

Definitions for Object Class Categories Used in Budget Preparation (Definitions are provided in the order the terms will be encountered in the forms.)

Personnel

– Includes salaries and wages. Fringe benefits are listed separately. Provide a breakdown of personnel classification by job title. Identify key investigators (if applicable). State time commitments in hours or percent of time for each person/position. Ensure that time commitments and related charges appear reasonable. Ensure that the combined charges for each individual does not exceed 100 percent of his/her time. List total charges for each person/position with calculations of costs as federal and nonfederal. All costs charged directly for support or executive personnel must not be included as Indirect Costs.

All personnel costs must be allowable (no federal employees or legislative personnel). Special considerations should be explained (if applicable). For instance, are individuals the employees of the applicant organization? Is a cost of living increase built into the budget? Are salary increases justified for the grant project?

Fringe Benefits

– Identify separately from salaries/wages. Provide a description of benefits received by personnel when the fringe rate is more than 35 percent of the associated salary. Ensure that fringe benefits are charged to federal and nonfederal categories in the same proportion as salaries. Do not charge separately any costs that are included within the fringe rate or indirect costs.

Travel

– Provide a breakdown of travel costs totaling more than \$5,000 or 5 percent of the award, or whichever is greater. State the destination and duration of trips. Estimate the cost and type of transportation involved. The government mileage rate was set at 56.5 cents a mile in January 2013. Give the number of travelers and the related lodging and subsistence (e.g., per diem costs). The budget narrative should briefly describe the travel involved and its purpose, and explain how the proposed travel is necessary for successful completion of the project regardless of the dollar amount. If travel details are unknown, then the basis for proposed costs should be explained (i.e., historical information). Do not pull numbers out of the air or list a lump sum estimate. Travel costs can be charged on an actual basis, on a per diem or mileage basis in lieu of actual costs incurred, or a combination of the two if applied consistently and if they result in reasonable charges. Applicants should remember the Fly America Act. This act limits the use of

foreign flag carriers, but not foreign travel. Waivers are issued only for specific instances and may require prior approval.

Equipment

– Equipment is nonexpendable, tangible personal property with a unit cost of \$5,000 or more and has a useful life of more than one year. Items that do not meet the equipment definition can be included under supplies. List each piece of equipment to be purchased, and provide a description of how it will be used in the project. Lease versus purchase analysis should be completed as appropriate. A budget narrative should explain why the equipment is necessary for successful completion of the project. General use equipment (e.g., computer, faxes, etc.) must be used 100 percent for the proposed project if charged directly to the grant.

Supplies

– An explanation is necessary for supplies costing more than \$5,000 or 5 percent of the award – whichever is greater. The requirements for supplies that exceed the threshold include the following: explain the type of supplies to be purchased or the nature of the expense in the budget narrative; provide a breakdown of supplies by quantity and cost per unit if known; and indicate basis for estimate of supplies, for example, historical use on similar projects.

Subawards

- A subaward is to a project partner that will carry out part of a Federal award received by the pass-through entity. For NTHMP purposes, a subaward recipient is usually a department in your state/territory, university, or other ongoing and routine collaborator. A contractor is usually a company that is contracted to provide certain services, such as printing, supplies, or equipment installation.
- If a subaward recipient has an approved Negotiated Indirect Cost Rate Agreement (NICRA), read the agreement for information on what object classes the rate is to be applied and calculate the indirect costs based on the subawardee's rate, not the primary grantee's rate (if it has one.)

Contract

– List each contract as a separate item. Describe products and services to be obtained and indicate the applicability or necessity of each to the project. Provide separate budgets for each contract regardless of the dollar value, and indicate the basis for the cost estimates. List all contract costs under the “contractual” line item on Standard Form 424A. Do not incorporate the indirect costs line item for the applicant/grantee. Do not count an entity that serves as a routine and ongoing collaborative partner as a “contractor.” That type of entity is a “subaward recipient.”

Other

“Other” items usually is for printed materials and signs. List items by type of material or nature of expense. Breakdown total costs by quantity and cost per unit if applicable. State necessity of “other” costs for successful project completion. Exclude unallowable costs such as alcohol, contingency, entertainment, and fund raising.

Indirect Costs

– The indirect costs should be based on an approved Negotiated Indirect Cost Rate Agreement (NICRA). A copy of the approved rate agreement should be included in the application package to prevent delays in the review process.