

ATTACHMENT B

Preparing Your Contract Budget and Budget Narrative

General Instructions:

- Budget narratives must show calculations for all budget line items and must clearly justify/explain the need for these items. All expenses that are shared across multiple programs (e.g., rent, utilities, insurance, etc.) must be prorated for this program and the narrative must include a detailed calculation which shows how the amount is prorated.
- Each budgeted line item should include:
 - o What is it?
 - o How many?
 - o How much?
 - o For what purpose?
- Allocated costs should include:
 - o What is it?
 - o What is the annual cost?
 - o What is the prorated % or allocation for the contracted project?
 - o How is the allocation calculated?
- All calculations should be easy to follow/recreate.
- Do NOT add new line items to the budget. All budget expenses must fit in one of the line items listed. Please use the guidance below to place your expense in the proper budget line item.

A. Human Resources:

- 1) **Salary/Wages:** Include separate descriptions of each position, including position title, name of staff person, position duties relative to project activities, part/full-time status.
- 2) **Fringe Benefits:** Health insurance, FICA, dental insurance, etc. Provide cost per category per staff person.
- 3) **Other:** Other would be used to document payments for human resources that are outside of the Contractor's staff but are not considered subcontractors. For example: temporary workers. Must include hours to be worked, hourly rate, and how long individual will be employed.

B. Operational Expenses/Capital Outlays:

1) Supplies and Materials:

- a. Furniture: Desks, bookshelves, chairs, file cabinets, etc.
- b. Other Supplies: Office supplies (business cards, printer ink, paper, etc.), educational items (curriculums, Videos, Books, Training manuals, etc.); postage (include postage rates and estimated number of mailings.)



Justification Sample: Routine office supplies: \$50 per person per month (2 staff members @ \$50 x 12 = \$1,200).
2 cartridges for laser printer @ \$50 = \$100.

2) Equipment: Equipment is for items that are purchased outright – not rented or leased.

- a. Communication: Telephone System. Note: this is not monthly usage, but rather the initial purchase of these items. Monthly usage should be entered under Utilities.
- b. Office: Copier Machine, Fax Machine.
- c. IT: Personal Computers, laptops, iPads, scanners, desk printers, PC speakers.
- d. Assistive Technology: Assistive, adaptive and rehabilitative devices for people with disabilities.
- e. Other: Use this for any equipment item that does not fit in one of the defined categories above.



Justification Sample for IT Equipment: Desktop Computer: 2 Computers @ \$500 each for the Program Manager and Coordinator to use for writing reports, capture data, and entering data into online database = \$1,000; 2 laser printers @ \$150 each for the Program Manager and Coordinator to print reports, materials, program policies, etc. = \$300.

3) Travel:

Please note: Reimbursements for travel should not exceed current State Rates as defined by the State of North Carolina Office of State Budget and Management.

- a. Contractor Staff: Include any travels, meals, mileage for staff members listed under the salary and fringe section. Do NOT include conference registration. Conference registration goes under Staff Development.
- b. Board Members Expense: Includes any travel, meals, mileage for board members or community partners.

Travel Rates

Breakfast	\$16.00
Lunch	\$19.00
Dinner	\$28.00
Lodging	\$110.00
Total Travel Allowance Per Day	\$173.00
Mileage	\$0.725 per mile



Justification Sample for Contractor Staff Travel: Overnight accommodations for Program Coordinator and Program Assistant to attend required XYZ Training: 2 nights x \$110 = \$220. 418 miles round trip from Greensboro, NC to Wilmington, NC for training x \$0.725/mile = \$303.05. 2 staff x (1 breakfast at \$16 each + 2 lunches at \$19 each + 2 dinners at \$28 each) = \$220.00. Total travel: \$220 + \$303.05 + \$220.00 = \$743.05.

4) Utilities: (If not included in the rent)

- a. Gas/Electric/Water: Monthly Gas, Electric, and/or Water bill prorated for program share
- b. Telephone: Monthly Phone or Cell service prorated for program share.
- c. Other: Use this for any utility item that does not fit in one of the defined categories above, such as internet service (unless combines with telephone), security monthly monitoring cost, etc.



Justification Sample: Prorated share of electric bill: 25% of \$100 monthly cost; 12 months x \$25 = \$300.

- 5) Repair and Maintenance:** Custodial Services or basic Repairs and Maintenance not billed in the Professional Service area.



Justification Sample: Custodial Services for services and maintenance of space used by programs and Program Coordinator's office @ 12 months x \$65 = \$780.

- 6) Staff Development:** Conference, Workshops, and Continuing Education for Contractor staff.



Justification Sample: Quarterly training costs for staff: 2 staff x \$75 per class x 4 classes = \$600.

7) Media/Communications:

- a. Advertising: Newspaper, Billboard, etc. Can be ads for program or staff recruitment.
- b. Audiovisual Presentations, Multimedia, TV, Radio Presentations: Development of PowerPoint presentations, YouTube video productions, TV and/or Radio spots.
- c. Logos: Cost associated to create a program logo.
- d. Promotional Items: Any giveaway items used to promote program to the general public, e.g.: keychains, t-shirts, mugs. Items purchased as incentives for program participants belong in the Incentives & Participants category, under Other.
- e. Publications: Items that the Contractor is responsible for designing and producing or printing such as brochures, posters, fact sheets, etc.
- f. PSAs and Ads: Placement costs for Public Service Announcements or Ads for television and/or radio.
- g. Reprints: Duplication of an existing publication; photocopies.
- h. Text Translation: Cost associated with translation of documents into another language.
- i. Websites and Web Materials: Costs to create website, maintain website, etc.



Justification Sample for Reprints: Program flyers for community program (1000 @ \$.10 = \$100); photocopies for use in program sessions (400/month @ \$.05 = \$240).

8) Rent:

- a. Office Space: Office Space, Program Meeting Space – **must include square footage**. Calculations must define totals and prorated amounts for the program.
- b. Equipment: This category is for equipment that is rented or leased, such as a Copier Machine or Phone System.
- c. Furniture: Rented or leased office furniture.
- d. Vehicles: Long-term leases of Cars, Vans or Buses. (Vehicles rented for short-term *staff* travel belong under Contractor Staff travel. Vehicles rented for short-term *participant* travel belong under Incentives and Participants.)
- e. Other: Use this for any rented or leased item that does not fit in one of the defined categories above that is necessary per contract deliverables.



Justification Sample for Office Space Rent: Prorated rent: 25% of \$1,600 monthly rent (1200 sq.ft.): 12 months @ \$400 = \$4,800.

- 9) Professional Services:** These are services that are purchased to support the overhead of the agency.

- a. Legal: Legal services retained by the Contractor.
- b. IT: Information Technology or IT-related technical services retained by the Contractor.
- c. Accounting: Accounting, bookkeeping services retained by the Contractor.
- d. Payroll: Payroll services retained by the Contractor.
- e. Security: Security services, in the form of personnel such as a security guard, retained by the Contractor. (Purchase of a security system belongs under Equipment - Other. Monthly security monitoring belongs under Utilities – Other.)



Justification Sample for Accounting: 8 hours per month at \$40/hour budgeted for program accounting work such as generating financial reports, reimbursement requests, accounts payable, etc. 8 hours x \$40 x 12 months = \$3,840.

10) Dues and Subscriptions: Dues for professional associations/affiliations; Subscriptions to related or required periodicals; Subscriptions to web-based applications such as Survey Monkey or Constant Contact that are leased at a rate per month.



Justification Sample for Dues and Subscriptions: 1 Organizational Membership to Healthy Teen Network x \$250 = \$250.

11) Other:

- a. Audit Services: Cost associated with annual financial audits performed. NOTE: Contractors must be a Level 3 Contractor with the State (i.e., receive more than \$500,000 in State dollars) for audit costs to be allowable in their budget. Audit costs are NOT allowable at all in Purchase of Service (POS) contracts.
- b. Incentives and Participants: Costs associated with: Incentives given to participants or comparison group members (e.g., gift cards, meals, diaper bags, etc.); Participant Costs (field trips, enrichment activities, etc.); Open Houses; Parents' Nights, etc.
- c. Insurance and Bonding: Liability Insurance to cover staff and participants while field trip or daily activities.
- d. Indirect Cost: Must provide indirect cost letter. Indirect costs may not exceed 10% of the total direct cost.
- e. Other: Use this for any item that does not fit in any other category.



Justification Sample for Incentives & Participants: Backpacks for 100 participants at \$8.00 each = \$800.