

## BUDGET NARRATIVE

**NOTE:** All proposed direct and indirect costs must be consistent with costs incurred for like or similar items on all other federal and nonfederal projects or cost centers. Provide a Budget Narrative for each year of the project and for each joint venture participant. All figures must be rounded to the nearest dollar and correspond with those on the NIST-1262 or NIST-1263. Be sure arithmetic is correct. This form should not be altered. If additional space is needed, indicate "continued on next page," and attach additional sheets following the same format of specific item.

**Proposal Number:** \_\_\_\_\_  
**Name of Company** \_\_\_\_\_ **Year** \_\_\_\_\_

**A. Personnel**—List each position by name of employee and title, if available. Show the annual salary and the percentage of time devoted to the project. Compensation paid for employees must be consistent with that paid for similar work within the proposer's organization and similar positions in the industry. Employees who are considered indirect labor should not be included in the breakdown of direct salaries or in item 1.A. (page 3) of Form NIST-1262 or Form NIST-1263. Escalation rates for the out-years should be reasonable. ATP recognizes that a company may not be able to identify all of the personnel to be assigned to the project several years down the road. Where this cannot be done, use generic position titles such as "senior chemical engineer" and for name, use "to be determined." Information about consultants should NOT be included in this category but included more appropriately in Section F ("Subcontract") of this form and described on Form NIST-1262 or Form NIST-1263, pages 4 and 5, respectively.

Name and Position Title	Annual Salary	Percentage of Time on Project	Cost
<b>TOTAL</b>			_____

**B. Fringe Benefits**—Identify percentage rate; if greater than 35 percent, provide a breakdown of what makes up the fringe benefits (vacation, sick leave, military leave; health and life insurance; retirement, social security, etc.). If fringe benefits are normally included in your organization's indirect cost rate, they should be budgeted as such, and the appropriate line checked below.

**Percentage Rate:** \_\_\_\_\_ **Check here if included in indirect cost rate:** \_\_\_\_\_

**If percentage rate exceeds 35 percent, provide breakdown:**

**TOTAL** \_\_\_\_\_

**C. Travel**—Provide best estimate of travel required for the project, and provide the basis of computation (i.e., item multiplied by number of people multiplied by number of trips). Note that ATP recipients are expected to adhere to government policies regarding travel, such as coach rather than first-class accommodations. Do not include travel to NIST for project review meetings, because these meetings are held at the funded organization. Travel costs should represent a coherent part of the project’s “communications strategy” for smooth coordination among participants. While foreign travel is not precluded, it is discouraged and will require a strong justification for how it is directly related to the R&D activities of the ATP project. Likewise, conference costs are not considered R&D-related expenses and should not be included. If attendance is critical to performing the R&D, an explanation of how the conference(s) specifically relates to the R&D is required.

Purpose of Travel	Destination	Item (mode of transportation, lodging, and subsistence)	Computation	Cost
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Travel justification for foreign travel and conferences:

**TOTAL** \_\_\_\_\_

**D. Equipment**—Identify each item of equipment and the methodology used to arrive at the proposed costs (i.e., historical costs, competitive bid, published price lists, or cost/price analysis), basis of computation (i.e., cost per item multiplied by number of items), and cost. Budget estimates for each equipment item exceeding \$100,000 must be described and justified separately. Also identify by placing an asterisk on any in-kind owned equipment and its current depreciated value using the participant’s preestablished depreciation accounting methods. The value of equipment will be further prorated according to the share of total use dedicated to carrying out the proposed ATP work. ATP funds may not be used for construction of new buildings or extensive renovations of existing laboratory buildings. ATP funds may, however, be used for construction of experimental research and development facilities to be located within a new or existing building provided that the equipment or facilities are essential for carrying out the project. If such costs are proposed, include below and provide justification. General purpose office equipment, e.g., office computers, printers, copiers, etc., are normally included in indirect costs and therefore should not be budgeted as direct costs. If they are not included in indirect costs, they can be considered direct costs; however, they must be used exclusively for the ATP project, and a justification and explanation must be provided. Office furniture is unallowable.

Item	Methodology	Computation	Cost
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Justification for each equipment item exceeding \$100,000, and/or any construction costs:

**TOTAL** \_\_\_\_\_

**E. Materials/Supplies**—Provide a complete breakdown of each item/type of expendable materials and supplies, methodology used to arrive at the proposed costs (i.e., historical costs, competitive bid, published price lists, or cost/price analysis), basis of computation (i.e., item multiplied by number of items), and cost. Office supplies, e.g., paper, pens, toner cartridges, etc. are normally included in indirect costs and should not be included here. If they are not included in indirect costs, they must be used exclusively for the ATP project, and a justification and explanation must be provided.

Item	Methodology	Computation	Cost
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**TOTAL** \_\_\_\_\_

**F. Subcontracts**—For each subcontractor identified on Form NIST-1262 (page 4) or Form NIST-1263 (page 5), enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project. Proposers are encouraged to promote free and open competition in awarding subcontracts.

Name of Subcontractor	Service Provided	Computation	Cost
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If subcontractor's fees are in excess of \$450 per day, justify here:

*Subtotal* \_\_\_\_\_

**Subcontractor Expenses:** List any expenses to be paid from the award to the individual subcontractors in addition to their fees. Office supplies and conferences/workshops are unallowable. Subcontractors, excluding those that provide goods and services, who receive more than \$500,000 each are subject to the same audit requirements as the recipient (see Section G); however, the audit costs for these subcontractors should be listed in Section F.

Item	Location	Computation	Cost
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*Subtotal* \_\_\_\_\_

**TOTAL** \_\_\_\_\_

**G. Other**—Identify and provide a detailed description of any other direct costs that do not fall into the object cost categories above, basis of computation (i.e., cost per item multiplied by number of items), and cost. The cost of the project audit should also be included in this category unless it is part of the indirect costs or to be performed by a cognizant federal audit agency. If it is part of the indirect costs, indicate it as such. Each joint venture participant should budget for an audit. Audits must be performed in accordance with the *NIST Program-Specific Audit Guidelines for ATP Cooperative Agreements With Single Companies* or the *NIST Program-Specific Audit Guidelines for ATP Cooperative Agreements With Joint Ventures*. For nonprofit organizations subject to OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations, the annual Circular A-133 audit is deemed to meet the ATP audit requirement. All of these documents may be found at <http://www.atp.nist.gov/atp/helpful.htm>. Audits must be conducted by an external auditor (CPA or cognizant federal audit agency). For awards less than 24 months, an audit is required at the end of the project; for 2-, 3-, or 4-year awards, an audit is required after the first year and at the end of the project; for 5-year awards, an audit is required after the first year and the third year and at the end of the project. If a recipient has never received federal funding from any federal agency, a certification will be required from a CPA to determine whether the recipient has a functioning financial management system that meets the provisions of 15 C.F.R. § 14.21.

Description	Computation	Cost
<b>Audit</b>		
		<b>TOTAL</b> _____

**H. Indirect Costs**—Specify the current indirect cost rate(s), computation used, and cost. If an indirect cost rate was negotiated with a cognizant federal agency, include a copy of the approved negotiated agreement.

**Percentage Rate:** \_\_\_\_\_

- Check here if negotiated indirect cost rate agreement is attached.
- Check here if indirect cost rate has not been established by a cognizant federal agency.

**TOTAL** \_\_\_\_\_

**COST SHARING COMPOSITION**—Identify the total source of funding by cash and in-kind contributions.

Cash: \_\_\_\_\_ In-kind: \_\_\_\_\_ (In-kind contributions cannot exceed 30 percent of the nonfederal share of the total project costs. Additionally, except as specified in 15 C.F.R. § 295.25, the value of in-kind contributions should be determined in accordance with 15 C.F.R. § 14.23.)

Identify type of in-kind contribution (e.g., equipment, research tools, software, supplies, etc.) and associated amount(s) below:

**TOTAL COST SHARE** \_\_\_\_\_