



**HRSA**  
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WEB SERIES

**HRSA**  
Health Resources & Services Administration

# Grant Budgeting

May 18, 2022

**Eva Neligh, MA**  
**Grants Management Specialist, Health Center Branch**  
Division of Grants Management Operations  
Office of Federal Assistance Management  
Health Resources and Services Administration (HRSA)

**Rachel Holmes, MPA**  
**Grants Management Specialist, Health Center Branch**  
Division of Grants Management Operations  
Office of Federal Assistance Management  
Health Resources and Services Administration (HRSA)

**Vision: Healthy Communities, Healthy People**



# Agenda: Overview of Budgeting for HRSA Grants

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- 1 Reasonable, Allocable, and Allowable**
- 2 Regulations, Legislation, and Policy**
- 3 Notice of Funding Opportunity (NOFO) Requirements**
- 4 Differences between Standard Forms**
- 5 Overview of Budget Categories**
- 6 Improper Budgeting Issues**



# Definitions: Allowable, Reasonable, & Allocable

## Allowable – Code of Federal Regulations (CFR) §75.403

Program legislation, grant or other regulations, and the specific terms and conditions of the award determine whether federal funds can be used to cover a particular cost

- Based on the items noted, can Federal funds be used to cover a particular cost?*

## Reasonable – CFR §75.404

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

- Would you, as a reasonable person, be willing to spend the amount of money requested on the item requested?*

## Allocable – CFR §75.405

A cost is allocable to Federal award if the goods or services are chargeable or assignable to that Federal award.

- Is this cost necessary and directly connected to carrying out the goals and objectives of the grant?*



# Federal Regulations, Legislation, and Policy

## [View Uniform Administrative Requirements, Cost Principles & Audit Requirements \(45 CFR Part 75\)](https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-A/part-75)

<https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-A/part-75>



### Electronic Code of Federal Regulations

We invite you to try out our new beta eCFR site at <https://ecfr.federalregister.gov>. We have made big changes to make the eCFR easier to use. Be sure to leave feedback using the Feedback button on the bottom right of each page!

e-CFR data is current as of **March 9, 2021**

## [View Legislative Mandates in Grants Management](https://sharepoint.hrsa.gov/ofam/dgp/PB2021/Grants%20Policy%20Bulletin%202022-02%20Salary%20Rate%20Limitation.pdf)

<https://sharepoint.hrsa.gov/ofam/dgp/PB2021/Grants%20Policy%20Bulletin%202022-02%20Salary%20Rate%20Limitation.pdf>



### Grants Policy Bulletin 2022 Salary Rate Limitation

**Bulletin Number:** 2022-02

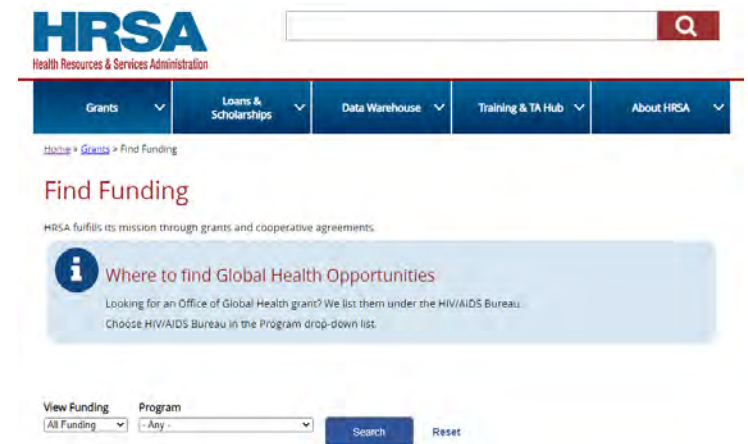
**Release Date:** January 24, 2022

**Related Bulletin(s):** Replaces 2021-02 Salary Cap Limitation; 2021-03 Legislative Mandates in Grants Management FY2021

**Issued by:** Office of Federal Assistance Management (OFAM)

## [View Notices of Funding Opportunities](https://www.hrsa.gov/grants/find-funding)

<https://www.hrsa.gov/grants/find-funding>



# Notice of Funding Opportunity

## Sample of Notice of Funding Opportunity

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

# HRSA

Health Resources & Services Administration

Bureau of Health Workforce  
Division of Nursing and Public Health

*Behavioral Health Workforce Education and Training (BHWET)  
Program for Professionals*

**Funding Opportunity Number:** HRSA-21-089

**Funding Opportunity Type(s):** New and Competing Continuation

Assistance Listings (CFDA) Number: 93.732

NOTICE OF FUNDING OPPORTUNITY

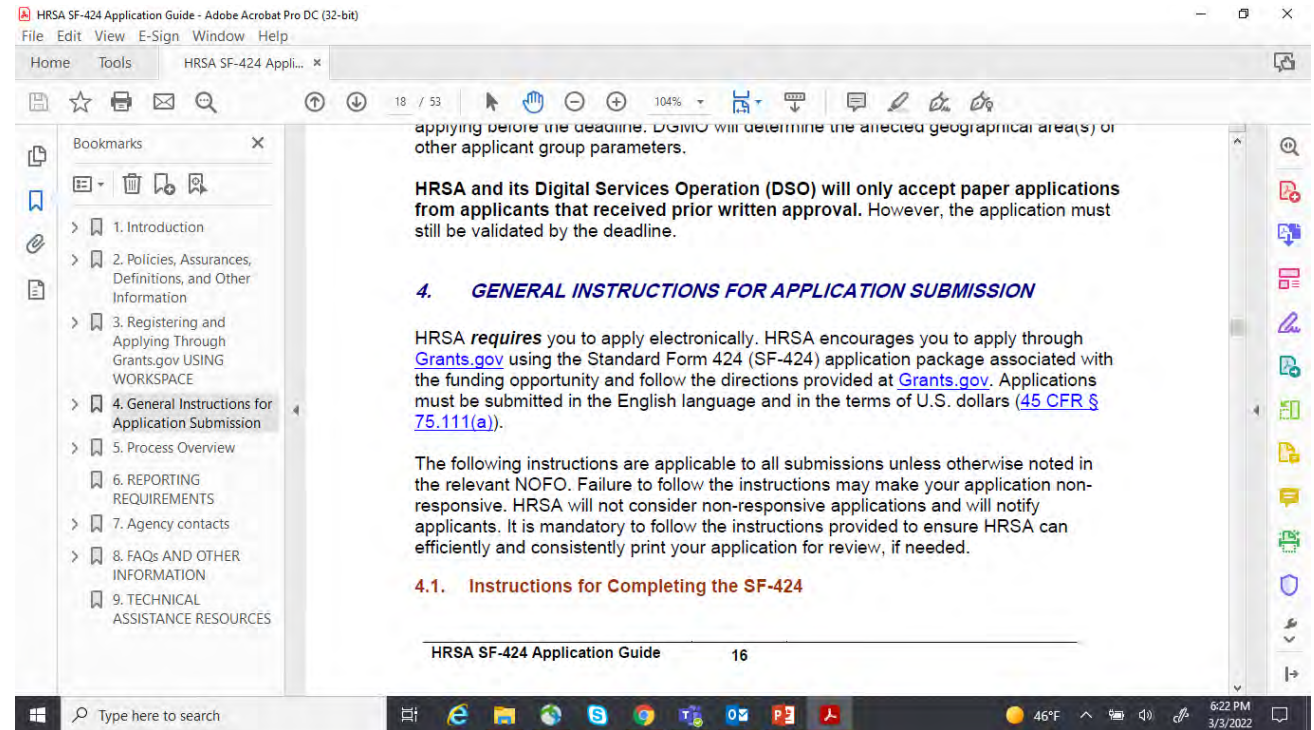




# Notice of Funding Opportunity (Continued)

NOFO budget responses include:

- **Budget Narrative/Justification –**
  - Clearly stated for **each year** of project period
  - Describes complexity of activities and results
- **Budget Costs –**
  - Reasonable, allowable, & allocable
  - Clearly describe program costs
- **Key Personnel/Other Personnel –**
  - Project Director position
  - Adequate LOE to achieve project objectives



# Differences Between Standard Forms

## *Budget Categories: A Closer Look*

### SF-424 A Budget Categories

- Personnel
- Fringe
- Travel
- Equipment
- Supplies
- Construction/Renovation
- Contractual
- Other
- Facility Rental/User Fees
- ADP/Computer Services
- Indirect Costs

### SF-424 R&R Additional Categories

- Participant/Trainee Costs:
  - Tuition/Fees/Health Insurance
  - Stipends
  - Subsistence
- Senior Key Personnel (other than PD/PI)
- Other More Detailed Personnel Costs

### SF-424 C Additional Categories

- Land, Structural, Right-of-way, Appraisal
- Relocation Expenses
- Architectural and Engineering Fees
- Project Inspection Fees
- Site Work
- Demolition and Removal
- Construction
- Equipment
- Contingencies

# Differences between Standard Forms #2

## Standard Form (SF) 424 A

- **Section A – Budget Summary**
  - Include Fed + Non-Fed totals
- **Section B Budget Categories**
  - **Object Class Categories** – include total amount requested for each cost line item
- **Program Income**
  - Estimated program income, cost sharing/matching, as applicable

OMB Approval No. 0348-0044

BUDGET INFORMATION - Non-Construction Programs						
SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Name of Grant		\$	\$	\$ 565,940.00	\$	\$ 565,940.00
2.						0.00
3.						0.00
4.						0.00
5. Totals		\$ 0.00	\$ 0.00	\$ 565,940.00	\$ 0.00	\$ 565,940.00
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					Total (5)
	(1) Cares Supplemental	(2)	(3)	(4)	(5)	
a. Personnel	\$ 342,050.29	\$	\$	\$	\$	\$ 342,050.29
b. Fringe Benefits	97,997.41					97,997.41
c. Travel						0.00
d. Equipment						0.00
e. Supplies						0.00
f. Contractual	16,355.53					16,355.53
g. Construction						0.00
h. Other						0.00
i. Total Direct Charges (sum of 6a-6h)	456,403.23	0.00	0.00	0.00	0.00	456,403.23
j. Indirect Charges	109,536.77					109,536.77
k. TOTALS (sum of 6i and 6j)	\$ 565,940.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 565,940.00
7. Program Income						0.00

Previous Edition Usable

Authorized for Local Reproduction

Standard Form 424A (Rev. 7-97)  
Prescribed by OMB Circular A-102





# Differences between Standard Forms #3

## SF-424 R&R – Research and Related

### RESEARCH & RELATED BUDGET - Cumulative Budget

	Totals (\$)
<b>Section A, Senior/Key Person</b>	<input type="text"/>
<b>Section B, Other Personnel</b>	<input type="text"/>
Total Number Other Personnel	<input type="text"/>
<b>Total Salary, Wages and Fringe Benefits (A+B)</b>	<input type="text"/>
<b>Section C, Equipment</b>	<input type="text"/>
<b>Section D, Travel</b>	<input type="text"/>
1. Domestic	<input type="text"/>
2. Foreign	<input type="text"/>
<b>Section E, Participant/Trainee Support Costs</b>	<input type="text"/>
1. Tuition/Fees/Health Insurance	<input type="text"/>
2. Stipends	<input type="text"/>
3. Travel	<input type="text"/>
4. Subsistence	<input type="text"/>
5. Other	<input type="text"/>
6. Number of Participants/Trainees	<input type="text"/>
<b>Section F, Other Direct Costs</b>	<input type="text"/>

## SF-424C – Construction

OMB Number: 4040-0008  
Expiration Date: 02/28/2022

**BUDGET INFORMATION - Construction Programs**

*NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.*

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
2. Land, structures, rights-of-way, appraisals, etc.	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
3. Relocation expenses and payments	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
4. Architectural and engineering fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
5. Other architectural and engineering fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
6. Project inspection fees	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
7. Site work	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
8. Demolition and removal	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
9. Construction	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
10. Equipment	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
11. Miscellaneous	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
12. SUBTOTAL (sum of lines 1-11)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
13. Contingencies	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
14. SUBTOTAL	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
15. Project (program) income	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>



# Frequently Asked Questions

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- 1. Do you include both Federal and Non-Federal Funding on your SF-424A?**
  - Yes, if your program requires it.
- 2. Where can you find forms like the SF-424A/C/R&R, or others?**
  - All Federal forms are available at:  
<https://www.gsa.gov/reference/forms>



# Overview of Budget Categories

## Budget Narrative/Justification

- Include details for each item of cost under the budget category

## Additional Documents (if applicable)

- Personnel Justification Table (*discussed later*)
- Equipment List

SUPPLIES	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
4 laptop computers for staff @ \$X each				-
Office Supplies (\$X per month x 12 months)				-
Printing Costs (\$X.XX per brochure x 4 brochures x X,000 copies)				-
Medical Supplies (\$X.XX per visit x X,XXX visits)				-
Dental Supplies (\$X.XX per visit x X,XXX visits)				-
<b>TOTAL SUPPLIES</b>				-
Contractual - Include sufficient detail to justify costs.	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
Pharmacy Services (\$X per contract)				-
Laboratory Services (\$X per sample x X,XXX samples)				-
Housekeeping Services (\$X per month x 12 months)				-
Ophthalmology Services (\$X per patient x XXX patients)				-
Waste Removal (\$X per month x 12 months)				-
<b>TOTAL CONTRACTUAL</b>				-

# Poll Question – Personnel Salaries and Wages

*William Atlas has an annual base salary of \$250,000 which is above the federal maximum rate of \$203,700. Is the salary table presented below acceptable?*

Name	Role	Total FTE	Annual Base Salary	Federal Maximum Salary	Is Base Salary within the Federal Limit (\$203,700)	Adjusted Base Salary	Amount of Federal Request
Jane Doe	RN	1.0	\$75,000	\$203,700	No Change Required	\$75,000	\$75,000
John Doe	LPN	0.75	\$45,000	\$203,700	No Change Required	\$45,000	\$33,750
William Atlas	CFO	0.5	\$250,000	\$203,700	<b>Exceeds Maximum Federal Salary Rate – Adjustment Needed</b>	<b>\$203,700</b>	<b>\$125,000</b>
Ebony Jones	MD	0.6	\$300,000	\$203,700	<b>Exceeds Maximum Federal Salary Rate – Adjustment Needed</b>	<b>\$203,700</b>	<b>\$122,220</b>
<b>Total Personnel Costs</b>							<b>\$332,820</b>



# Overview of Budget Categories #2

## Personnel Justification Table

*HRSA needs to know who is paid on a Federal grant.*

Name	Role	Total FTE	Annual Base Salary	Federal Maximum Salary	Is Base Salary within the Federal Limit (\$203,700)	Adjusted Base Salary	Amount of Federal Request
Jane Doe	RN	1.0	\$75,000	\$203,700	No Change Required	\$75,000	\$75,000
John Doe	LPN	0.75	\$45,000	\$203,700	No Change Required	\$45,000	\$33,750
William Atlas	CFO	0.5	\$250,000	\$203,700	Exceeds Maximum Federal Salary Rate – Adjustment Needed	\$203,700	\$101,850
Ebony Jones	MD	0.6	\$300,000	\$203,700	Exceeds Maximum Federal Salary Rate – Adjustment Needed	\$203,700	\$122,220
<b>Total Personnel Costs</b>							<b>\$332,820</b>





# Overview of Budget Categories #3

## Fringe Benefits –

- Directly proportional to % FTE allocated to grant.
- Adjust proportionally if base salary exceeds maximum allowable salary of \$203,700.

## Fringe Benefits

*List the components of your fringe benefit rate*

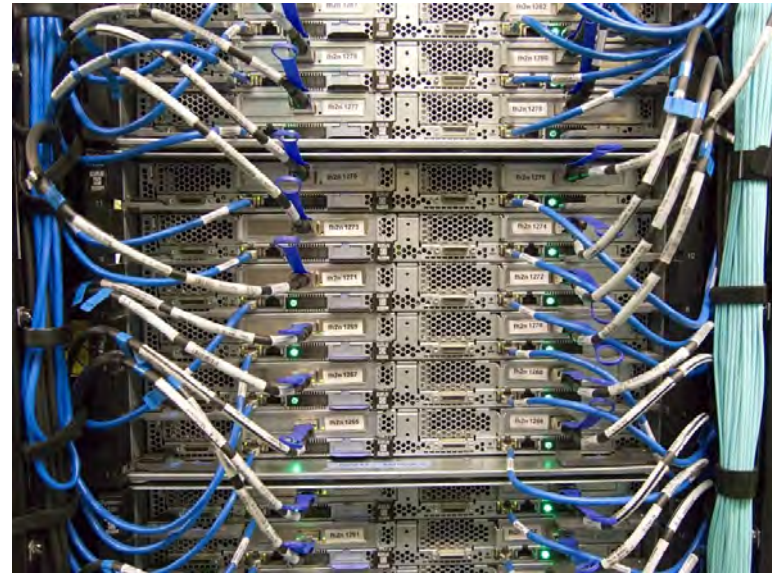
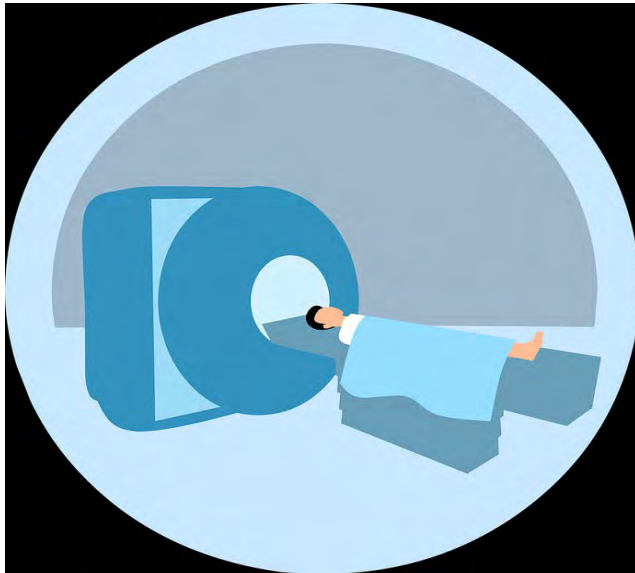
FRINGE BENEFITS	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
FICA @ XXX%				-
Medical @ XX%				-
Retirement @ XX%				-
Dental @ XX%				-
Unemployment & Workers Compensation @ XX%				-
Disability @XX%				-
<b>TOTAL FRINGE @ XX%</b>				-

# Overview of Budget Categories #4

## Uniform Guidance §75.320

### Equipment – tangible personal property (includes IT systems):

- Useful life of >1 year, and
- Per-unit acquisition cost  $\geq$ \$5,000



# Overview of Budget Categories #5

## EQUIPMENT LIST FORM (as applicable)

OMB No.: 0915-0285. Expiration Date: 3/31/2023

DEPARTMENT OF HEALTH AND HUMAN SERVICES Health Resources and Services Administration Equipment List (as applicable)		FOR HRSA USE ONLY		
		Grant Number	Application Tracking Number	
<b>Instructions</b>				
<ul style="list-style-type: none"> <li>The total equipment costs entered here must equal those requested in the federal equipment line of the Federal Object Class Category Form, and the federal equipment costs provided in the Budget Narrative.</li> <li>Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.</li> <li>Equipment that does not meet the \$5,000 threshold should be considered supplies and should not be entered on this form.</li> </ul>				
Type	Description	Unit Price	Quantity	Total Price
<input type="checkbox"/> Clinical				
<input type="checkbox"/> Non Clinical				
<input type="checkbox"/> Clinical				
<input type="checkbox"/> Non Clinical				
<input type="checkbox"/> Clinical				
<input type="checkbox"/> Non Clinical				
<input type="checkbox"/> Clinical				
<input type="checkbox"/> Non Clinical				
		<b>TOTAL</b>		





# Overview of Budget Categories #6



## Travel Costs

### Local Travel

#### Example:

Reimbursable employee mileage:

- $\$0.58/\text{mile} \times 10 \text{ miles/trip} \times 25 \text{ trips}$

**Total = \$145**

### Long Distance Travel

#### Example:

4 staff attend a conference in Denver:

- $4 \text{ flights} \times \$350/\text{flight} = \$1,400$ ;
- $3 \text{ nights hotel} @ \$125/\text{night for } 4 \text{ staff} = \$1,500$
- $\text{Per diem} @ \$65/\text{day for } 4 \text{ staff} \times 4 \text{ days} = \$1,040$
- $\text{Car rental} @ \$100/\text{day} \times 4 \text{ days} = \$400$

**Total = \$4,340**

# Overview of Budget Categories #7

## Supplies

*All tangible personal property other than those described in Equipment.*

**Uniform  
Guidance  
§75.321**

SUPPLIES	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources <i>(if applicable)</i>	Total
4 laptop computers for staff @ \$X each				-
Office Supplies (\$X per month x 12 months)				-
Printing Costs (\$X.XX per brochure x 4 brochures x X,000 copies)				-
Medical Supplies (\$X.XX per visit x X,XXX visits)				-
Dental Supplies (\$X.XX per visit x X,XXX visits)				-
<b>TOTAL SUPPLIES</b>				-





# Overview of Budget Categories #8

## Construction/Alteration & Renovation (A&R) Costs

*Consult the NOFO and HRSA staff regarding allowability.*

### Alterations and Renovations (A&R)

- **Definition:** A project where all work is done within the current space; no expansion or addition, and no additional ground broken.
  - **Minor A&R = Total Project Cost (Fed + Non-Fed) is < \$500,000**

### Construction and Major A&R

- **Definition:** A project when ground is broken; creation of an addition onto an existing building or new construction. Additional terms and environmental reviews required.
  - Project costs =  $\geq$ \$500,000
  - Recipient must file Notice of Federal Interest



# Overview of Budget Categories #9

## Contractual Costs

*Consult the NOFO for requirements*

### Salary table/rate needed –

- Contract staff
- Permanent staff or staff hired to only work on the grant

### No salary table/rate needed –

Tangential services, such as

- Laboratory
- Cleaning
- Security
- Consultant
- Others, as required

<b>Contractual - Include sufficient detail to justify costs.</b>	<b>Federal Grant Year 1</b>	<b>Federal Grant Year 2</b>	<b>Non-Federal Resources (if applicable)</b>	<b>Total</b>
Pharmacy Services (\$X per contract)				-
Laboratory Services (\$X per sample x X,XXX samples)				-
Housekeeping Services (\$X per month x 12 months)				-
Ophthalmology Services (\$X per patient x XXX patients)				-
Waste Removal (\$X per month x 12 months)				-
<b>TOTAL CONTRACTUAL</b>				-



# Overview of Budget Categories #10

## Other Costs

*Includes all costs that do not fit into any other category.*

Provide explanation for each cost –

- EHR provider licenses
- Recruitment
- Dues, etc.

### Note:

Rent, utilities, audits, and insurance may fall in Other category if not included in approved indirect cost rate.

<i>OTHER – Include detailed justification. Note: Federal funding CANNOT support fundraising, or lobbying costs.</i>	Federal Grant Year 1	Federal Grant Year 2	Non-Federal Resources (if applicable)	Total
EHR provider licenses \$X each				-
Staff Recruitment - newspaper and Internet posting: Type of advertisement x number of ads x cost per ad				-
Audit Services with HIJ Firm				-
Membership Dues (specify membership organization and cost per each)				-
Property Insurance (\$X per month x 12 months)				-
Repairs and Maintenance on X-Ray machine - not covered by warranty (\$X per month x 12 months)				-
Rent (\$X per month x 12 months)				-
<b>TOTAL OTHER</b>				-



# Overview of Budget Categories #11

## Indirect Costs Rate Agreements (IDCRAs) Uniform Guidance §75.414

### Grantees may claim indirect costs with:

- Federally negotiated indirect cost rate agreement (IDCRA)
- De Minimis Cost Rate  
(10% of Modified Total Direct Cost)
- Cost Allocation Plan

*IDCs must be applied uniformly across all HRSA awards.*



# Overview of Budget Categories #12

## Program Income

**Definition:** *Gross income earned by the Non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.*



*Check the NOFO for details on including program income in your budget.*



# Overview of Budget Categories #13

## Examples of Unallowable Costs

- Bad Debt
- Cash Reserves/Miscellaneous Funds
- Donations and Contributions
- Entertainment
- Fundraising Costs
- Fines, Penalties
- Lobbying
- Meals (“Generally” Unallowable)
- Grant writing
- Honoraria
  - Except as payment for services rendered, such as a speaker’s fee under a conference grant.



# Overview of Budget Categories #14

## Examples of Unallowable Costs: A Faux Budget

<b>TRAVEL</b>				
Travel to DC to meet with Senators: \$200/flight x 2 people, \$180/night hotel x 2 people for 2 nights, per diem \$46/per day for 2 people for 2 days	\$ 1,304	\$ -	\$ 1,304	While the costs are broken down clearly here, a trip to meet with a senator is considered lobbying and therefore an unallowable cost.
Staff Training: 2 trainings in QI/QA @ \$20,000 per person x2 FTEs; 5 hotel nights @ \$800 per night x 2 FTEs x 2 trainings	\$ 43,200	\$ -	\$ 43,200	A \$20,000 conference fee and \$800/night hotel rooms are considered unreasonable.
Staff trip to waterpark: \$20/staff x 100	\$ -	\$ 2,000		This cost would be unallowable if paid out of federal funds. It is fine to be paid out of non-federal resources.
Travel tokens for patients or participants: \$100/token x 50 tokens	\$ 5,000	\$ -	\$ 5,000	\$100/token is unreasonable.
<b>TOTAL TRAVEL</b>	<b>\$ 49,504</b>	<b>\$ 2,000</b>	<b>\$ 51,504</b>	



# Improper Budgeting: Potential Issues

- Lower application score
- Additional terms and/or award conditions
- Delayed award of funding
- Disallowed costs
- Audit findings



# Questions?



# Contacts for More Information

**Eva Neligh, MA**

**Grants Management Specialist  
Health Center Branch**

**[Email Eva](mailto:ENeligh@hrsa.gov)**

**[ENeligh@hrsa.gov](mailto:ENeligh@hrsa.gov)**

**Phone: (301) 945-3094**

**Rachel Holmes, MPA**

**Grants Management Specialist  
Health Center Branch**

**[Email Rachel](mailto:RHolmes1@hrsa.gov)**

**[RHolmes1@hrsa.gov](mailto:RHolmes1@hrsa.gov)**

**Phone: (301) 443-0165**





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