

ATTACHMENT II

BUDGET INFORMATION INSTRUCTIONS

Part 2 of the proposal should be titled "PART II-PROPOSED PROJECT BUDGET." The applicant must prepare the proposed budget using Standard Form (SF) 424A (available in Adobe Acrobat format at www.doleta.gov/seniors/other_docs/SF424a.pdf.) or a comparable format.

Sections A, B, C, and D of the Budget Information Form should include budget estimate for the entire grant period. Sections A and B requires information on the four basic grant functional areas: (1) Administration; (2) Local Administration; (3) Participant Wages and Fringe Benefits; and (4) Other Participant Costs. Costs attributable to these function areas are described in the regulations. (See also 20 CFR 641.847 – 641.873). Applicants must ensure that the proportional distribution of the Federal funds among these functional areas meets program requirements.

The following instructions are intended to clarify the process of completing the SF-424 grant application and the SF-424A budget form. The current regulations should be reviewed as well as OW Bulletin No. 00-20, Allocation of Indirect Costs, and OAA Amendments sections 502(b)(3)-(b)(4). Local Administration includes estimated sums associated with the administration of state and local SCSEP project activities including subgrantees, subcontractors, or other affiliates (OAA Amendments section 502(b)(1)(R)). Sufficient funding for administrative costs must go to the local levels of program operation.

CLARIFYING INSTRUCTIONS FOR STANDARD FORM 424

If additional space is needed to complete an item, insert an asterisk and use an extra sheet of paper. For the most part, this form is self-explanatory. Complete all applicable items.

Item 12. List the counties with the number of authorized positions to be placed in each one. If the space on the form is not sufficient, please continue on a separate page. This list must be consistent with the appropriate current individual State Equitable Distribution plans.

Item 15. The Federal funding for Program Year 2005 for all state applicants is listed in Attachment V or may be obtained by calling your primary contact.

CLARIFYING INSTRUCTIONS FOR STANDARD FORM 424-A

Section A - Budget Summary

Lines 1 - 4, Columns (a) and (b).

Under Column (a), enter the following:

Line 1 – "Administration"

Line 2 – "Local Administration"

Line 3 – "Participant Wages and Fringe Benefits (PW/FB)"

Line 4 – "Other Participant Costs (OPC)"

Under Column (b) on Line 1, enter "17.235".

Lines 1 - 4, Column (c) through (g). Leave Columns (c) and (d) blank. For each line entry under Column (a), enter in Columns (e) (Federal), (f), (Non-Federal) and (g) the appropriate amounts of funds needed to support the project for the grant period.

Line 5. Show totals for all columns of the non-Federal funds. The non-Federal share must be no less than 10 percent of the total cost of the project. The legislative requirement is found in section 502 (c) (1) of the OAA Amendments. Rules regarding states and non-Federal funds are found in the administrative regulations, 29 CFR Part 97. Please indicate as a remark (on Line 23) the specific source(s) and amounts (if known) of any non-Federal funds and include this information in the detailed cost breakout.

Section B – Budget Categories

In the column headings at Line 6 titled "Object Class Categories" (1) through (4), enter the titles of the grant functional areas (Administration, Local Administration, PW/FB, and OEC) shown on Lines 1 - 4, Column (a), Section A. For each functional area fill in the total funds needed (Federal plus non-Federal) by object class categories. The object class categories are those listed in lines 6(a) through 6(k) including totals.

Lines 6a through 6h. Show the estimated amount (include the combined Federal and non-Federal share) for each direct object class category under each column used. All costs to be incurred under contracts or subgrants should be reflected in line 6f (Contractual). The costs to be incurred under individual contracts or sub-grants must be properly attributed among the three basic functional areas (i.e., Administration, Local Administration, PW/FB, and OPC). Under the PW/FB column (Participant Wages and Fringe Benefits), entries may be made in three object class categories: "Personnel" (Participant Wages), "Fringe Benefits" (Participant Fringe Benefits), or "Contractual" (when funds for participant wages and fringe benefits are to be included in contracts or subgrants).

Line 6i. Show the total of entries made for lines 6a through 6h in each column.

Line 6j. Show the amount of indirect costs. A copy of the current indirect cost rate agreement must be sent with the application. If it is not available please provide an explanation and an estimate as to when it will be available.

Line 6k. Enter the totals of the amounts indicated on lines 6i and 6j. For all applications, the total amount in Column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5.

Line 7. Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from the total project amount. Under the project narrative statement describe the nature and source of such income. **Note:** Income generated by SCSEP projects must be used for SCSEP activities.

Section C – Source of Non-Federal Resources

Line 8. Enter amounts of non-Federal resources that will be used in the grant.

Column (a). On Line (8) Column (a) only, enter "SCSEP" (Senior Community Service Employment Program). A breakdown by functional areas is not necessary. Use Line (8) for entries under all columns.

Column (b). Enter the amount of applicant cash and/or in-kind contributions to be made.

Column (c). Enter the state(s) contribution. This requirement does not apply to state grantees.

Column (d). Enter the amount of cash and/or in-kind contributions to be made from all other sources.

Column (e). Enter totals of Columns (b), (c), and (d). The amount under Column (e) should be equal to the amount on Line 5, Column (f), Section A.

Line 12. Under each column enter the same figure entered in Line (8).

Section D - Forecasted Cash Needs

Make no entries.

Section E - Budget Estimates of Federal Funds Needed for Balance of Project

Make no entries.

Section F - Other Budget Information

Line 21 - Direct Charges. In the space provided type "A Detailed Cost Breakout is Attached."

A Detailed Cost Breakout is required with the Grant Application Package. All applicants should prepare this and have available for inspection the basis for their estimated costs by line item (including the detail for the "Other" line item). The cost breakout should reflect the SF-424A so that totals match for both the form and the detailed breakout. Information should be presented by line item and category. Applicants are encouraged to describe any extraordinary item such as planned conferences, travel, and unusual expenses.

It is important that the cost breakout demonstrate how costs are distributed vertically as well as horizontally, showing costs that occur at the local levels. The detailed cost breakout should also indicate the specific kind of non-Federal resources; for instance, the provision of office space or the salaries of project staff.

The applicant may consult with the Federal Project Officer regarding the needed level of detail. In categorizing costs and their applicability, all sponsors must follow OAA 2000 Section 502(c) and the Regulations at 20 CFR Part 641 Subpart D, sections 641.847 - 641.876. Please also see the discussion of administrative costs in the One-Stop Comprehensive Financial Management Guide at http://wdsc.doleta.gov/sga/pdf/FinalTAG_August_02.pdf, pages II-5-3 to II-5-6.

Other considerations: Successful applicants may be expected to attend Department-sponsored training and should prepare their budgets accordingly. It will also be useful to budget amounts for training, software and new computers (including Internet access) related to new reporting requirements. **NOTE:** Applicants must have current computer technology and ensure that their organizations have the capability to link to the Internet. Reporting will be done via the Internet.

When applicants divide costs between the "Administration" and "Other Participant Costs" Categories for the same cost item (such as a local project director), they should describe the basis for that division and include mention of any surveys used to determine the allocations. The Department of Labor reserves the right to require additional information on any budget line item or cost category.

Line 22 - Indirect Charges. Enter the type of indirect rate (provisional, predetermined, final, or fixed) that will be in effect during the grant period, and the nature and the amount of the base to which the rate is applied, and the total indirect charges. Include a copy of your agency's approved indirect cost rate agreement. It should cover the entire grant period. If not, state that a new one will be provided when available.

Applicants that have not previously used an indirect cost rate but wish to do so must contact the Grant Officer, who will advise the grant applicant of the documents and materials that must accompany the grant application in support of the request. Where indirect charges are approved, the terms and conditions relating to the payment of indirect costs, which are subject to negotiation by the Department, will be specified in the grant document.

Line 23 – Remarks. Provide any other explanations or comments deemed necessary, such as specific sources of non-Federal funds. It is also suggested that the words "See Attached Detailed Cost Breakout" be entered in this section.