



# FEDERAL GRANT BUDGETS

Louisville Metro Government Lunch & Learn Series  
June 20, 2023

# FEDERAL BUDGETS 101

- Federal grants pay the recipient or subrecipients' **actual** costs of operating the grant-funded project.
  - If you budget \$5,000 to buy five laptop computers at \$1,000 each but buy the computers during a sale, and only spend \$4,500, the grant will pay only the \$4,500 in actual costs.
  - If 50% of an employee's salary is budgeted to the grant, but the employee works only 47% of his time on the grant, only 47% percent of his actual salary and fringe costs may be charged to the grant.

# FEDERAL BUDGETS 101

- The Department of Justice's Office of Justice Programs (<https://www.ojp.gov/funding/grants101/develop-budget>) provides the following guidance for developing budgets:
  - A well-prepared budget should be reasonable and demonstrate that the funds being asked for will be used wisely.
  - The budget should be as concrete and specific as possible in its estimates. Make every effort to be realistic, to estimate costs accurately.
  - The budget format should be as clear as possible. It should begin with a budget narrative, which you should write *after* the entire budget has been prepared.
    - Budget narratives may also be called budget justifications.

# Budget Narrative/Justification

## FEDERAL REQUEST

Purpose of Travel	Location	Item	Rate	Cost
(1) Grantee Conference	Washington, DC	Airfare	\$200/flight x 2 persons	\$400
		Hotel	\$180/night x 2 persons x 2 nights	\$720
		Per Diem (meals and incidentals)	\$46/day x 2 persons x 2 days	\$184
(2) Local travel		Mileage	3,000 miles@.38/mile	\$1,140
			<b>TOTAL</b>	<b>\$2,444</b>

### **JUSTIFICATION: Describe the purpose of travel and how costs were determined.**

- (1) Two staff (Project Director and Evaluator) to attend mandatory grantee meeting in Washington, DC.
- (2) Local travel is needed to attend local meetings, project activities, and training

# FEDERAL BUDGETS 101

- Each section of the budget should be in outline form, listing line items under major headings and subheadings.
- Each of the major components should be subtotaled with a grand total at the end.
- Remember to include computations that clearly show how the costs were derived

# FEDERAL BUDGETS 101

- When developing your budget:
  - Follow the federal Cost Principles to ensure all costs are:
    - Allowable
    - Reasonable
    - Allocable
      - Correctly **allocating** costs to the budget is very important, as the grant should not pay costs that do not benefit the grant itself.
  - Also adhere to the requirements listed in the federal Notice of Funding Opportunity (NOFO), as some federal grant programs restrict certain types of costs

# FEDERAL BUDGETS 101

- Even when you take great effort to develop an accurate budget, actual costs are likely to differ from budgeted costs.
- Additionally, throughout the life of the grant, it might become clear that funds are needed for a cost that was not anticipated at the time the budget was created.
- For these reasons, the federal government and Louisville Metro Government will allow grantees to submit budget revision requests. In GovGrants, these are called Budget Redirection Amendment Requests.
  - Keep in mind that for grants awarded directly from the federal government to your organization, the budget revision process might take several months.

06/20/2014 10:14 AM

## Wraparound Services

EGMS ID	Status	Grant ID
AD-WS-001-01	Activated	GT-WS-001-00001



- Overview
- \$ Budget
- \$ Actuals
- Management
- Terms
- Performance
- Files





▲ Amendments

New

Search...



EGMS ID	Award ID	Created Award EGMS ID	Initiated By	Amendment Types	Status
---------	----------	-----------------------	--------------	-----------------	--------

No records found

## Create Amendment Request



Save and Continue

\* Required to Save

⚠ Required to Submit

### General Information

\*Please select request type

**Available**

Budget Period Change

Carry Forward

Key Personnel Change

Scope of Work Change

**Chosen**

Budget Redirection

\*Overall Justification

\*Overall Impact

QUIZ

# QUESTION 1

Federal grant budgets should include:

- A. Best estimated costs plus profit margin
- B. Best estimate of costs
- C. Best estimated costs plus no more than 15% profit margin

# QUESTION 2

How can a grantor best understand the budgeted costs?

- A. Applicant should include cost computation in the budget
- B. Applicant should include explanation in the budget narrative
- C. Both A and B

# QUESTION 3

If you need to request a change in your ARP grant budget, select which of the following options in GovGrants:

- A. Budget Change Amendment
- B. Budget Redirection Amendment
- C. Budget Period Change Amendment

# QUESTION 4

Allowable costs never differ across federal grant programs.

- A. True
- B. False