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## **Best Practice: How to Review Your Budget for Submission**

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Let's assume for the moment that you have successfully drafted a budget for your proposal. Your next step is to read through the narrative and budget together, to ensure consistency throughout. The Catalog of Federal Domestic Assistance (CFDA) suggests six points to review:

- (1) Salaries in the proposal in relation to those of the applicant organization should be similar;*
- (2) If new staff persons are being hired, additional space and equipment should be considered, as necessary;*
- (3) If the budget calls for an equipment purchase, it should be the type allowed by the grantor agency;*
- (4) If additional space is rented, the increase in insurance should be supported;*
- (5) If an indirect cost rate applies to the proposal, the division between direct and indirect costs should not be in conflict, and the aggregate budget totals should refer directly to the approved formula;*
- (6) If matching costs are required, the contributions to the matching fund should be taken out of the budget unless otherwise specified in the application instructions."*

-CFDA [http://12.46.245.173/pls/portal30/CATALOG.GRANT\\_PROPOSAL\\_DYN.show](http://12.46.245.173/pls/portal30/CATALOG.GRANT_PROPOSAL_DYN.show)

### **Best Practice: Justifying the Numbers with a Written Narrative**

Even the simplest proposal budget should be accompanied by a written budget narrative. The purpose of the narrative is to briefly but clearly explain how you arrived at the numbers in the budget.

Consider the example on the next page from The Community Toolbox.

Budget Justification Example: Your "travel" line item is \$2115. Here is some sample text to accompany it:

*The Project Director will present project findings at a total of three national conferences in year two of the project. Airfare will average \$400 per trip; hotels will average \$100 per night; and the per diem (allowance for meals) will be \$35. For three trips averaging three days and two nights each, the total request for travel is \$2115 [\$1200 airfare, \$315 food, and \$600 hotel].*

--The Community Toolbox,

[http://12.46.245.173/pls/portal30/CATALOG.GRANT\\_PROPOSAL\\_DYN.show](http://12.46.245.173/pls/portal30/CATALOG.GRANT_PROPOSAL_DYN.show)

The degree to which you become involved in this aspect of the proposal depends on your role. Are you the sole individual developing the project, drafting narrative, and sketching out the budget? If you do not have sufficient information at your disposal (i.e. salary information for other personnel, engineering estimates), plan ahead to consult with those who can assist you.

The following link provides a valuable example of proposal budgets as well as templates you can use to shape a budget of your own.

Nonprofit Guides- <http://www.npguides.org/guide/budget.htm>

