

Budget Information and Sample Budget

Section 7. Budget Detail

This section of the work plan is a detailed description of the budget found in the SF-424A, and must include a detailed discussion of how EPA funds will be used. Applicants must **itemize** costs related to personnel, fringe benefits, travel, equipment, supplies, contractual costs, other direct costs, indirect costs, and total costs.

If the project budget includes any voluntary cost-share, the Budget Detail portion of the Work Plan must also include a detailed description of how the applicant will obtain the cost-share and how the cost-share funding will be used. If EPA accepts an offer for a voluntary cost-share, applicants must meet their sharing commitment as a legal condition of receiving EPA funding.

If the budget includes any additional non-EPA funds, please describe how the applicant will obtain the funds. If the funds are to be provided by a third-party, a letter of commitment is required.

Applicants should use the following instructions, budget object class descriptions, and example table to complete the Budget Detail section of the work plan.

- **Personnel - List all staff positions by title. Give annual salary, percentage of time assigned to the project, and total cost for the budget period.** This category includes only direct costs for the salaries of those individuals who are employees of the applicant and who will perform work directly for the project. If the applicant organization is including staff time (in-kind services) as a cost share, this should be included as Personnel costs. Personnel costs do not include: (1) costs for services of consultants, contractors, consortia members, or other partner organizations, which are included in the “Contractual” category; (2) costs for employees of subrecipients under subawards, which are included in the “Other” category; or (3) effort that is not directly in support of the proposed project, which may be covered by the organization’s negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.
- **Fringe Benefits - Identify the percentage used, the basis for its computation, and the types of benefits included.** Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to the cost of leave, employee insurance, pensions and unemployment benefit plans.
- **Travel - Specify the mileage, per diem, estimated number of trips in-State and out-of-State, number of travelers, and other costs for each type of travel.** Travel may be integral to the purpose of the proposed project (e.g. inspections) or related to proposed project activities (e.g. attendance at meetings). Travel costs identified in this section are for employees of the applicant only. Travel costs do not include: (1) costs for travel of consultants, contractors, consortia members, or other partner organizations, which are

included in the “Contractual” category; (2) travel costs for employees of subrecipients under subawards, which are included in the “Other” category.

- **Equipment - Identify each item to be purchased which has an estimated acquisition cost of \$5,000 or more per unit and a useful life of more than one year.** Equipment also includes accessories necessary to make the equipment operational. Equipment does not include: (1) equipment planned to be leased/rented, including lease/purchase agreement; or (2) equipment service or maintenance contracts. These types of proposed costs should be included in the “Other” category. Items with a unit cost of less than \$5,000 should be categorized as supplies, pursuant to 40 CFR 31.3 and 30.2. The budget detail must include an itemized listing of all equipment proposed under the project.
- **Supplies - “Supplies” means all tangible personal property other than “equipment”.** The budget detail should identify categories of supplies to be procured (e.g., laboratory supplies or office supplies). Non-tangible goods and services associated with supplies, such as printing service, photocopy services, and rental costs should be included in the “Other” category.
- **Contractual - Identify each proposed contract and specify its purpose and estimated cost.** Contractual/consultant services are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. Leased or rented goods (equipment or supplies) should be included in the “Other” category. The applicant should list the proposed contract activities along with a brief description of the scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known.
- **Other - List each item in sufficient detail for EPA to determine the reasonableness and allowability of its cost.** This category should include only those types of direct costs that do not fit in any of the other budget categories. Examples of costs that may be in this category are: insurance, rental/lease of equipment or supplies, equipment service or maintenance contracts, printing or photocopying, rebates, and subaward costs. Subawards (e.g., subgrants) are a distinct type of cost under this category. The term “subaward” means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient. This term does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Subcontracts are not subawards and belong in the contractual category. Applicants must provide the aggregate amount they propose to issue as subaward work and a description of the types of activities to be supported.
- **Indirect Charges - If indirect charges are budgeted, indicate the approved rate and base.** Indirect costs are those incurred by the grantee for a common or joint purpose that benefit more than one cost objective or project, and are not readily assignable to specific cost objectives or projects as a direct cost. In order for indirect costs to be allowable, the applicant must have a federal or state negotiated indirect cost rate (e.g., fixed, predetermined, final or provisional), or must have submitted a proposal to the cognizant Federal or State agency.

Examples of Indirect Cost Rate calculations are shown below:

1. Personnel (Indirect Rate x Personnel = Indirect Costs)
2. Personnel and Fringe (Indirect Rate x Personnel & Fringe = Indirect Costs)
3. Total Direct Costs (Indirect Rate x Total direct costs = Indirect Costs)

4. Direct Costs minus distorting or other factors such as contracts and equipment
(Indirect Rate x (total direct cost – distorting factors) = Indirect Costs)

| | EPA Funding | **Cost-Share |
|---|-------------------|------------------|
| Personal | | |
| (1) Exec. Dir. @ \$50/hr x 4 hrs/week x 52 wks | | 10,400 |
| (1) Proj. Dir. @ \$40/hr x 10 hrs/week x 52 wks | 20,800 | |
| (1) Staff Engineer @ \$30/hr x 40 hrs/week x 40 wks | 48,000 | |
| (1) Jr. Engineer @ \$20/hr x 20hrs/week x 52 wks | | 20,800 |
| TOTAL PERSONAL | \$68,800 | \$31,200 |
| Fringe Benefits | | |
| 20% of Salary and Wages | 20%(68,800) | 20%(31,200) |
| - Retirement, Health Benefits, FICA, SUI | 13,760 | 6,240 |
| TOTAL FRINGE BENEFITS | \$13,760 | \$6,240 |
| Travel | | |
| Local mileage for Project Director: 100 mi/mo @ \$0.17/mi x 12 mos. | 204 | |
| Local mileage for Staff and Jr. Engineers: 200 mi/mo @ \$0.17/mi x 12 mos. | 816 | |
| Travel expenses for Project Director to attend Diesel Retrofit Conference in Los Angeles, July 11-15, \$325 registration fees plus \$218 round-trip air plus 6 days per diem @ \$33/day | 741 | |
| TOTAL TRAVEL | \$ 1,761 | |
| Equipment | | |
| 50 DPFs with installation kit @ \$6,000 per unit | 300,000 | |
| 10 New vehicles for Replacement @ \$100,000 per unit | 250,000 | 750,000 |
| 10 Engines for Repower @ \$50,000 per unit | 3750,000 | 125,000 |
| TOTAL EQUIPMENT | \$ 925,000 | \$875,000 |
| Supplies | | |
| 100 Replacement CCV filters @ \$100 per unit | 1,000 | |
| TOTAL SUPPLIES | \$ 1,000 | |
| Contractual | | |
| Retrofit Installation Services Contract | 10,000 | |
| Laboratory Testing Services Contract | | 10,000 |
| TOTAL CONTRACTUAL | \$ 10,000 | \$10,000 |
| Other | | |

| | | |
|--|--------------------|--------------------|
| 5 Subgrants to School Districts for School Bus Retrofits with DPFs. Each Subgrant @ \$50,000 | 250,000 | |
| TOTAL OTHER | \$250,000 | |
| Indirect Charges | | |
| Federal Negotiated Indirect Cost Rate = 10% (Indirect Rate x Personnel = Indirect Costs) | 6,880 | *** |
| TOTAL INDIRECT | \$6,880 | |
| TOTAL FUNDING | \$1,277,201 | \$1,924,440 |
| TOTAL PROJECT COST | \$3,201,641 | |

** Cost-Share funds must also be included on the SF-424A as detailed in Section III.B of this RFP. ***Please see CFR Part 30.23(e) and CFR Part 31.24(c), Matching or Cost Sharing regarding overhead for indirect costs.

Note on Management Fees: When formulating budgets for proposals, applicants must not include management fees or similar charges in excess of the direct costs and indirect costs at the rate approved by the applicant's cognizant Federal audit agency, or at the rate provided for by the terms of the agreement negotiated with EPA. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs that are not allowable under EPA assistance agreements. Management fees or similar charges cannot be used to improve or expand the project funded under this agreement, except to the extent authorized as a direct cost of carrying out the work plan.