

Sample Budget Narrative

The Budget Narrative is used by subgrantees to provide a complete description of each item of cost under each budget category for each budget activity under the subgrant. The budget narrative shall include any relevant information necessary to describe the item of cost, or the source of funding the cost, or the method of allocating the cost to the subgrant and/or budget activity. Description of Item and Basis for Valuation or Cost: Enter a brief description of each line item and the basis for valuation of the item or cost. Each position authorized under salaries and wages, and each item under fringe benefits or equipment shall be specifically identified. For example:

I. Administration Budget Activity

Salaries	<p><i>Project Director</i> - This position handles the administrative functions involved in running the four locally operated day care centers. The ratio of children eligible under this subgrant to the total children served at each center is 25%, which will be used to allocate shared costs. Full-time position, 25% of time at \$25,650 per year</p> <p><i>Secretary/Bookkeeper</i> – This position maintains all records for the day care centers. Full-time position, 25% of time at \$13,960 per year</p>	<p>\$6,412.50</p> <p>\$3,490.00</p>
	Total Administration Salaries	\$9,902.50
Fringe Benefits	<p><i>FICA</i> - 7.65% of gross salaries</p> <p><i>Workmen's Compensation</i> - 3% of gross salaries</p> <p><i>Health Insurance</i> - up to \$120 per mo. per employee for 12 mos. x 25%</p>	<p>\$757.54</p> <p>\$297.08</p> <p>\$720.00</p>
	Total Administration Fringe Benefits	\$1,774.62
Travel	<p>Project Director is anticipated to visit day care sites at least quarterly.</p> <p><i>Mileage</i> estimated at 600 miles x \$0.51 per mile x 25%</p> <p><i>In-Service Training</i> (2 sessions at \$240 each x 25%)</p>	<p>\$76.50</p> <p>\$120.00</p>
	Total Administration Travel	\$196.50
Commodities	<p><i>Office Supplies</i> - Paper, pens, calculator tape, etc. \$200 x 25%</p> <p><i>Office Furniture</i> - Secretarial Desk at \$300 and Chair at \$100 x 25%</p>	<p>\$50.00</p> <p>\$100.00</p>
	Total Administration Commodities	\$150.00

I. Administration Budget Activity (continued)

Indirect Costs The organization-wide indirect cost rate agreement distributes all general administrative costs and central office facilities cost based on the total amount of direct salaries and fringe benefits of full-time employees. The approved indirect cost rate is 7% x Admin. Salaries - \$9,902.50 + Fringe Benefits \$1,774.62

Total Indirect Costs **\$ 817.40**

Total for the Administration Budget Activity **\$12,841.02**

II. Child Day Care Budget Activity

Salaries *4 Day Care Supervisors* at \$20,000 per year - \$ 80,000 x 25% \$20,000.00
12 Day Care Teachers at \$17,000 per year - \$204,000 x 25% \$51,000.00
12 P-T Teachers Aides at \$7.50/hr x 5 hrs per day x 260 x 25% \$29,250.00
Total Salaries **\$100,250.00**

Fringe Benefits *FICA* - 7.65% of gross salaries \$7,669.13
Workmen's Compensation - 3% of gross salaries \$3,007.50
Health Insurance – up to \$120 mo. x 12 mos. x 16 F-T employees x 25% \$5,760.00
Total Fringe Benefits **\$16,436.63**

Travel *Mileage* to attend in-service training at central office twice per year for each Day Care Supervisor 500 miles x 4 x \$0.51 x 25% *In-Service Training* for 16 full-time employees (2 sessions at \$240 each x 25%) \$255.00
\$1,920.00

Total Travel

Contractual Services **\$2,175.00**

Software - License agreements for the use of new software applications necessary to effectively operate each of the four child care centers, including:

Utilities for each of the four (4) child care centers, including:
Telephone service - 4 centers x \$80 per month x 12 months x 25% \$960.00
\$2,400.00

Electricity - 4 centers x \$200 per month x 12 months x 25% \$600.00

Water/Sewer - 4 centers x \$50 per month x 12 months x 25%

Total Contractual Services **\$4,460.00**

II. Child Day Care Budget Activity (Continued)

Commodities	<i>Art Supplies</i> (4 centers @ \$100 per year x 25%)	\$100.00
	<i>Paper Supplies</i> - towels, tissues, diapers, etc. (4 centers @ \$600 per year x 25%)	\$600.00
	<i>Replacement furniture</i> : 64 chairs @ \$25.00 each x 25%	\$400.00
	16 small tables @ \$50.00 each x 25%	\$200.00
	Total Commodities	\$1,300.00
Capital Outlay- Equipment	<i>Four (4) Commercial grade Refrigerators</i> (one at each location) at \$2,000 each x 25%	\$2,000.00
	<i>One color printer</i> at \$300 x 25%	\$75.00
	Total Capital Outlay - Equipment	\$2,075.00
Capital Outlay - Other	Use Allowances for compensation for the use of the four child care center buildings based on the acquisition cost of the buildings and computed at an annual rate not exceeding two percent (2%) of the acquisition cost, as follows:	
	1. <i>Center A</i> at \$52,000 acquisition cost x 2% use allowance x 25%	\$260.00
	2. <i>Center B</i> at \$60,000 acquisition cost x 2% use allowance x 25%	\$300.00
	3. <i>Center C</i> at \$64,000 acquisition cost x 2% use allowance x 25%	\$320.00
	4. <i>Center D</i> at \$110,000 acquisition cost x 2% use allowance x 25%	\$550.00
	Total Capital Outlay - Other	\$1,430.00
	Total for the Child Day Care Budget Activity	\$128,126.63
	Grand Total for the Entire Subgrant	\$140,967.65