categories (Continued)

Indirect Costs

Indirect Costs

- Those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
- To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs.
- Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Overview of Budget Categories (Program Income)

Program Income

Definition: *Gross income earned by the Non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.*



Check the NOFO for details on including program income in your budget if applicable.

Overview of Unallowable Costs

- Bad Debt
- Cash Reserves/Miscellaneous Funds
- Donations and Contributions
- Entertainment
- Fundraising Costs
- Fines, Penalties
- Lobbying
- Meals (“Generally” Unallowable)
- Grant writing
- Honoraria
 - Except as payment for services rendered, such as a speaker’s fee under a conference grant.



Improper Budgeting: Potential Issues

- Lower application score
- Additional terms and/or award conditions
- Delayed award of funding
- Disallowed costs
- Audit findings



Poll Question #4

What are the potential consequences of improper budgeting?

- a. Audit findings
- b. Reduction in applicant score
- c. Conditions placed on the award
- d. All of the above

Wrapping Up

- **Budget Documentation submitted with application**
 - ✓ SF-424A, SF-424C, or SF-424R&R
 - ✓ Budget Narrative/Justification
 - ✓ Equipment List (if applicable)
 - ✓ Indirect Cost Rate Agreement



Key Takeaways

- Budgets should clearly support project goals and objectives.
- All costs must be properly justified and documented.
- The NOFO and Uniform Guidance are essential budgeting resources.
- Rebudgeting changes must remain compliant with federal requirements.
- Poor budgeting practices can lead to delays, conditions, or audit findings.



Questions?



Contacts for More Information (Grants Management Information)

Hakeem Henderson
Grants Management Specialist
Maternal Child Health Branch
Email: HHenderson@hrsa.gov
Phone: (301) 443-1515

Leon Harrison, MBA
Grants Management Specialist
Maternal Child Health Branch
Email: lharrison@hrsa.gov
Phone: (301) 443-9368

Ernsley Charles
Grants Management Specialist
Maternal Child Health Branch
Email: Echarles@HRSA.gov
Phone: (301) 443-8329



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