Developing a Budget

Developing your budget for your ANA project is more than completing the SF 424 and 424a. It involves many components: Federal Request, Non Federal Share, salaries, costs, etc. This worksheet provides step-by-step guidance to assist you. There is also a separate worksheet in this kit dedicated to the Non Federal Share which you can refer to, if needed.

**Step 1** While everyone has their own method for writing grants, we do suggest that you complete the Objective Work Plan (OWP) and the Approach narrative before tackling the Budget. Begin your budget by determining the cost to complete each activity in the OWP and compile into your draft budget. In this way, you won’t forget costs and you ensure that the budget corresponds to the personnel and resources required to complete the project.

**Step 2** We recommend using an Excel spreadsheet for your budget with the following columns: Category, Federal Request, Non Federal Share and Total. (You can request a budget template from your TA provider.) At this point, you will be working with the expenses identified in Step 1, being careful the Federal Request does not exceed the maximum amount for the program area you are applying, separating out costs by project year, and adhering to the following:

**Budget Requirements**

- Provide a line-item budget detailing all expenditures for each year of your project;
- Provide a budget justification narrative for each year of the project detailing how each cost was derived and how it is justified in relation to the project;
- Follow the Budget Class Categories outlined in Section IV.2 of the FOA;
- Identify the required 20% Non Federal Share for each year of your budget.
- Include required travel to Post Award Training (Year 1 Only) and Grantee Meeting (every year of project);
- Provide quotes for Consultant work, large ticket and unique items in the appendix.

**Step 3** Now that you have a completed draft budget, double-check for calculation errors and clarity. You also have to make sure the three components of your application, the Project Approach, OWP and Budget, align completely. You want to avoid having an expense that is not explained in the Approach and mentioned in the OWP or other way around.

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Tips

1. Work with your Finance people during the planning and writing of the application. You will need their input to make sure costs are allowable, the personnel/fringe are in line with your organization, Indirect Rates are included and much more.

2. Do not include any Leveraged Resources in your Budget! Include the discussion and description of the Leveraged Resources in the Project Approach section.

3. It will help to have someone outside your team go over the budget, such as a TA provider, to get an objective review.