

BUDGET GUIDELINES

Budget:

1. The budget should include the dates of the subaward.
2. The budget should be in US dollars with the exchange rate noted and date of calculations.
3. Budget categories should include:
 - Salaries (names of personnel, position, yearly salaries and percentage of effort/FTE, scope of responsibility for each position as related to the program objectives). *Staff relocation costs require preapproval and must be outlined separately in this category by staff member with a full justification provided. Staff severance pay must be preapproved and mandated by country employment law in order to be an allowable cost. Itemize separately and provide a full justification for the expense.*
 - Benefits: Includes the cost of health insurance, retirement plans, etc.
 - Consultants (letters from consultants should be available stating daily or hourly rates). *Consultants must be pre-approved.*
 - Other Services (may include printing and photocopying; rent; communication charges both international and local; postage; electricity; courier services; maintenance, etc.) ***Entertainment costs and participant/trainee costs must be preapproved by the funder.***
 - Travel
 - Subawards: *Must be preapproved.*
 - Supplies
 - Equipment*
**Subawardees must request approval for all equipment costing more than \$5,000 per unit.*
4. If a line item in the budget is only partially related to the project, it must reflect what portion or percentage was used for calculation of cost (proportional benefit rule) in the justification.

For example, if an assistant is spending only 10% of his or her time on this project, then show the yearly salary with a 10% cost to the program.

Or, if a generator is being used for an entire structure, and the clinic/ward the contract is supporting represents 30% of the square footage of the total structure, then the budget should reflect that 30% is the cost of the entire yearly cost to run the generator.
5. Expenses for trainings and workshops should be broken down into the proper categories listed above, e.g., travel, supplies, contractors, etc. You should note, however, when items are training related. For example: supplies for trainings should be listed separately from office supplies.

BUDGET JUSTIFICATION NARRATIVE
I-TECH – NAME OF AGENCY Subaward

Please provide a clear, concise narrative explanation of intended expenditures under each budget category.

Award Period

This subaward is for the period of Month/Day/Year-Month/Day/Year.

Salary/Personnel

Please indicate what the employee's role on the project is and why this position is relevant to the Scope of Work.

Benefits

Please indicate if the benefit rates are organizational policy, National policy, and of what those rates are comprised.

Consultants

The indicated hourly or daily rate must not exceed the standard maximum I-TECH consulting rate. Each consulting agreement should be negotiated individually and an appropriate rate set. Provide the following

- 1.Name of Consultant: Identify the name of the consultant and describe his or her qualifications.
- 2.Organizational Affiliation: Identify the organization affiliation of the consultant, if applicable.
- 3.Nature of Services To Be Rendered: Describe in outcome terms the consultation to be provided including the specific tasks to be completed and specific deliverables.
- 4.Relevance of Service to the Project: Describe how the consultant services relate to the accomplishment of specific program objectives.
- 5.Number of Days of Consultation: Specify the total number of days of consultation.
- 6.Expected Rate of Compensation: Specify the rate of compensation for the consultant (e.g., rate per hour, rate per day). Include a budget showing other costs such as travel, per diem, and supplies.
- 7.Method of Accountability: Describe how the progress and performance of the consultant will be monitored. Identify who is responsible for supervising the consultant agreement.

Travel

Travel by air, train and bus and auto mileage, etc. must be noted as to how many trips, the destination, who they are for, and how the fares were determined. Hotel stays are to be broken down as to whom

the rooms are for and how the rates were determined. Per diems are listed under Travel and the justification should indicate what the rates represent (company policy, standard Government rates for high season, etc.).

Subcontracts

Describe what activities will be performed by 2nd tier contractors and how they relate to the SOW. The same guidelines and instructions are to be used for 2nd tier contracts.

Supplies

Please indicate how you determined what supplies would be consumed during the course of the subcontract.

Equipment

This will support the purchase of (name the equipment). Indicate why the equipment is necessary for the fulfillment of the Scope of Work.

Other Services

This category can include many miscellaneous costs related to the subcontract such as photocopying and printing, rent, telephone costs, Internet charges, postage, and courier services. Please detail the items/services and indicate how you determined the costs as related to the subaward.

Indirect:

The Federal rules and regulations governing cooperative agreements allow for a 10% de minimus indirect rate for those organizations that have no federally negotiated indirect rate with the United States Government (USG).

The de minimus rate of 10% can be applied to budgets and spending so long as the following criteria are met and maintained:

- The de minimus rate of 10% *must* be applied uniformly and consistently to all USG Federal awards. An organization cannot charge one contract 8% indirect and another 10%.
- The de minimus rate must be adequately backed up, meaning that suitable budgetary evidence should be available demonstrating that indirect costs meet the sum of 10% of the total contract value being requested.
- Items accounted for in the de minimus indirect rate cannot be included as direct costs on the same budget, i.e. a directors salary or rental costs can only be listed as a direct cost or

accounted for in the indirect rate. Costs must be *consistently* charged as either direct or indirect costs.

- The cost principles of the US Government Rules and Regulations apply to any purchases made with funds received as part of an indirect cost rate. Funds earned from indirect cost rates cannot be used to pay for anything that would be unallowable as a direct cost.

Under the HHS Grants Policy Statement, indirect rates are **not** allowed for international or foreign organizations if the work will be performed entirely outside the territorial limits of the United States (indirect costs may be paid to the American University, Beirut, which is not considered a foreign organization, and the World Health Organization).