

Best Practices for Budgeting

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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**



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.

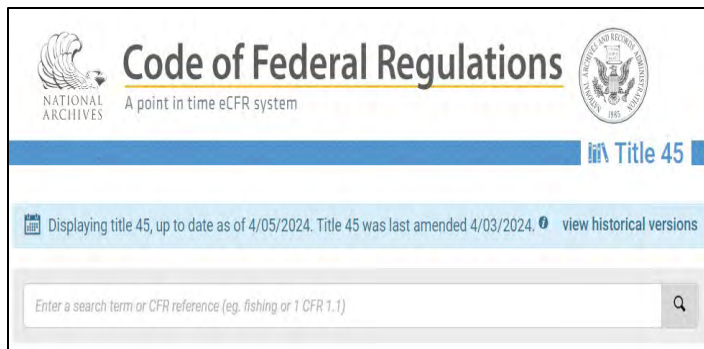
- Is this cost necessary and directly connected to carrying out the goals and objectives of the grant?*



Federal Regulations, Legislation and Policy

Uniform Administrative Requirements, Cost Principles & Audit Requirements (45 CFR Part 75/2 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>



The screenshot shows the Code of Federal Regulations website. It features the National Archives logo and the text "Code of Federal Regulations" and "A point in time eCFR system". Below this, it indicates "Title 45" and "Displaying title 45, up to date as of 4/05/2024. Title 45 was last amended 4/03/2024." There is a search bar at the bottom with the placeholder text "Enter a search term or CFR reference (eg, fishing or 1 CFR 1.1)".

Legislative Mandates in Grants Management

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

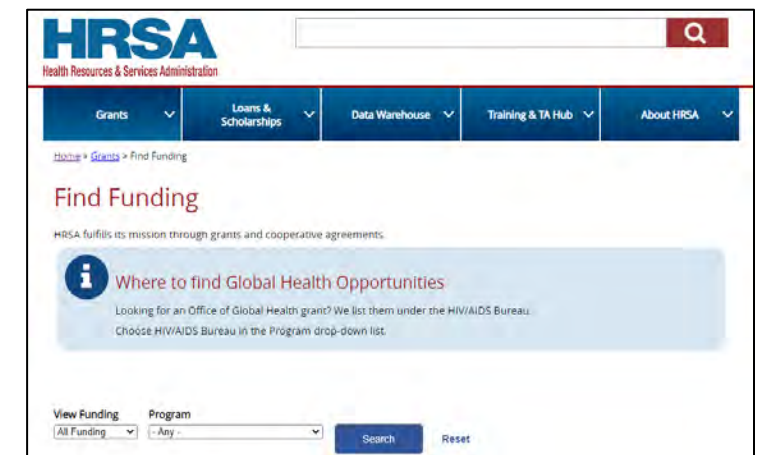


The screenshot shows the HRSA website page for "HHS Salary Cap (Fiscal Year 2015 - Present)". The page includes a navigation menu with options like "Apply for a Grant", "Manage your Grant", "Become a Grant Reviewer", and "Frequently Asked Questions". The main content area features the title "HHS Salary Cap (Fiscal Year 2015 - Present)" and a sub-section "FY24 Awards Issued" with a table of data.

Period	Amount
October 1, 2023 through December 31, 2023 (Executive Level II)	\$212,100
January 1, 2024 through September 30, 2024 (Executive Level II)	\$221,900

Notice of Funding Opportunity

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



The screenshot shows the HRSA website page for "Find Funding". It features a search bar at the top and a navigation menu with options like "Grants", "Loans & Scholarships", "Data Warehouse", "Training & TA Hub", and "About HRSA". The main content area includes the title "Find Funding" and a section "Where to find Global Health Opportunities" with a search bar and a "Search" button.

Notice of Funding Opportunity

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

- 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 interface for viewing a grant opportunity. The navigation bar includes links for HOME, LEARN GRANTS, SEARCH GRANTS (highlighted), APPLICANTS, GRANTORS, SYSTEM-TO-SYSTEM, FORMS, CONNECT, and SUPPORT. The breadcrumb trail is GRANTS.GOV > Search Grants. The main heading is 'VIEW GRANT OPPORTUNITY'. The opportunity details are: HRSA-24-066, Service Area Competition, Department of Health and Human Services, Health Resources and Services Administration. There are 'Apply' and 'Subscribe' buttons. Below the details are tabs for SYNOPSIS (selected), VERSION HISTORY, RELATED DOCUMENTS, and PACKAGE. A 'Print Synopsis Details' link with a help icon is also present. The 'General Information' section contains the following data:

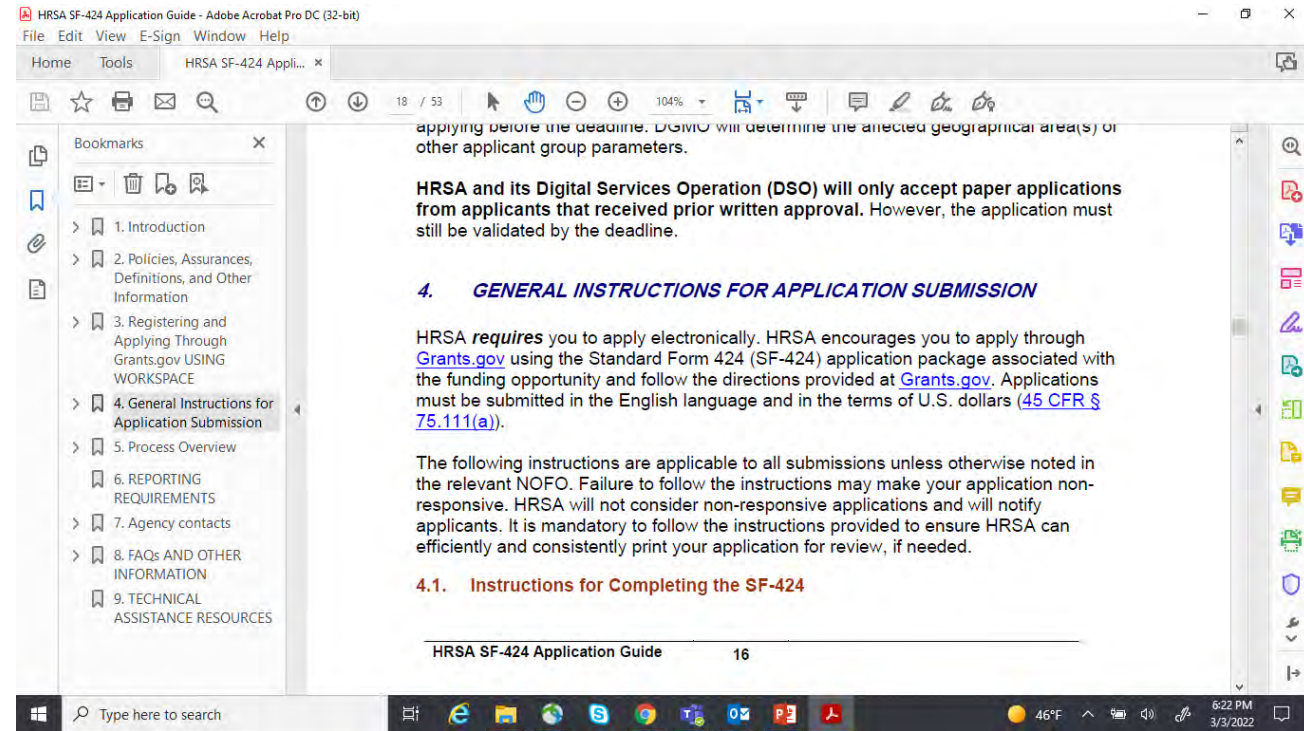
Document Type:	Grants Notice	Version:	Synopsis 1
Funding Opportunity Number:	HRSA-24-066	Posted Date:	Apr 27, 2023
Funding Opportunity Title:	Service Area Competition	Last Updated Date:	Apr 27, 2023
Opportunity Category:	Discretionary	Original Closing Date for Applications:	Jun 26, 2023



Notice of Funding Opportunity

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: 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

Standard Form (SF) 424 A

- **Section A – Budget Summary**
 - Include Fed + Non-Fed totals under the New or Revised Budget column.
- **Section B Budget Categories**
 - **Object Class Categories** – include total amount requested for each cost line item
- **Program Income**
 - Estimated program income, cost 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	\$ 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	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	\$ 0.00	\$ 0.00	\$ 565,940.00

7. Program Income	\$	\$	\$	\$	\$	0.00
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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 – Research and Related

RESEARCH & RELATED BUDGET - Cumulative Budget

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

SF-424C – Construction

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

[View Burden Statement](#)

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	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
2. Land, structures, rights-of-way, appraisals, etc.	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
3. Relocation expenses and payments	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
4. Architectural and engineering fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
5. Other architectural and engineering fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
6. Project inspection fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
7. Site work	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
8. Demolition and removal	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
9. Construction	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
10. Equipment	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
11. Miscellaneous	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
12. SUBTOTAL (sum of lines 1-11)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
13. Contingencies	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
14. SUBTOTAL	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
15. Project (program) income	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>



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 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 - <i>Include sufficient detail to justify costs.</i>	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

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.



Overview of Budget Categories

- 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%				-



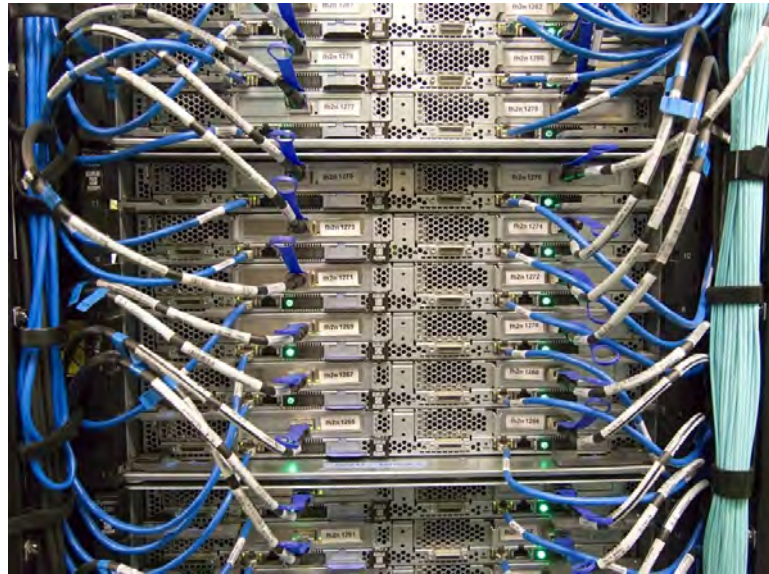
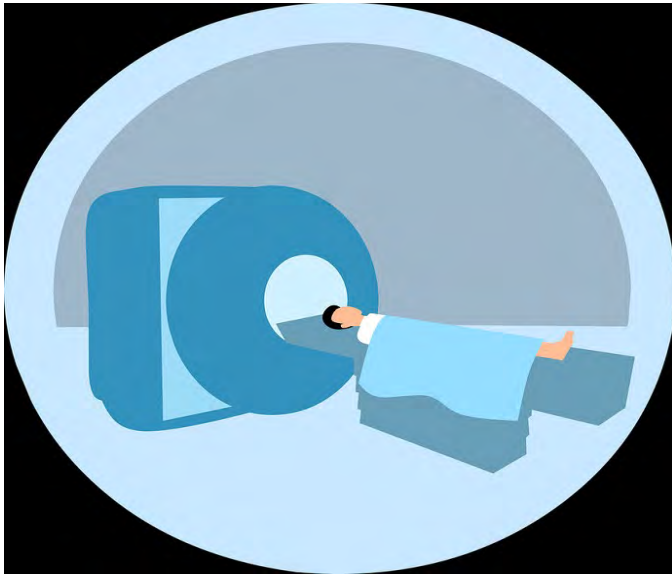
Overview of Budget Categories

Equipment

Uniform Guidance §75.320
Or 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

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
<input type="checkbox"/> Clinical <input type="checkbox"/> Non Clinical				
<input type="checkbox"/> Clinical <input type="checkbox"/> Non Clinical				
<input type="checkbox"/> Clinical <input type="checkbox"/> Non Clinical				
<input type="checkbox"/> Clinical <input type="checkbox"/> Non Clinical				
<input type="checkbox"/> Clinical <input type="checkbox"/> Non Clinical				
TOTAL				



Overview of Budget Categories



Travel

Local Travel

Example:

Reimbursable employee mileage:

- \$0.70/mile x 10 miles/trip x 25 trips

Total = \$175

Long Distance Travel

Example:

4 staff attend a conference in Denver:

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

Total = \$4,340

Overview of Budget Categories

Supplies

All tangible personal property other than those described in Equipment.

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			

Uniform Guidance
75.321 or 2 CFR
200.314 (a)



Overview of Budget Categories

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

Overview of Budget Categories

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.

<i>OTHER – Include detailed justification. Note: Federal funding CANNOT support fundraising, or lobbying costs.</i>	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

- 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

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

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



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



Contacts for More Information

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Questions?



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