

ATTACHMENT I: BUDGET INSTRUCTIONS

Category I: INDIRECT EXPENSES

This category is used if the organization has a federally approved Negotiated Indirect Cost Rate Agreement (NICRA) or chooses a de minimis rate.

- a. NICRA – If the organization has a federally approved rate, it must be used in Category I, unless the organization voluntarily chooses to waive indirect costs or charge less than the full indirect cost rate. A NICRA is established on a cost base(s).
 - In the detail information, list the organization’s NICRA and cost base(s).
 - To determine the amount, multiply the NICRA against the established cost base(s) amount listed in Category III.

If an organization voluntarily chooses to waive indirect costs or charge less than the full indirect cost rate, please note this in the detail information area. Waving indirect costs or charging less will not influence awarding decisions.

- b. De minimis Rate - If the organization does not have a NICRA and would like to choose a de minimis rate, the organization must certified that they are making this choice. Once an organization chooses a de minimis rate, they **MUST** use this across all grants. The only way for an organization to stop using a de minimis rate once certified is to receive a NICRA. Please use caution when making this choice.

The de minimis rate can be charged at 10% of Modified Total Direct Costs (MTDC). MTDC is defined as being: All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward.

- In the detail information, indicate that de minimis has been chosen.
- To determine the amount, determine the MTDC in Category III (see the budget narrative for the eligible Category III expenses).
- Take the MTDC and times by 10%. Enter this amount in Category I.

Category II: DIRECT ADMINISTRATIVE EXPENSES

This category is used if the organization does not have NIRCA, does not choose a de minimis rate, or has administrative expenses that are not part of their NIRCA established cost base(s). If the organization allocates administrative expenses with a cost allocation plan or other basis, the direct costs from those allocations go here. Any other direct administrative expenses should be listed as well.

- In the detail information, indicate how the cost was arrived at and detail items that make up the costs.

Category III: DIRECT PROGRAM EXPENSES

This category is used for the direct program expenses. Costs should be reasonable, necessary, and allowable under the grant proposal and federal regulations.

- In the detail information, indicate how the cost was arrived at and detail items that make up the costs.

ALLOWABLE/UNALLOWABLE DIRECT COSTS

Any use of Federal funds must be consistent with funding purposes and applicable rules. Any costs charged to the program must be necessary, reasonable, and allocable to the program. The list is not exhaustive.

ALLOWABLE	UNALLOWABLE
<ul style="list-style-type: none"> • Administrative Expenditures • Rent • Audit costs and related services • Communication costs (e.g. telephone services, postage, electronic or computer transmittal services) • Compensation (e.g. salaries, wages, fringe benefits, pension, retirement benefits, severance pay) • Eligibility determination (e.g. completing forms, gathering documentation) • Equipment (e.g. office equipment, furnishings, HVAC, copiers, IT equipment and systems) • Food Service costs (e.g. refreshments for trainings, food for meetings or conferences more than four hours in length) • Indirect Costs • Insurance and indemnification • Materials and supplies • Meetings and conferences • Memberships (e.g. business, professional organizations) • Professional Services • Publication and Printing • Computers or tablets for client use, with OCC approval. • Travel, including Out-of-State travel with OCC approval 	<ul style="list-style-type: none"> • Alcoholic Beverages • Bad debts (e.g. contractor debts, uncollectable accounts, collection costs, legal costs) • Building purchases, facilities, land or real estate • Capital expenditures (unit cost of \$5000 or more) • Construction (e.g. new buildings, remodeling, renovation) • Cost incurred in criminal and civil proceedings • Contributions or donations rendered • Employee morale/team building • Entertainment (e.g. amusement, diversion, entertainers, social activities, tickets to shows, sports events, meals, lodging, gratuities) • Entertainment related food service costs (e.g. catered parties or holiday parties for staff or clients, award dinners, Mother's Day lunch at a local restaurant, catered lunch for Grand Opening events) • Fines and penalties • Fund raising (e.g. financial campaigns, endowment drives, solicitation of gifts and bequest) • Goods or services for personal use • Idle facilities or idle capacity (e.g. unused facilities and cost associated) • Vehicle purchases, repair costs or maintenance • Goods or services for personal use