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U.S. ECONOMIC DEVELOPMENT ADMINISTRATION

Budget Narrative Overview

Office of INNOVATION *and* ENTREPRENEURSHIP

INNOVATION. REGIONAL COLLABORATION. JOB CREATION.

Hi, my name is Meisha McDaniel and I am with the Office of Innovation & Entrepreneurship.

This is one of 3 videos that OIE has produced to assist applicants with navigating the requirements of our competitive grant programs.

If you have not already, please review the videos on the SF-424 and the SF-424A, which are also referenced in this resource.

OIE – PART OF THE EDA NETWORK
Proposal Preparation Assistance

EDA has national representation & support:

1) **By State** - Economic Development Representatives (EDRs)

2) **By Region** - *regional office (x6)*

3) **By Program** - EDA (OIE) HQ in *Washington, DC*

Through its regional and headquarters offices, the EDA supports the development of effective entrepreneurial economic development ecosystems across the United States and the territories.

[animation—box & star] OIE is based at EDA Headquarters and manages several national grant competitions to drive state and regional economic development in line with our laser focus on innovation & entrepreneurship.

WE WILL COVER…

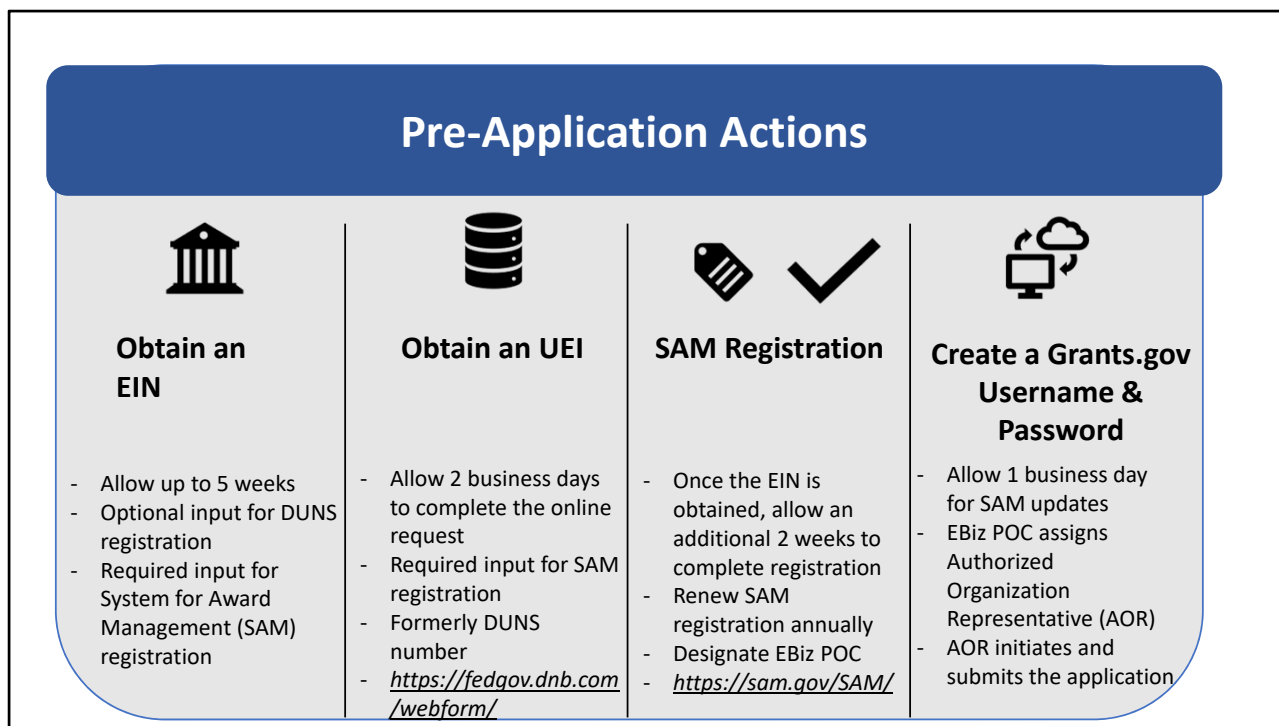| Inputs & Purpose	Allocating Project Costs for the Budget Template	Budget Narrative Checklist

OIE recognizes the complexity associated with navigating the systems and requirements of EDA's grantmaking programs and

This video is intended to assist prospective applicants with successfully identifying and assembling the project costs necessary to include in a competitive EDA grant application.

We will cover the 3 core components of the Budget Narrative—namely, the narrative, budget chart, and staffing plan—and

Finally, we'll conclude with insights on how the Budget Narrative is evaluated in relation to other core components of the grant application.

Pre-Application Actions

Obtain an EIN	Obtain an UEI	SAM Registration	Create a Grants.gov Username & Password
- Allow up to 5 weeks - Optional input for DUNS registration - Required input for System for Award Management (SAM) registration	- Allow 2 business days to complete the online request - Required input for SAM registration - Formerly DUNS number - *https://fedgov.dnb.com/webform/*	- Once the EIN is obtained, allow an additional 2 weeks to complete registration - Renew SAM registration annually - Designate EBiz POC - *https://sam.gov/SAM/*	- Allow 1 business day for SAM updates - EBiz POC assigns Authorized Organization Representative (AOR) - AOR initiates and submits the application

The best advice that we can provide prospective applicants is not to wait until the last minute to submit your application in Grants.gov.

As you can see in the diagram below, there are several requirements that must be completed prior to initiating and submitting an application in Grants.gov.
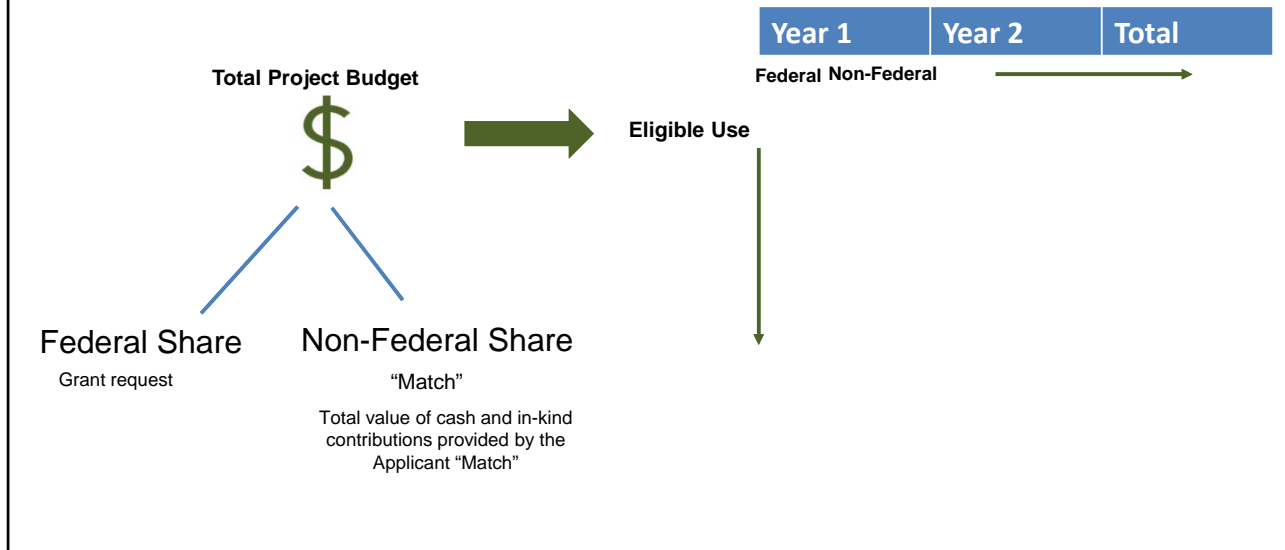
If your organization is a first-time applicant and/or you are new to the process, please take the time to ensure that the Authorized Organization Representative has the credentials necessary to submit the proposal.

To reiterate, the EDA strongly recommends submitting in advance of the application deadline, which is strictly enforced.

Luckily, you can stay in the loop about upcoming grant opportunities by reviewing the EDA website, identifying relevant Notice of Funding Opportunities, and subscribe to updates on those NOFOs via Grants.gov.

Sources:

A) Grants.gov: "Step 1: Obtain a DUNS Number" https://www.grants.gov/web/grants/applicants/organization-registration/step-1-obtain-duns-number.html

B) Grants.gov: "Step 2: Register with SAM" https://www.grants.gov/web/grants/applicants/organization-registration/step-2-register-with-sam.html

BUDGET NARRATIVE - FUNCTION
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Total Project Budget

$

Federal Share — Grant request

Non-Federal Share — "Match" — Total value of cash and in-kind contributions provided by the Applicant "Match"

Eligible Use

Year 1	Year 2	Total

Federal Non-Federal

The two key components of a project budget for an EDA grant proposal are the Federal Share and the Non-Federal Share, commonly referred to as the "match.

The EDA generally expects the non-Federal Share of project costs, whether cash or in-kind, to be paid out at the same general rate as the Federal Share. [visual emphasis on the arrow]

The Budget Narrative is a great place for applicants to illustrate how eligible funds will be used to achieve the goals of the proposal. [visual emphasis on eligible uses and down arrow]

[visual emphasis on federal nonfederal and right arrow] The Budget Narrative also functions to allow Reviewers to determine how federal funds will be allocated across various budget categories throughout the duration of the project.
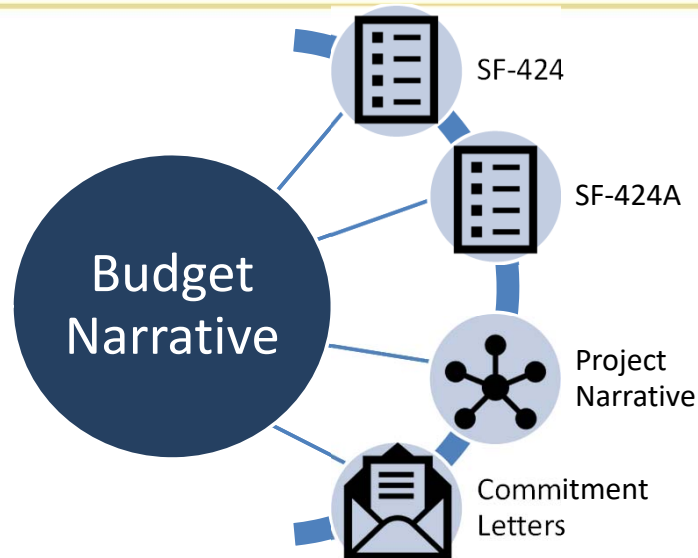
When considering what makes a compelling application for an EDA grant competition, the Budget Narrative is a great place to start.

[animation—text box enters] A clear Budget Narrative is an integral component of a competitive application because it allows for you to elaborate on the sources and uses of funds necessary to complete the objectives described in the Project Narrative.

[animation—highlight the outer circles] The Budget Narrative is reviewed for consistency in conjunction with other components of the application - namely, the SF-424, SF-424A, Project Narrative, and any applicable Commitment Letters.

As you assemble the resources for your proposal, please consider whether prospective sources of match funding satisfy the 3 following requirements [visual emphasis on the text box to the left] of being available at the time of application, unencumbered, and committed.

As illustrated on the right [visual emphasis on the right top diagram], a Commitment Letter is required for each source of match because Reviewers use these letters to affirm that the proposed source meets the EDA's requirements.

For your reference, we have provided two examples of match sources--cash on hand and anticipated revenue.

- As you can see – YES [visual emphasis] - cash on hand satisfies the EDA's requirements
- And NO [visual emphasis] - anticipated revenue, which is viewed as conditional and not committed, does not meet the EDA's requirements for an eligible match source

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We are working hard to identify the best type of match for a strong proposal. Do you prefer cash or in-kind?

We have no preference between cash, in-kind, or a combination of the two—as long as the match meets the eligibility criteria on the previous slide.

When it comes to satisfying the match requirement for an EDA competitive grant application, bigger is not necessarily better. The inclusion of match funds beyond the required threshold does not increase a project's competitiveness.

Now that you have a big picture view of the role of the Budget Narrative in communicating the goals and capacities of your grant proposal, let's talk about specific the deliverables for this section of the application.

Introducing – OIE's Optional Budget Template

Form SF-424A	Year 1		Year 2		Total	
Budget Categories	Federal	Match	Federal	Match	Federal	Match
a. Personnel						
b. Fringe Benefits						
c. Travel						
d. Equipment						
e. Supplies						
f. Contractual						
g. Construction						
h. Other						
i. Total Direct Charges (sum of 6a-6h)						
j. Indirect Charges						
k. Totals (sum of 6i and 6j)						
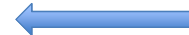
[animation—1st text box appears] For your convenience, OIE provides a budget template that is intended to help applicants comply with the technical requirements of this section. The use of the OIE-provided template is optional, but the submission of a complete budget template is essential.

[animation—enter the chart] As you can see, this chart can be used to organize the proposed grant expenses over the performance period. This helps Reviewers evaluate the proposal's feasibility-- most notably, the extent to which the budget and narrative reasonably and realistically correspond to the costs and activities necessary for project success.

As you review the template, note that each budget category response needs to include:

Both

- an annual estimate of expenses [animate—arrow] and
- The share of expenses to be paid for with applicant funds (referred to as "Matching Share" [amination]) versus those to be covered by the grant (referred to as "Federal Share" [animation])

NARRATIVE & STAFFING PLAN
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Narrative

a. Personnel
- Year 1: [Estimated dollar amount]
- Year 2: [Estimated dollar amount; if applicable]

Federal share: [Requested Federal Share]
Matching Share: [Proposed Matching Share]

Description:
[List all staffing positions by Name/Title proposed to support the activities in this grant application. If the position has not been filled, please insert the title only. Provide the percentage of each position's time devoted to the project or FTE (Full-time Equivalency) as it pertains to this grant application, total amount charged to the project, total Federal share and non-Federal share for the period of performance. Insert as many rows, as needed. Please include a brief narrative of the assigned roles, as it relates to the grant.]

Personnel Description Example

"The Project Manager will be responsible to work directly with companies to provide planning, compliance with program requirements, and manage performance metrics during the project performance period.

The Operations Manager will serve as the community outreach manager responsible for day-to-day operations, education, and networking requirements. He/she will be the primary point of contact for satisfying the operational needs of the incubator clients, coordinating events, and managing relationships with program mentors..."

Staffing Plan

Name/Title	Annual Salary	Total Amount Charged to Project Year 1	Total Amount Charged to Project Year 2	Percentage of Dedicated Time	Total Federal Share	Total Non-Federal Share (Matching)

[animation – staffing plan text box & excerpt from NOFO] Here is an example of the Budget Narrative guidance that's provided in an OIE Notice of Funding Opportunity. As you can see, every budget category requires a corresponding narrative response.

Under the Personnel category there is an additional chart, the Staffing Plan, depicted here [animate – visual emphasis on Description]

The Staffing Plan consists of numerical inputs that allow Reviewers to assess whether the proposed project
- has enough staff to carry out the work proposed
- how much of each person's time will be allocated towards the project, and
- verify the consistency of those estimates with those described in other areas of the application

Think like a Reviewer…

What is the EDA looking for in the Budget Narrative?

Great question! The next section summarizes what to look for to ensure that your submission meets EDA's requirements.

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CHECKLIST – COMPLIANCE
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Budget Narrative Checklist

Compliance

- Page Limit
- Indirect Costs Treatment

✓

- Excluding attachments, the Budget Narrative satisfies the page limit

⊖

- Include indirect costs in the budget without including a statement (& supporting docs., if applicable) on the allocation treatment

Compliance with the requirements provided in the NOFO is a great place to start!

Please make sure that the Budget Narrative, excluding Commitment Letters and other attachments, does not exceed the page limit guidance provided in the NOFO.

And that indirect costs are property accounted for in your numerical and narrative inputs.

Check your Budget Narrative for consistency, meaning that it identifies and justifies how funds in each line item of the budget will be used to support the proposed project.

Specifically, the totals in this section should correspond with the total project costs listed in both Form SF-424, Question 18, Line g [animate - enter form & arrow] and the appropriate totals fields of Form SF 424A. [animate – enter form & arrow]

CHECKLIST – CONSISTENCY
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Budget Narrative Checklist

Consistency

• Salaries across all applicable submissions

As you've probably gathered, the EDA requires you to provide the annual salaries of key project personnel in several sections of the grant application.
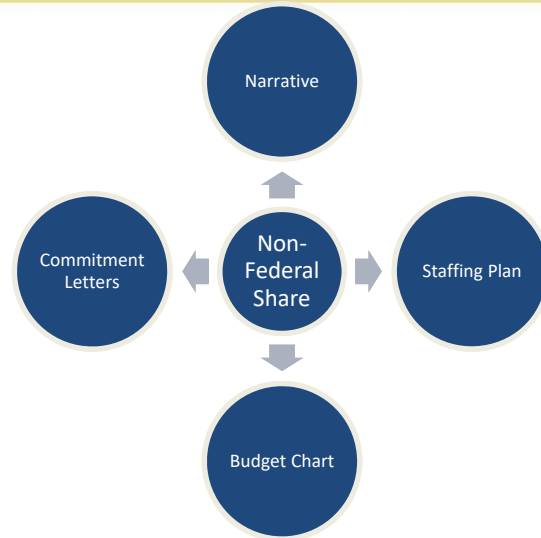
So, when you complete the Staffing Plan, it is important to confirm that [animate - brackets] the Total Federal Share & Total Non-Federal Share correspond with the inputs listed on the SF-424A [animate – arrow on last column] and the amounts provided in the budget chart [animate – arrow on 1st column].

Finally, regarding match documentation, please:

- verify that sources are eligible and documented in all relevant parts of the Budget Narrative
- include itemized valuations of any in-kind matching contributions; and
- include a Commitment Letter for each match source, including one from the applying entity, if applicable

Budget Narrative Checklist

Compliance
- Page Limits
- Indirect Costs Treatment

Consistency
- SF-424
- SF-424A
- Budget Narrative
- Staffing Plan

Capture the Match
- Budget Narrative
- Staffing Plan
- Budget Chart
- Commitment Letters

To review, when you complete the Budget Narrative section of your proposal, please utilize the 3 "C"s-

- Compliance - ensure that your submissions comply with the guidance in the NOFO

- Consistency - check that amounts provided correspond with the totals listed in the Budget Narrative and across the all inputs of the proposal and, finally,

- Capture the Match - verify that the funding sources you cite meet EDA's eligibility criteria previously described and ensure that each source has a corresponding Commitment Letter

https://eda.gov/oie/

Thank you for taking the time to learn about the Budget Narrative requirement for OIE's competitive grant programs, and good luck with your application!