

## **Budget & Budget Narrative Guidance Document**

### **Definitions and Information**

#### **Budget**

The budget is a document that details the possible expenditures for the agreement based on the previous or current maximum allowable amount(s) in attachment B.

Grants do not break down allowable vs. unallowable expenses; your budget should reflect expenses a grantee expects to incur in meeting the deliverables outlined in Attachment A of the agreement. Any expense that does not directly relate to meeting the deliverables is not allowable. The budget template includes specific categories and planned expenses must be categorized according to the template.

Examples of allowable vs unallowable expenses:

- Allowable: Salary, travel, utilities, advertising, marketing, rent
- Unallowable: Meals/ food, medication, legal fees, donations

The grantee must compare their agreement to the budget to ensure budgeted expenses are allowable. For example, the invoice template includes a “meals/ food” category, which is typically not an allowable expense for recovery services. If equipment purchased through a specific line item in a grant (rather than through Indirect Costs) may only be used for that grant’s activities and must cost \$5,000 or more to be considered “equipment”.

#### **Budget Narrative**

The budget narrative explains each expense/ line item listed in the Budget. Each expense/ line item must include a narrative, and if the expense is shared with multiple program codes, you must add the program code, amount of expense, and narrative that shows the calculations used to arrive at the numbers.

Example:

- 39880: Executive Director, 1FTE: Director oversees all center operations, daily programming/ programs, fundraising, state and federal reporting, grant writing and supervises (5) staff members. This billing code covers 80% of the salary.

#### **Justification**

Justification supports the need for each expense/ cost in the budget and budget narrative and shows you did your research to arrive at the expense and supports the narrative.

A justification is only required for new funding or new programming, for example, legislative funding increases, or new recovery coaching programs.

Example:

- 39880: The Executive Director position is necessary to support all programs, operations, and staff. This expense is necessary to the success of the center, as the ED executes decisions, collaborates with community partners, manages fundraising, program development and acts as a liaison between the board and staff, is responsible for sustainability and grant procurement and management.

#### **Indirect costs**

Indirect costs would be incurred regardless of the grant’s existence and are set at a specific rate by the federal government. An organization can negotiate a higher rate.

Indirect costs extend beyond the expenses incurred when conducting services; they include the

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costs involved with maintaining and running an organization. These “overhead costs” are the expenses left over after direct costs have been computed.

The materials and supplies needed for an organization’s day-to-day operations such as insurance, electricity, and rent are examples of indirect costs. While these items contribute to the grant deliverables, they are shared costs across multiple programs, grants, or services.

Many budgets factor in salaries, such as Executive Directors, in their indirect costs for the portions of their work that are not involved in direct service or program support.

### **Attachment F**

Includes the following statements, which any equipment purchased through a line item in the budget would be subject to (also note that the state is subject to the same provision with SAMHSA and CDC, so this could be implemented through the request of the federal government as well):

- *Intellectual Property/Work Product Ownership:* All data, technical information, materials first gathered, originated, developed, prepared, or obtained as a condition of this agreement and used in the performance of this agreement -- including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and printouts, notes, and memoranda, written procedures and documents, which are prepared for or obtained specifically for this agreement, or are a result of the services required under this grant shall be considered "work for hire" and remain the property of the State of Vermont, regardless of the state of completion unless otherwise specified in this agreement. Such items shall be delivered to the State of Vermont upon 30-days' notice by the State. With respect to software computer programs and / or source codes first developed for the State, all the work shall be considered "work for hire," i.e., the State, not the Party (or subcontractor or sub-grantee), shall have full and complete ownership of all software computer programs, documentation and/or source codes developed.

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### **Instructions for Recovery Services Budget Template:**

- 1) Fiscal Agent name: This is your organization name, and must match the W-9 submitted to DSU;
- 2) Fiscal Agent Mailing Address: This is the physical address of your organization and must match the address on the W-9 submitted to DSU;
- 3) Creation Date: This is the date the document was created;
- 4) Budget Period: Period covered by this budget. Must be in mm/dd/yyyy format;
- 5) Agreement/ Grant #: Number is located on top-right-hand corner on page two of your agreement. If this is for new funding/ programming, it does not require a grant #;
- 6) DSU Invoice Billing Code: Codes are described in attachment b, underpayment provisions. If this is for new funding justification, no code is needed, unless one has been provided;
- 7) Narrative: Definition and instructions on page 1 above;
- 8) Justification: Only required with new funding or new program requests. Definition and instructions on page 1 above;
- 9) Personnel: List one position title per line. The corresponding narrative must include salary/ hourly and number or percentage of FTE
- 10) Fringe/ benefits: An extra benefit that supplements an employee's salary/ hourly rate;
- 11) Fill out the applicable non-shaded fields. If the budget requires the "other direct services cost", an itemized description, including costs by DSU invoice billing code is required in the budget narrative.
- 12) Total fields are shaded in dark gray and are programmed to auto-calculate
- 13) Indirect Rate: The agreement's "indirect rate" is described in attachment B of the grant agreement. On the budget template, this field **does not** auto-calculate. The federal indirect rate will increase from 10% to 15% on 10/01/2024. Please note that all grants have the same indirect rate unless you have negotiated a higher rate.
- 14) Submit the budget and budget narrative using the link found on the [reporting forms and guidance documents page](#)

### **Tips:**

- Use this template to add descriptions to your grant budget
- Double-check the math, formulas can be altered upon downloading the template
- For each lettered line item, enter the total for that category in the bolded "Total" space on that line.
- Under each lettered line item, break down costs by billing code. example: under each line is an example; please add your narrative in those spaces
- If needed, you can add a billing code column, by clicking on the top of column B and inserting a column.