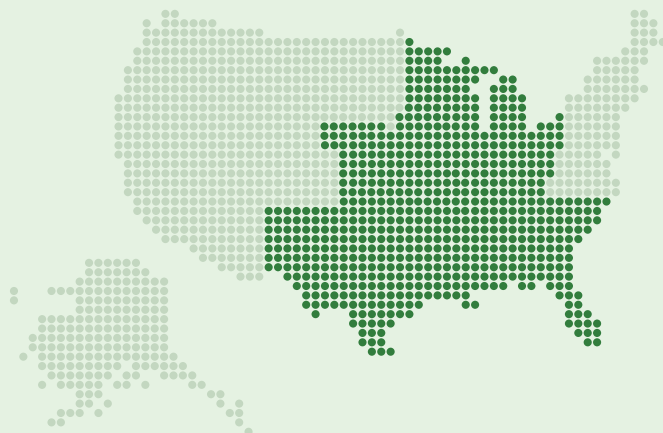




Budget Guidance

Cultivating Healthy Environments Grantmaking Program



This document provides detailed guidance on how to prepare a budget that adheres to the funding guidelines for this grant application.

Within this guide, you will find:

- 1 explanations of the types of budget documents we need for your application (Section 1),
- 2 budget categories (Section 2), and
- 3 how to calculate indirect rates (Section 3).

Budget information is **required** in three different documents:

- ✓ the application,
- ✓ your line-item budget, and
- ✓ your budget justification.

The budget information in each of these documents must be consistent.

The requirements for budget documents are described in more detail in the following sections.

To ensure compliance with the grant requirements, we recommend you use the budget template and calculator tools in the following link: [Cultivating Healthy Environments Line-Item Budget](#).

Section 1: General Budget Guidance

1. Budget Categories

Please make sure all budget categories in your line-item budget and budget justification are **aligned** with the budget application categories:

- Personnel (salary and wages)
- Fringe Benefits
- Travel
- Equipment
- Supplies
- Contractual
- Construction
- Other
- Indirect Costs
- Total

2. Line-Item Budget

A line-item budget is a detailed budget that breaks down expenses into specific categories by item. The 10 budget categories are listed in number 1. A line-item budget **must be included** with your application.

3. Budget Justification (Narrative)

A budget justification is a written document containing a detailed description and reference to each of the costs and amounts in your line-item budget.

- A budget justification **must be included** with your application.
- The budget justification should be a **separate document** from your line-item budget.
- The budget justification should include all the categories listed in number 1.

4. Budget Amounts

Please make sure the budget amounts (totals and individual items) are **consistent** across all budget documents, including the application, line-item budget, and budget justification.

5. Budget Calculations

Please make sure all budget amounts and totals are **calculated correctly** in the application, line-item budget, and budget justification. This means that subtotals for line items in each category are accurate and that they accurately sum to overall totals for each proposed funding year.

6. Maximum Award Amounts by Tier

Please make sure that your budget is **below the maximum award** amount for your selected tier. The maximum award amounts for each tier are as follows:

- Tier 1 Foundational (noncompetitive): **\$75,000**
- Tier 1 Assessment: **\$150,000**
- Tier 2 Planning: **\$250,000**
- Tier 3 Project Development: **\$350,000**

Section 1: General Budget Guidance (continued)

7. Outside Funding

Please ensure your budget includes costs that you are requesting from this grant only. **Do not** include funds from other sources or budget matching.

8. Unallowable Activities

Certain types of items and activities cannot be included in the budget under this grant.

 **Please ensure that your budget does not include any of the following:**

- Lobbying
- Legal advice, services, or representation
- Travel for federal employees
- Excessive consultant fees
- Activities outside the eligible scope of work

9. Miscellaneous

You may receive additional instructions or guidance that do not fall into the categories above or that provide additional details needed for your resubmission.

For example: "Please revise your budget to remove '10% Contingency,' as contingency costs are not allowed."

Section 2: Budget Categories

The following section provides details about the types of information to include in each category in your budget.

1. Personnel (Salary and Wages)

Please make sure the "Personnel (Salary and Wages)" budget category **only includes** salaries of employees (no consultants or contractors). Additional guidance for this category:

 **For each staff position, please provide the following:**

- Role or title
- Description of responsibilities
- Full-time equivalent salary if not full-time
- Total cost per budget period (e.g., years)

 **Do not list the following in the "Personnel" category:**

- Fringe benefits (this goes in the "Fringe Benefits" category)
- Salaries for personnel hired by subrecipients or hired as contractors or consultants
- Contractors and consultants (these should go under "Contractual")

Section 2: Budget Categories (continued)

2. Fringe Benefits

Please include **employee benefits** like vacation and sick leave, health insurance, and unemployment plans in the “Fringe Benefits” category. Additional guidance for this section includes the following:

- Fringe benefits are usually calculated as a percentage of salary.
- Typically, the same fringe rate is applied to the same employee type.
- Please provide the fringe rate percentage you are applying in your budget justification.

3. Travel

Please ensure the items you included in the “Travel” budget category meet the following requirements:

- Each trip is listed as a separate line item.
 - **Example:** If you budget for travel to both a conference and a training, the two trips should be itemized separately.
- Include the following details for each trip:
 - Mileage (if driving)
 - Per diem (meals)
 - Lodging/hotel room cost
 - Estimated number of trips
 - Number of travelers
 - Rental car
 - Gas/parking/tolls
 - Air/train costs
- In the Budget Justification, please specify how **each type** of travel expense was calculated (e.g., current airline ticket quotes, past trips of a similar nature, federal government or organization travel policy).
- For information on mileage reimbursement rates, per diem rates, allowances for lodging, and so on, please visit the [U.S. General Services Administration \(GSA\)](https://www.gsa.gov).
- Local travel for employees should be included in the “Other” budget category.
 - Local travel is defined as trips that are less than 50 miles each way.
- Conference registration fees go under the “Other” category.

4. Equipment

“Equipment” is defined as tangible property that is **\$10,000 or more per item**. If an item is less than \$10,000, please include it in the “Supply” budget category. Additional guidance for this category includes the following:

- Related charges for purchased equipment like shipping and taxes, maintenance plans and service agreements, and warranties can be included in this category.
- Please list each item on a separate line or row in your budget.
- Provide the basis for cost estimates.
- Justify the need for equipment to be purchased in the budget justification.
- Equipment is not included as part of the indirect rate calculation.

Section 2: Budget Categories (continued)

5. Supplies

Supplies are items that are **less than \$10,000 per item**. Examples of supplies include computers, printers, ink, paper, postage, software, and signage. Additional guidance for this category includes the following:

- Please list each item on a **separate** line or row in your budget.
- Identify each item being purchased, the unit cost, the number of units purchased, and the total cost. **Example:**
 - Educational Materials: \$0.50 per unit, 1,000 units, \$500 total cost
 - Meeting Supplies: \$50 per meeting, 10 meetings per year, \$500 per year
- Please note that paying to have something printed (educational materials, organizational flyers, etc.) should go in the **“Other”** budget category.

6. Contractual

Contractual costs include contractors or consultants that provide a service or expertise to your project. Contractors may also be called subcontractors, subrecipients, or subawardees. Additional guidance includes the following:

- Specify the costs for each contractor on a separate row or line in your budget.
- This category includes contractors for construction projects that prepare the land or building for its intended use, such as architects, designers, engineers, appraisers, and attorneys.
- A description of the products to be acquired and the professional services to be provided should be included in the budget justification.
- Services such as accounting, payroll, and IT support that are provided for your entire organization should be included in your indirect costs. If the services are for the grant only, they can be included in the “Contractual” category.
- Third-party rental or lease agreements for equipment used for the project are included in this category.
- This category includes speakers and their associated fees, standalone contracts for audio-visual services, and costs for hiring transportation services (vehicles and drivers) at conferences, meetings, workshops, and similar events.
- Facility rental costs are classified as “Other” and may include audio-visual and catering services.
- You do not need to submit a contractor’s detailed budget. You are only **required** to provide the line item showing the cost for each contractor and a description in the budget justification of what they will do.

Section 2: Budget Categories (continued)

7. Construction

Costs in this category include materials, supplies, and labor that are reasonable and necessary for building an asset (e.g., a tangible structure). Please list each item on a separate line or row in your budget. Please make sure that the way you describe all construction costs follows this guidance:

- **Construction:** This includes building or creating a new space, such as a new structure or adding rooms, floors, or enclosed areas to existing structures.
- **Renovation:** This includes structural changes (such as to the foundation, roof, or walls) to expand floor space or change the use of a facility. This category also includes repairs to existing structures.
- **Demolition:** This includes full or partial destruction of a facility.
- There is **no cap** on construction costs, meaning you can propose a project that is the full award amount of \$350,000.
- There are **two types** of construction-related contractor costs: building assets and preparing land or buildings:
 - Costs for contractors that **build an asset** or perform/install a service, such as excavation, electrical, plumbing, and HVAC, are considered construction costs and should be included in the “Construction” category.
 - Costs for contractors that **prepare the land or building** for its intended use, such as architects, designers, engineers, appraisers, and attorneys, are considered contractual costs and should go in the “Contractual” budget category.

8. Other

Please include items that don’t fit into any of the predefined budget categories in “Other.” Please list each item on a **separate** line or row in your budget. Examples of “Other” costs include the following:

- Participant support costs (e.g., incentives or stipends)
- Printing costs (performed only at an outside source, such as a UPS Store, Office Depot, or FedEx. A “non-outside” source would mean using your organization’s printers.)
- Mailing/shipping costs
- Training, conference, and staff development registration fees
- Tuition remission/scholarships
- Rental/lease of meeting or conference facilities (may include audio-visual and catering services)
- Local mileage for staff travel (trips less than 50 miles each way), such as trips to the post office
- Land acquisition costs (including closing costs, permitting, title search, etc.)
 - Costs cannot exceed 50% of the total award for a Tier 2 or Tier 3 project.
 - Costs can be up to \$125,000 for a Tier 2 planning project and up to \$175,000 for a Tier 3 development project.
- **For Tier 1 Foundational:** Office space rental and utilities can be included.
- **For Tier 1 Assessment, Tier 2, Tier 3:** Office space rental and utilities are indirect costs and cannot be included as a line item in your budget. If you believe these items should be direct costs, please include a clear and strong justification in your budget justification.

Section 3: Calculating Indirect and Modified Total Direct Costs

1. Indirect Costs

Indirect costs are those for a common or joint purpose across more than one project that cannot be easily separated by project (e.g., internet and utility costs for your entire organization). Additional guidance for the “Indirect Costs” category includes the following:

- Please make sure indirect costs are not included in Tier 1 Foundational noncompetitive applications.
- Tier 1 Assessment, Tier 2, and Tier 3 applications are **required** to have indirect costs between 1% and 15% (the maximum de minimis rate) or the rate in your Negotiated Indirect Cost Rate Agreement (NICRA).
 - The only exception to this rule is for Tier III construction projects where the entire budget is in the “Construction” category. These projects cannot include indirect costs.
 - If you have a NICRA, you can use that rate for your calculation. Please provide a copy of your NICRA with the application.
- Please include in your budget justification the indirect cost rate (%) you have applied.
- Indirect costs can only be calculated on eligible direct costs. See the Modified Total Direct Costs (MTDC) section for more information on eligible direct costs.

2. Modified Total Direct Costs

MTDCs are the total amount to which indirect cost rates are applied. MTDCs include personnel, fringe, supplies, travel, and some other costs. They also include up to the first \$50,000 of each subaward.

3. MTDC Calculation

In your budget justification, please show which items are included in your MTDC calculation. The following items are excluded from MTDCs:

- Equipment items and costs
- Construction items and costs
- Rental costs (for equipment, including construction equipment, or space)
- Participant support costs (incentives, stipends, gift cards)
- The amount of a subaward over \$50,000 each
 - **Example:** For a subaward of \$70,000, \$50,000 can have indirect rates applied, and \$20,000 cannot.
- Scholarships/fellowships
- Tuition remission

Additional Budget Resources

- [Notice of Funding Opportunity \(NOFO\), Cultivating Healthy Communities, Application Guide](#)
- [EPA Grants Community Library of Frequently Asked Questions \(FAQ\)](#)
- [Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance](#)