

Video: Ingredients for a Great Budget

- Writing a budget for a federal grant can be challenging, especially if it's your 1st time. Here are some tips to keep in mind when writing one.
- This video is meant to be an example. Your budget may be different depending on what you are proposing.
- You can construct your budget proposal using these 4 ingredients. (*icons for Budget spreadsheet, budget narrative, SF424A SF424 on screen*)
- You will start with the budget spreadsheet, which lists detailed costs in different budget categories.
- From there, you will summarize your notes and assumptions in a budget narrative.
- Then, you will input the information into SF424A, which sums up the budget categories.
- Finally, you will roll up that information into SF424, which shows your total proposed budget for federal and non-federal share costs.
- Start by creating a budget spreadsheet.
- This will demonstrate your logical thought process to the reviewers.
- Build this spreadsheet by breaking down line item costs.
- For example, show your:
 - Salary and wages
 - Benefits
 - Travel
 - Materials and supplies
 - And equipment, as different line items
- There are no set budgetary line items since every application is different.
- In your budget spreadsheet, be sure to provide enough context for the use of funds.
- For example, if you have a travel budget, identify the city, the travel amount, the position title for who is traveling, the meal cost, and any additional allowable expenses.
- Show the price per line item, and multiply by the scale factors in your spreadsheet so that reviewers can follow your logic.
- If possible, include the name of the event.
- Make sure that the budget fills the entire period of performance. If it's a 1-year grant, make it a 1-year budget.
- In your budget breakdown, when it comes to salaries, you don't have to provide the name of the person but should note the position title, and whether the person will be given a full-time or part-time salary.
- If you have non-federal costs, you need to identify the non-federal and federal share costs
- You must identify the sources of funds for non-federal shares and may need to provide a letter of commitment from third parties to demonstrate their pledge.

- After completing your budget spreadsheet, move on to the budget narrative
- The budget narrative describes your assumptions about your budget and how you will use the funds.
- It should be detailed enough that a reviewer can understand your thought process.
- The numbers and categories should mirror the budget spreadsheet.
- It may help to describe your detailed assumptions and notes in your budget spreadsheet, then build your budget narrative from those notes.
- Now that you've done the hard work on the budget spreadsheet and budget narrative, completing SF424A and SF424 is much simpler.
- SF424A simply sums up your budget categories.
- SF424 sums up your total budget. This is your official budget proposal.
- Before you submit, do a final check:
- Remember, reviewers are looking to make sure numbers add up, with no errors, and are consistent throughout the 4 different ingredients.
- For transparency and accountability, reviewers need to fully understand how you will spend federal funds.
- They will check for the budget to be reasonable, allocable, allowable. For more information about what constitutes as reasonable, allocable, and allowable watch our video titled "Making a Reasonable, allowable, and allocable Budget".
- Don't forget to attach all 4 ingredients so that your application package is complete!
- For more information on completing a budget, visit the OMB website (<https://www.whitehouse.gov/omb/circulars/>). For a sample template to help you get started, visit www.MBDA.gov/2018baa