

ATTACHMENT F
BUDGET INFORMATION INSTRUCTIONS

The applicant must prepare the proposed budget using Standard Form (SF) 424 and 424A (available in Adobe Acrobat format <http://www.doleta.gov/sga/forms.cfm>).

Sections A, B, and C of the SF-424A must include budget estimates for the entire grant period. Consistent with the budget instructions for program year 2007, in sections A and B of the 424A applicants **must not** identify how costs are allocated among different functional areas, such as administration and participant wages and fringe benefits. However, applicants must continue to follow the program requirements regarding the expenditure and reporting of funds, including requirements regarding the proportion of funds to be spent in each functional area.

The following instructions are intended to clarify the process of completing the SF-424 grant application and the SF-424A budget form. The current authorizing legislation and regulations should be reviewed as well as OW Bulletin No. 00-20, Allocation of Indirect Costs. Sufficient funding for administrative costs must go to the local levels of program operation.

CLARIFYING INSTRUCTIONS FOR STANDARD FORM 424

If additional space is needed to complete an item, insert an asterisk and use an extra sheet of paper. For the most part, this form is self-explanatory. Grantees must complete all required items, which are identified with asterisks, as well as those items that are not required but are noted below.

Item 1. For type of submission, check “Application.

Item 2. For type of application, check “New.

Item 10. For name of federal agency, list “U.S. Department of Labor, Employment and Training Administration.

Item 12. The funding opportunity number is indicated in the Program Year 08 Funding Application TEGL.

Item 14. This item must be completed; grantees should list all areas where authorized positions are located.

Item 18. The Federal funding for Program Year 2008 for all applicants is listed in Attachment H.

CLARIFYING INSTRUCTIONS FOR STANDARD FORM 424-A

Section A - Budget Summary

Lines 1, Columns (a) and (b).

Under Column (a), enter "SCSEP."

Under Column (b) on Line 1, enter "17.235".

Line 1, Column (c) through (g). Leave Columns (c) and (d) blank. Enter in Columns (e) (Federal), and (f) (Non-Federal) the appropriate amount of funds needed to support the project for the grant period, and in column (g) enter the total.

Lines 2 - 4. Leave these lines blank.

Line 5. Show totals for Columns (e), (f), and (g). The non-federal share must be no less than 10 percent of the total cost of the project. The legislative requirement is found in section 502(c)(1) of the OAA Amendments. Rules regarding States and non-Federal funds are found in the administrative regulations, 29 CFR Part 97. Please indicate as a remark (on Line 23) the specific source(s) and amounts (if known) of any non-Federal funds and include this information in the detailed budget narrative.

Section B - Budget Categories

Consistent with the program year 2007 budget instructions, in section B of the SF-424A applicants **must not** identify how grant funds are budgeted by functional area (such as participant wages and fringe benefits), but instead should note the total amount of funds for each object class category (e.g. personnel, fringe benefits, travel). Section B should include costs for both grant funds and the non-Federal share provided, and costs should only appear in column 1 (and not in columns 2 - 4).

Lines 6a through 6h, Column 1. Show the estimated amount of funds for each direct object class category. All costs to be incurred under contracts or sub-grants should be reflected in line 6f (Contractual). For the purposes of this budget, costs associated with participant wages and fringe benefits should be categorized the following ways:

- When a participant has a community service employment assignment at the grantee’s facilities and is considered an employee of the grantee, then participant wage costs should be listed in “Personnel” and fringe benefits in “Fringe Benefits”
- When a participant has a community service employment assignment at a host agency or sub-recipient’s facilities, but is considered an employee of the grantee, then participant wage costs should be listed in “Personnel” and fringe benefits in “Fringe Benefits”
- When a participant has a community service employment assignment at a host agency or sub-recipient’s facilities, and is considered an employee of the host-agency or sub-recipient, then participant wage and fringe benefit costs should be listed in “Contractual”

Line 6i, Column 1. Show the total of entries made for lines 6a through 6h.

Line 6j, Column 1. Show the amount of indirect costs. A copy of the current indirect cost rate agreement must be sent with the application. Applicants that do not have an indirect cost rate, but have more than one source of funds, are required to contact the Department of Labor’s Division of Cost Determination to determine the process to follow to apply for an indirect cost rate.

Line 6k, Column 1. Enter the total of the amounts indicated on lines 6i and 6j. For all applications, the total amount in Column (1), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5.

Lines 6a through 6h, Column 5. Once column 1 is complete, complete the corresponding lines in column 5. Column 1 and column 5 should be completely consistent.

Line 7. Do not enter an estimate of program income expected to be generated from this grant. **Note:** Income generated by SCSEP projects must be used for SCSEP activities.

Section C – Source of Non-Federal Resources

Line 8. Enter amounts of non-Federal resources that will be used in the grant; do not break down non-Federal resources by functional area.

Column (a). Enter “SCSEP”

Column (b). Enter the amount of cash and/or in-kind contributions to be made by the applicant.

Column (c). Enter the State(s) contribution. Note: State grantees would note their contributions in column (b).

Column (d). Enter the amount of cash and/or in-kind contributions to be made from all other sources.

Column (e). Enter totals of Columns (b), (c), and (d). The amount in Column (e) should be equal to the amount on Line 5, Column (f), Section A.

Line 12. In each column enter the same figure entered in Line (8).

Section D - Forecasted Cash Needs

Make no entries.

Section E - Budget Estimates of Federal Funds Needed for Balance of Project

Make no entries.

Section F - Other Budget Information

Line 21 - Direct Charges. In the space provided type "A detailed budget narrative is attached."

A detailed budget narrative is required with the grant application package. The detailed budget narrative should reflect the SF-424A, with information presented by line item and category. Applicants must provide detail for all line items, and should show costs to be incurred at the national, state, and local level. It is important that applicants indicate how specific costs are linked to the outcomes that the applicants hope to achieve through their grants. The detailed budget narrative should also indicate the specific kinds of non-Federal resources being used to support the grant, such as the provision of office space or the salaries of project staff, and the organization(s) providing them. When specifying the non-Federal resources being used to support the grant, applicants should indicate both cash and in-kind contributions. The detailed budget narrative should clearly differentiate between those costs that are supported with Federal funds and those costs that are supported with non-Federal resources. All applicants should have available for inspection the basis for their estimated costs by line item (including the detail for the "Other" line item).

Applicants requesting approval to use not less than 65 percent of grant funds for wages, benefits, and other costs, so that up to an additional 10 percent of grant

funds are available for participant training and/or supportive services, as specified in OAA 2006 Section 502(c)(6)(C), should not submit a separate budget narrative for these activities. Instead, their detailed budget narrative should identify the specific training and/or supportive service activities that they intend to provide to participants if their request is accepted. Applicants should indicate costs associated with these specific participant training and/or supportive service activities when providing detail for individual line items. In addition, applicants should also indicate in their budget narrative the total amount and percentage of grant funds that will be spent on this training and supportive service provision.

Applicants should not indicate which functional areas specific costs are associated with (i.e. administration, participant wages and fringe benefits, and other participant costs). Instead, applicants should simply provide a one line summary in their narrative of the total grant funds being spent in each functional area, or include a chart similar to the one below. If grantees include a chart similar to the one below, when they indicate costs they should indicate both total grant funds and the percentage of grant funds being expended on those costs.

Total Amount of Federal Grant	Administration Costs - Headquarters	Administration Costs - Local	Participant Wages and Fringe Benefits Costs	Other Participant Costs

The applicant may consult with its Federal Project Officer regarding the needed level of detail. ETA’s Region 2 developed a helpful budget tool which was sent out to all grantees by e-mail in 2007 and will be transmitted again by e-mail after this TEGL is issued. Grantees are strongly encouraged to utilize this tool in developing their budget narratives. In categorizing costs and their applicability, all sponsors must follow OAA 2006 Section 502(c) and the Regulations at 20 CFR Part 641 Subpart H, sections 641.847 - 641.876. Please also see the discussion of administrative costs in the One-Stop Comprehensive Financial Management Guide at http://www.doleta.gov/sga/pdf/FinalTAG_August_02.pdf , pages II-5-3 to II-5-6.

Other considerations: Successful applicants are expected to attend Department - sponsored training and should prepare their budgets accordingly. For example, grantees should allocate funds to attend the meeting for SCSEP grantees to be held in conjunction with the Workforce Innovations conference in 2008.

Line 22 - Indirect Charges. Enter the type of indirect rate (provisional, predetermined, final, or fixed) that will be in effect during the grant period, and the nature and the amount of the base to which the rate is applied, and the total indirect charges. Include a copy of your agency's approved indirect cost rate agreement. It should cover the entire grant period. If not, state that a new one will be provided when available.

Applicants that do not have an indirect cost rate, but have more than one source of funds, are required to contact the Department of Labor's Division of Cost Determination to determine the process to follow to apply for an indirect cost rate.

Line 23 - Remarks. Provide any other explanations or comments deemed necessary.