
Restore America's Estuaries GLRCGP Budget Training



RESTORE
AMERICA'S
ESTUARIES



Why budgeting matters?



BUDGET = FINANCIAL ROADMAP
OF THE PROJECT



MUST SHOW COSTS ARE
REASONABLE, ALLOCABLE,
ALLOWABLE UNDER 2 CFR 200



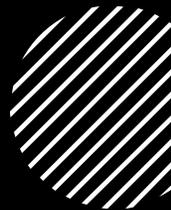
NARRATIVES EXPLAIN THE “WHY”
BEHIND EACH NUMBER



GOOD BUDGETS = FEWER
REVISIONS, FASTER APPROVALS,
EASIER MONITORING



General Rules for Subrecipient Budgets



Consistent with your org's written policies



Linked directly to workplan tasks/deliverables



Transparent — clear assumptions (rate × time × quantity)



Compliant — prior approval items flagged early



No hidden costs (management fees, padded rates are unallowable)

Reasonable

Would a prudent person pay this price under the same circumstances?

Is it consistent with market prices for similar goods/services?

Did the organization act with sound business judgment?

Allowable

Necessary and reasonable for performance of the award

Consistently treated as either direct or indirect

Conforms to limitations/exclusions in 2 CFR 200 & EPA GTC

Supported by adequate documentation

Allocable

Directly benefits the project

Assigned in accordance with relative benefit across projects

Not shifted to overcome funding shortfalls or avoid restrictions

Consistent Cost Treatment

Treat similar costs the **same way across all grants** (direct vs. indirect).

Follow your organization's **written policies** when assigning costs.

Ensure no cost is **charged twice** or categorized differently without justification.

Personnel (2 CFR 200.430)

Associated Cost

- Salaries and Wages of employees working on project tasks

Narrative Justification

- Job title
- % effort (FTE)
- Hourly/salary rate
- Role in project

Policies/Documentation

- Personnel Policy
- Timekeeping Policy
- Payroll Records
- Timesheets

Narrative Justification Examples

Narrative Example 1: Salary Basis

- The Program Coordinator will dedicate 25% of their time (520 hours ÷ 2,080 annual hours) to coordinating partner meetings, ensuring compliance, and serving as the primary project contact.

Narrative Example 2: Hourly Basis

- **Calculation:** The Field Technician will commit 300 total hours to the project during the period of performance at an hourly rate of \$28.00, resulting in a total personnel cost of \$8,400. The Field Technician will provide field sampling, data entry, and habitat monitoring activities required under the GLRI project.

Fringe Benefits (2 CFR 200.431)

Associated Cost

- FICA
- Health, dental, vision insurance
- Retirement contributions
- Workers' Compensation
- Unemployment insurance

Narrative Justification

- Show fringe rate (e.g., 20% of salaries)
- Confirm applied consistently across all programs
- Explain components included (health, FICA, retirement, etc.)

Policies/Documentation

- Personnel Policy
- Benefits Policy

Narrative Justification Examples

Rate Methodology

- Fringe benefits are calculated at a total rate of 34.5%, which includes statutory and organizational components as follows: 7.65% FICA, 12% health insurance, 7% retirement, 4% unemployment and workers' compensation, and 3.85% for other employee benefits such as disability insurance and paid leave.

Direct Charge Methodology

- The employee's fringe benefits include \$382.50 for FICA, \$200.00 for retirement, \$4,200 in single health insurance (equal to 8.4% of salary), and \$37.50 for workers' compensation. Together, these costs result in a total fringe rate of 20.8%, which applied to \$5,000 in project wages equals \$1,040 in fringe benefits.

Travel (2 CFR 200.475)

Example Cost

- Field work travel
- Travel to GLRCGP required meetings
 - Lodging
 - Airfare
- Mileage
- Per diem (follow federal GSA rates)

Narrative Justification

- Identify purpose of travel and connection to workplan deliverables
- Estimate cost (mileage × rate; airfare + lodging + per diem)
- Confirm within org's travel policy and consistent with federal rules

Policies/Documentation

- Travel Policy
- Receipts
- Mileage Logs

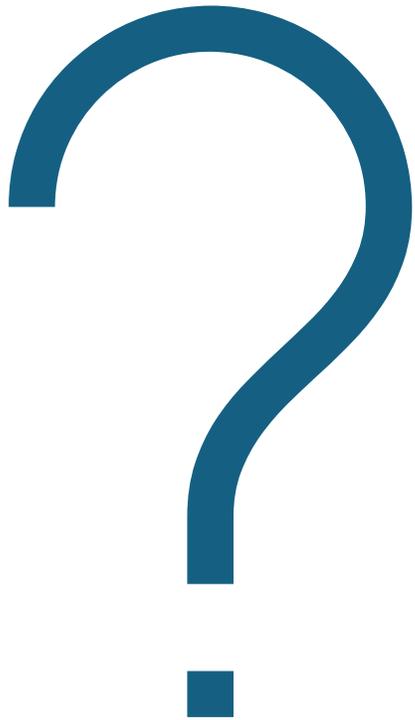
Travel (2 CFR 200.475)

Narrative Examples

- **Example 1 — Field Travel**
 - *Travel includes mileage reimbursement for quarterly field visits (8 trips × 150 miles × \$0.67/mile = \$804). Travel is required for shoreline monitoring activities.*
- **Example 2 — Conference or Meeting**
 - *The Project Coordinator will travel to the annual GLRI partner meeting (airfare \$350 + hotel \$150/night × 2 nights + per diem). Travel supports required project coordination.*
- **Example 3 — Local Commuting (Allowable Project Travel)**
 - *Local travel for sampling equipment transport is estimated at 400 miles at the federal mileage rate.*

Additional Factors to Include

- Purpose of travel
- Number of trips, mileage, or per diem
- Compliance with GSA rates
- Connection to project tasks
- Whether travel is local or overnight
- Which staff positions require travel
- Whether travel is required by GLRI/EPA



Questions

Equipment (2 CFR 200.313 / 200.439)

Associate Cost

- Tangible property more than \$5,000/unit and has a useful life of 1 year

Narrative Justification

- Explain necessity for achieving project objectives
- Provide unit cost, quantity, and purpose
- Address thresholds (federal \$5,000 vs org threshold) and prior approval needs

Policies/Documentation

- Procurement Policy
- Equipment and Property Management Policy
- Purchase Order
- Vendor Quotes
- Inventory Log
- Invoices
- Receipts

Equipment (2 CFR 200.313 / 200.439)

Narrative Examples

- **Example 1 — Specialized Monitoring Equipment**
 - *Acquisition of a GPS mapping unit (\$6,200) is required to document restoration boundaries and monitor project progress.*
- **Example 2 — Boat Motor Replacement**
 - *A replacement outboard motor (\$7,800) will enable access to restoration areas not reachable on foot.*

Things to Consider

- Must cost be greater than or equal to \$5,000 per unit*
- Must have \geq 1-year useful life
- Must be tied to project tasks
- Prior approval is required
- Avoid unless essential
- Procurement standards apply

Supplies (2 CFR 200.453)

Associated Cost

- Tangible items under \$5,000 (materials, consumables, software, small equipment)

Narrative Justification

- Itemize or group by type (office supplies, lab supplies, etc.)
- Tie each supply to a specific project activity or deliverable
- Avoid vague “miscellaneous supplies”

Policies/Documentation

- Procurement policy
- Equipment and Property Management Policy
- Purchase Order
- Vendor Quotes
- Inventory Log
- Invoices
- Receipts

Narrative Examples

Itemized Example

- Water sampling kits: 10 kits × \$85 each = \$850
 - Water sampling kits are required to complete quarterly water quality monitoring as outlined in the GLRI Statement of Work. These kits contain sterilized, single-use materials necessary to collect accurate and compliant samples for laboratory analysis.
- Sample bottles: 4 cases × \$45 each = \$180
 - Needed to store and transport water samples while maintaining data integrity and EPA sampling standards.
- Field notebooks: 12 notebooks × \$5 each = \$60

Categorical Example

- Field Sampling Supplies — \$1,090
 - Includes water sampling kits (10 kits × \$85 each = \$850), sample bottles (4 cases × \$45 each = \$180), and field notebooks (12 notebooks × \$5 each = \$60). These items support quarterly GLRI water quality monitoring activities.

Contractual (2 CFR 200.317–327)

Associated Cost

- Services provided by consultants, contractors, or partner institutions.

Narrative Justification

- Define scope of work and why outside expertise is required
- Show estimated cost and procurement method (competitive quotes)
- Describe expected deliverables/timelines

Policies/Documentation

- Procurement policy
- Solicitation vehicle
- Bids
- Debarment checks
- Signed contract

Contractual (2 CFR 200.317–327)

Narrative Example

- HABITAT RESTORATION CONTRACTOR
 - A restoration contractor will be hired to implement invasive species removal and native vegetation planting across 12 acres of coastal wetland habitat (Task 3). The contractor will supply all labor, equipment, and materials needed to complete the restoration activities. The estimated cost of \$25,000 is based on two competitive bids and reflects a reasonable and necessary rate for the scope of work. Contracting this portion of the project is required due to the scale of the mechanical removal and planting activities, which cannot be performed in-house. Deliverables will include a work completion summary, photographs, and a brief performance report to support GLRI restoration metric reporting.

Things to Consider

- Nature of service
- Deliverables
- Basis of cost (quote, estimate, rate sheet)
- Procurement method
- Whether consultant, contractor or subrecipient
- Subaward limits (first \$25,000 only counts toward MTDC)
- Indirect cost treatment



Questions

Other Direct Costs: 2 CFR 200 Subpart E

Associated Cost

- Project specific costs not in other categories
 - Examples:
 - Meeting room rentals
 - Fuel for boats
 - Printing
 - Software subscriptions
 - Training fees

Narrative Justification

- Explain necessity for each cost
- Tie to project activity or compliance requirement (e.g., safety inspection, training)
- Provide unit cost/quantity where possible

Policies/Documentation

- Org's financial policies
- Receipts
- Invoices

Indirect Costs (2 CFR 200.414)

Associated Cost

- Administrative overhead (utilities, HR, IT, rent) benefiting multiple programs

Narrative Justification

- Apply NICRA rate or 10% de minimis
- Show base calculation (MTDC definition)
- Confirm consistent application per org policy

Policies/Documentation

- NICRA letter (if applicable)

Indirect Costs (2 CFR 200.414)

Example Narrative

- **Example 1 — 10% De Minimis**
 - *Indirect costs are calculated at 10% of MTDC in accordance with 2 CFR 200.414(f). MTDC excludes equipment and contractual amounts over \$25,000.*
- **Example 2 — NICRA**
 - *Indirect costs are calculated using the organization's federally negotiated rate of 36% of salaries and wages. The NICRA agreement is attached.*
- **Example 3 — No Indirect**
 - *The organization elects not to charge indirect costs. All costs are included as direct expenses.*

MTDC excludes:

- Equipment
- Contractual portions over \$25,000
- Participant support costs
- Subawards over \$25,000

Best Practices for Budget Narratives

01

Write in plain language

02

Link every budget line to a specific task/deliverable

03

Show calculation assumptions (unit × cost × time)

04

Flag prior approval items in the narrative (e.g., equipment, foreign travel)

05

Avoid vague justifications like “miscellaneous supplies”



Questions