

SAMPLE BUDGET NARRATIVE
[Local NGO Sub-Partner Name]
12-Month Period (dd/mm/yyyy - dd/mm/yyyy)

A sub-grant amendment will be awarded to [Local NGO Sub-Partner Name], under which [Local NGO Sub-Partner Name] will conduct training activities for the project beneficiaries. Specifically, [Local NGO Sub-Partner Name] will conduct 8 Workshops in Health (Objective #1) and 8 Workshops in Wat/San (Objective #2). Each workshop is of 2 weeks duration (0.50 month).

1. Salaries

For each workshop, [Local NGO Sub-Partner Name] will provide a trainer for 12 days (0.50 month) and an accountant for 5 days (0.16 month). The accountant is responsible for disbursing funds to the participants, paying for facilities, etc., and recording all financial transactions. Monthly salaries are based on current rates.

Objective #1 – Health

1 Health Trainer @ \$2,000/mo x 0.50 mo/workshop x 8 workshops/yr =	\$ 8,000
1 Accountant @ \$2,500/mo x 5 days (0.16 mo)/workshop x 8 workshops/year =	<u>3,200</u>
Subtotal – Objective #1 (Health)	<u>\$11,200</u>

Objective #2 – Wat/San

1 Wat/San Trainer x 0.50/workshop x 8 workshops/year =	8,000
1 Accountant x 5 days (0.16 mo)/workshop x 8 workshops/year =	<u>3,200</u>
Subtotal – Objective #2 (Wat/San)	<u>\$11,200</u>
Total Salaries	<u>\$22,400</u>

2. Fringe Benefits

Fringe benefits equivalent to 25% of salaries are required by local labor laws and customs, as follows:

<u>Benefit</u>	<u>Percent of Salary</u>
Medical Scheme	10.000
Pension	10.000
13 th Month	0.083
Food Allowance	<u>4.917</u>
Total	<u>25.000</u>

3. Training Costs

The training costs for each workshop (8 workshops for Objective #1 [Health] and 8 workshops for Objective #2 [Wat/San]) are calculated as follows:

	<u>Per Workshop</u>
1 Trainer Travel 1 RT/workshop \$300/RT =	\$ 300
1 Trainer Per Diem 12 days/workshop x \$50/day =	600

1 Accountant Travel 1 RT/workshop x \$300/RT =	300
1 Accountant Per Diem 5 days/workshop x \$50/day =	250
20 Participants Travel 1 RT/workshop/participant x 20 participants/ workshop x \$300/RT =	6,000
20 Participants Per Diem 12 days/workshop x 20 participants/ workshop x \$50 day =	12,000
Workshop Facility/Equipment 10 calendar days/workshop x \$100 =	1,000
Course Materials 20 participants x \$50/participant =	<u>1,000</u>
	<u>\$ 21,450</u>
x 8 courses per objective =	\$171,600
x 2 objectives =	\$343,200

4. USAID Branding and Marking

There will be 16 total workshops, and a banner will be erected at each. The costs of each banner are estimated at \$75 based on prior experience. In addition, each participant's course handbook (8 courses/objective x 20 participants/course = 160 course handbooks/objective 2 objectives = 320 course handbooks) will be labeled at an estimated cost of 50¢ per label, also based on prior experience.

5. Other Direct Costs

[Local NGO Sub-Partner Name] will expend at least \$300,000 per year in USAID funds (cumulative for all USAID-funded awards and sub-awards) in each of its financial years that will apply to this sub-award and, therefore, will be required to have a Recipient-Contracted Audit). Such costs are not included in the indirect cost pool and, thus, are direct-charged to USAID-funded awards and sub-awards. A prorated and proportional amount will be charged to each of the two objectives under this sub-award.

6. Indirect Costs

Indirect costs are budgeted with a provisional rate of 10%, applied to total direct costs. [Local NGO Sub-Partner Name] does not have an established NICRA, but it has been verified by [Prime Applicant Name] that [Local NGO Sub-Partner Name] has an accounting system that segregates direct costs from indirect costs, and an indirect cost rate proposal, drawn from the books and records of [Local NGO Sub-Partner Name], is attached hereto.

8. Pipeline Analysis

The pipeline analysis yields unexpended funds of \$10,000 for Objective #1 (Health) and \$20,000 for Objective #2 (Wat/San) which will be carried-over into the modification and reduce the amount of new OFDA funds needed by the same amounts.

[Local NGO Sub-Partner Name]
Schedule of Computation of Indirect Cost Rate

For the Accounting Period from July 1, 2005 to June 30, 2006

A	B	C	D	E	F	G
Chart of Accounts Cost Category	Expenses (US\$)	Exclusions (US\$) (D+E)	Unallowable and Excluded from Indirect Cost Pool (US\$)	Unallowable and Included in Direct Cost Base (US\$)	Allowable Direct Costs (US\$)	Allowable Indirect Cost Pool (US\$)
Purchases - Discounts	00	00	00	00	00	00
Representation	5,000	5,000	1,000	4,000	00	00
Personnel	400,000	00	00	00	380,000	20,000
Fringe Benefits	100,000	00	00	00	95,000	5,000
Travel	150,000	5,000	5,000	00	135,000	10,000
Equipment Hire	25,000	00	00	00	20,000	5,000
Supplies	100,000	00	00	00	90,000	10,000
Contractual	50,000	00	00	00	45,000	5,000
Occupancy	80,000	00	00	00	62,273	17,727
Insurance	10,000	00	00	00	10,000	00
Communications	30,000	00	00	00	20,000	10,000
Equipment Operation & Maintenance	40,000	00	00	00	35,000	5,000
Professional Services	50,000	00	00	00	45,000	5,000
Bank Charges & Debit Interest	8,000	3,000	3,000	00	5,000	00
Taxes & Duties	00	00	00	00	00	00
Depreciation	2,000	00	00	00	1,000	1,000
Bad Debts	1,000	1,000	1,000	00	00	00
Entertainment	1,000	1,000	1,000	00	00	00
Governance	1,000	00	00	00	00	1,000
Miscellaneous	5,000	5,000	5,000	00	00	00
TOTAL	1,058,000	20,000	16,000	4,000	943,273	94,727
				947,323		

Indirect Cost Rate Calculation	$\frac{\text{Indirect Costs (Column G)}}{\text{Direct Costs (Columns E+F)}}$	$\frac{94,727}{947,323}$	=	10.00%
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