The Grant Application: Budgetary Forms (SF-424, 424A, 424B, and Budget Narrative)

U.S. DEPARTMENT OF LABOR
OFFICE OF GRANTS MANAGEMENT

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SESSION OBJECTIVES:

1. • Helpful Tips Before you Begin
2. • Understanding why Budgets are Important
3. • Breakdown of SF-424
4. • Breakdown of SF-424A
5. • Breakdown of SF-424B
6. • Breakdown of Budget Narrative

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FUNDING OPPORTUNITY ANNOUNCEMENTS (FOAs)

▶ Funding Opportunity Announcements are published at:
  • https://www.dol.gov/grants#open
  • https://www.dol.gov/agencies/eta/grants
  • http://grants.gov/

▶ Links to budgetary forms that are part of a grant application are contained in the FOA and on Grants.gov

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HELPFUL TIPS BEFORE YOU BEGIN

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BEFORE YOU BEGIN:
HELPFUL TIPS

- Start **early**
- Read the FOA **thoroughly**
- **Run** financial reports for items such as salaries, fringe benefits, and indirect costs that are object cost categories listed on an SF-424A
- **Register** at Grants.gov https://www.grants.gov/web/grants/register.html
- Register on https://sam.gov/SAM/ and **apply** for a Unique Entity Identifier (UEI)

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BEFORE YOU BEGIN:
HELPFUL TIPS

Before you complete your budgetary forms:
ASK:
- Is your organization eligible to apply to this FOA?
- Do you have time to run a historical financial analysis of costs?
- Can you build out a budget using realistic cost projections?

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THE IMPORTANCE OF A BUDGET

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What is the Purpose of a Budget?

▶ Quantifies planned activities and services

▶ Facilitates communication

▶ Serves as benchmark for comparing actual financial and performance results

▶ Allocates the award resources appropriately

▶ Evaluates and improves performance

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Why is a Budget Important?

▶ Essential to a grant application
▶ Provides a financial blueprint
▶ Must align with project/program objectives, performance outcomes, and the period of performance agreed upon in the award application
▶ Assists in compliance with cost limitations, restrictions, and requirements outlined in the FOA and the program

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Completing the Budget Forms

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Steps to Completing the Forms

- 1. Review the FOA and make sure organization meets requirements
- 2. Look over the SF 424 and SF 424A to determine information needed
- 3. Develop a project plan that includes a Project Narrative, milestones, and schedule
- 4. Complete the SF 242
- 5. Create the budget and complete a Budget Narrative
- 6. Fill out the SF 424A
- 7. Prepare all required attachments

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Forms and Budget Narrative

SF 424
- Application for Federal Assistance

SF 424A
- Budget Information/Detail for Non-construction Programs

SF 424B
- Assurances for Non-construction Programs (*if applicable)

Narrative
- A Written Proposal Detailing how Award Funds will be Spent

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Completing the Budget Forms:

SF-424 Breakdown

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SF-424
(Items 1-7)

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SF-424
(Items 8a-d)

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SF-424
(Items 8e-f)

16

SF-424
(Items 9-11)

17

SF-424
(Items 12-13)

18

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SF-424
Authorized Representative

▶ The individual that signed the SF-424 on behalf of the applicant is considered the Authorized Representative

▶ This individual is the official within an applicant organization with the legal authority to give assurances, make commitments, enter into contracts, and execute such documents on behalf of the applicant as may be required by a grant maker

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Completing the Budget Forms:
SF-424A – Breakdown

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SF-424A
Breakdown

▶ Section A – Budget Summary
▶ Section B – Budget Categories
▶ Section C – Non-Federal Resources
▶ Section D – Forecasted Cash Needs
▶ Section E – Future Funding
▶ Section F – Other Budget Information

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SF- 424A
Listing of Program Function Activities

		BUDGET INFORMATION - Non-Construction Programs					OMB Number: 4040-0006
							Expiration Date: 02/28/2022
		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.		$	$	$	$	$	
2.							
3.							
4.							

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SF-424A
Be Realistic and Keep Project Needs in Mind

▶ Administrative Costs

▶ Program Costs

▶ Direct Costs

▶ Indirect Costs – Approved Indirect Cost Rate, Approved Cost Allocation Plan or Approved use of De Minimis Rate

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How to Determine Needs?

▶ Use historical data
  • Run actual cost reports for these budget categories
  • Look back at the last few years to include any cost increase or decrease due to price changes as other factors
▶ Look at local market information

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SF-424A
Section B – Budget Category:
Personnel

▶ Proposed salaries or wages to be paid with award/grant funds

▶ Employees by job titles

▶ Position descriptions

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SF-424A
Section B – Budget Category:
Fringe Benefits

▶ Types of benefits

▶ Computation basis

▶ Amount to be charged to the grant

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SF-424A
Section B – Budget Category:
Travel

▶ Directly benefits the project

▶ Estimated number of trips

▶ Estimated transportation costs

▶ Computation basis

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SF-424A
Section B – Budget Category:
Equipment

- To be purchased with grant funds
- Describe (What, Why)
- Estimated unit cost or estimate
- Only with a unit cost of $5,000 or more & use life of 1 year or more

REMEMBER to OBTAIN PRIOR APPROVAL In WRITING

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SF-424A
Section B – Budget Category:
Supplies

- General description
- Cost estimate or price basis

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SF-424A
Section B – Budget Category:
Contractual

- Describe products and professional services
- Justification for contractors selected
- Flat fee or hourly rate
- Amount of time devoted to the project
- Look at the FPA for the daily consultant spending limit
- Itemize subgrants by entity and amount

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SF-424A
Section B – Budget Category:
Construction

▶ Not allowed – line item must be $0

▶ Minor repairs may be allowable

▶ The costs must be shown on other appropriate lines

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SF-424A
Section B – Budget Category:
Other

▶ Associated with the development, implementation, and evaluation of the project

  • Rent, meeting costs, other costs not covered

▶ Describe (What, Why)

▶ Cost estimate basis

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SF-424A
Section B – Budget Category:
Indirect Costs

▶ Rate approved by Federal Cognizant Agency

  • If you requested a TEMPORARY rate from DOL during the application process, then a FINAL rate must be obtained

▶ De Minimis rate

▶ Amount to be recovered

▶ Keep in mind any administrative cost limitation

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SF-424A
Section B – Budget Categories
(Indirect Costs Continued)

- Row 6i - Total of rows 6a through 6h
- Row 6j - Indirect costs (if claimed)
- Row 6k - Total of rows 6i and 6j
- Row 7 - Estimated amount of program income
  - Look to the project description in the FOA or 2 CFR 200.403 for further description on how to handle program income

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SF-424A
Section B – Budget Category:
Program Income

- The estimated amount of total income, if any, expected to be generated from this project. If not applicable, leave blank

- Optional, depending on the grantee organization

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SF-424A
Section C: Non-Federal Resources
Caution!

- Complete Section C
  - If the FOA contains a match requirement
- If funds are included
  - DOL will consider as required match
  - Must be reported and included on the quarterly expenditure report
  - Failure to achieve level may lead to grant reduction

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SF-424A
Section C –Non-Federal Resources

MATCH or LEVERAGED RESOURCES are found in Row 8, starting with column 1:

- (a) Grant program/project
- (b) Applicant match contribution
- (c) State contribution
- (d) Other sources' contribution
- (e) Total

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SF-424 A
Sections D & E

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Completing the Budget Forms:
SF-424B Breakdown

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SF-424B

ASSURANCES - NON-CONSTRUCTION PROGRAMS

OMB Approval No. 0348-0040

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally

Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-

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SF-424B

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.

15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

19. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

Standard Form 424B (Rev. 7-97) Back

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Completing the Budget Forms:

Budget Narrative Breakdown

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Budget Narrative

▶ Detailed budget narrative

- Descriptive Information
- Explain composition of each line item
- Justify amounts requested in grant application

- Clearly written narrative
- Links appropriate resources to meet project objectives
- Budget in line with resources requested
- Qualifications of key staff sufficient to assure proper direction, management and completion of the project

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If awarded, consider the following:

▶ Budget Controls
▶ Grant Modifications
- **Note:** 2 CFR 200 and DOL's approved exceptions in 2 CFR 2900 also discusses budgets, approvals, and modifications

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What are Budget Controls?

▶ Part of internal control system
▶ Designed to provide methods to ensure costs are in line with projections
- "planned vs. actual" analysis
▶ Require approval from Federal agency for certain items of cost
▶ Identify potential performance issues

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What are Budget Controls?
(Continued)

▶ Monitor costs and make adjustments

- Pass-through entity level

- Subrecipient levels

▶ Indication of potential modification needs

- To redirect unused funds for more effective utilization

- To make administrative adjustments for unanticipated changes

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Types of Budget Modifications

▶ Limited Realignments

▶ Administrative Changes

▶ Statement of Work Changes

▶ Period of Performance Extensions

▶ Equipment Purchase Approval

▶ Key Staff (Signatory Changes)

▶ Incorporation of Indirect Cost Rate Agreements

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Budget Modifications

▶ Submit all requests to Grant Officer (through your FPO) in writing

▶ Transfer of funds among direct cost categories

- Cumulative number of transfers exceeds or is expected to exceed 10% of the total grant budget as last approved by the Federal agency

▶ Requests should be submitted at least 30 days prior to effective date of requested action

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Budget Modifications (Continued)

▶ Revise the SF-424A
- Reflect new totals
- Incorporate all changes

▶ Revise the budget narrative

▶ Submit to the Federal Project Officer (FPO)

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COMMON MISTAKES IN A GRANT APPLICATION

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Common Mistakes

Found in budgetary forms of a grant application:

▶ Calculations are incorrect

▶ Misclassifying certain costs

▶ Forgetting Match

▶ Misapplying indirect costs

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SUMMARY

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Summary

▶ Register with Grants.gov and SAM as soon as possible

▶ Submit your application before the deadline

▶ The grant applicant should know and understand the components of the budget and how this is used to monitor program and financial activity

▶ Consider the requirements for budget controls and analysis found in 2 CFR Part 200 - Uniform Guidance and 2 CFR 2900

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ADDITIONAL RESOURCES FOR APPLICANTS

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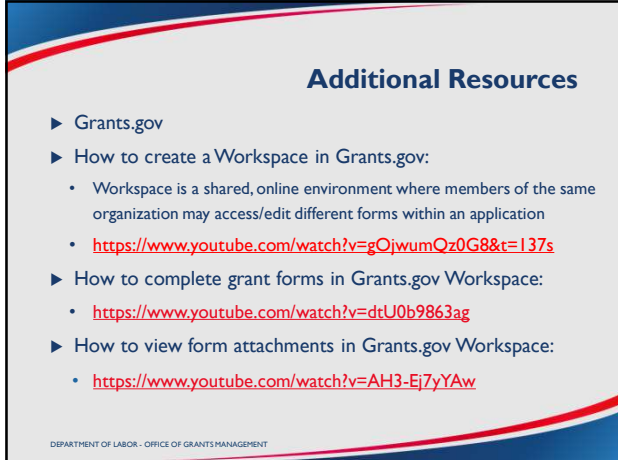**Additional Resources**

▶ Grants.gov

▶ How to create a Workspace in Grants.gov:
  • Workspace is a shared, online environment where members of the same organization may access/edit different forms within an application
  • https://www.youtube.com/watch?v=gOjwumQz0G8&t=137s

▶ How to complete grant forms in Grants.gov Workspace:
  • https://www.youtube.com/watch?v=dtU0b9863ag

▶ How to view form attachments in Grants.gov Workspace:
  • https://www.youtube.com/watch?v=AH3-Ej7yYAw

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QUESTIONS?

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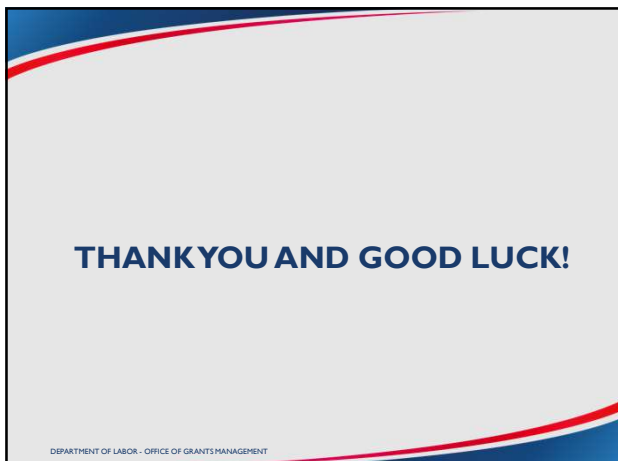
THANK YOU AND GOOD LUCK!

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