

**LINE-ITEM BUDGET NARRATIVE
INSTRUCTIONS FOR COMPLETION**

INTRODUCTION

A Budget Narrative explains how you reached your budget numbers. It is required so that the City may address two concerns:

- To evaluate the budget information to ensure costs submitted are allowable, allocable, reasonable, and address the program's needs.
- To provide a source of information for the Grantee to respond to questions about aspects of the line items in the budget that may be unclear.

Please answer the following question for each line item in the Budget Categories. (Document should be 12 font size and single-spaced.)

How was the requested amount determined? (What basis did you use to calculate the numbers?) e.g., formula calculations, historical data, worksheets, etc.

Salaries

For each requested position, provide the following information:

- Name of staff member occupying the position, if available.
- Annual salary.
- Percentage of time budgeted for this program.
- Total months of salary budgeted.
- Total salary requested.

Also, provide a justification basis for the annual salary and describe the scope of responsibility for each position and how it relates to accomplishing the program objectives.

Position Title and Employee Name	Annual Salary	Full-Time Employee	Total Months	Amount Requested
Director	\$80,000	50%	12 months	\$40,000
Teacher	\$50,000	100%	12 months	\$50,000
Teacher Assistant	\$38,000	100%	12 months	\$38,000

JUSTIFICATION

Write a justification for each position. The format may vary, but the description of responsibilities should be related to specific program objectives. See the example below.

JOB DESCRIPTION: EARLY HEAD START DIRECTOR

This position directs the overall Early Head Start program, including but not limited to overseeing the implementation of project activities, coordinating with other agencies, providing program and staff performance evaluation, and collecting, tabulating, and interpreting required data. This individual ensures that reports and documentation are sent to the City of Phoenix. Salaries are consistent with the current organization's compensation policy.

FRINGE BENEFITS

Fringe benefits are usually applicable to direct salaries and wages. Provide information on the rate of fringe benefits used and the basis for the calculation. If a fringe benefit rate is not used, itemize how the fringe benefit amount is computed.

Fringe Benefit	Percentage of Salary	Amount Requested
Retirement	2%	\$ 2,560
FICA	7.65%	\$ 9,792
Workers Compensation	N/A	
Insurance	N/A	
Fringe Benefits Total		\$12,352

SUPPLIES

Individually list each item requested and provide the following information:

- The item requested and type or make and model.
- Number needed.
- Unit cost of each item; and
- Total amount requested.

If appropriate, general office supplies may be shown by an estimated amount per month times the number of months in the budget category. Also, justify using each item to explain the need and basis for the cost and how it relates to the specific program objectives.

Item Requested	Type	Number Needed	Unit Costs	Amount Requested
Computer	Specify type	3	\$ 1,000	\$ 3,000
Tablets	Specify type	2	\$ 700	\$ 1,400
Software	Specify type	1 license	\$ 2,000	\$ 2,000
General Office Supplies	Pens, pencils, paper	12 months	\$ 25.00 per month, per person for ten staff	\$ 3,000
Classroom Supplies	Blocks, manipulatives, Dramatic play, arts and crafts	3 classrooms	\$1,000 per classroom	\$ 3,000
Total Supplies				\$12,400

JUSTIFICATION

Instructional staff will use iPads to take anecdotal notes to track the ongoing progress monitoring. Computers will be used by program staff to collect, analyze, and submit reports. Staff members will use office supplies to carry out the daily activities of the program.

The vendor provided the cost estimates.

Office Supplies: Description of the need

Classroom Supplies: Description of the need

Other: Description of the need

TRAVEL

Travel costs are transportation, lodging, meals, and related items incurred by employees paid from Early Head Start grant funds and traveling on official business related to Early Head Start. Costs may be charged on an actual cost basis (receipts), per diem (see U.S. General Services Administration website), mileage basis, or a combination of the two, provided the method used is applied to the entire trip and not to selected days. Charges must be consistent with the Provider's written travel reimbursement policies.

Travel costs are only allowable with prior written approval from the City of Phoenix.

For Travel, provide a narrative justification describing:

- Purpose of the trip and benefits of the conference/ training/ event for the Early Head Start Program.
- Registration – Fees charged for registration at appropriate training events, conferences, or meetings.
- Air Transportation – Economy or coach class airline fares or equivalent are standard transportation costs for out-of-state events. Baggage fees are allowable for up to two bags.
- **Cancellation fees and/or other additional expenses are not reimbursable.**
- Ground Transportation at Travel Destination – Expenses for ground transportation at the travel destination (taxis, cars for hire, shuttles, or subways/trains) are reimbursable when traveling by air, rail, or bus.
- **Mileage for personal vehicle use between home and the airport is not a reimbursable expense.**
- Use of Personal Vehicle – Reimbursement for using a personal vehicle is limited to the current per-mile rate authorized by the Internal Revenue Service and will not be more than the cost of economy airfare to the same out-of-state destination.
- Rental Vehicles – Rental vehicles are to be authorized by the City of Phoenix only when their use is less expensive than using taxis, cars for hire (Lyft, Uber), shuttles, or subways/trains. In estimating the cost of a rental vehicle, parking at the destination city must also be included.
- Taxi Services (between home and airport) – Usage of shuttles, taxis, ride-sharing services, Light Rail, (or similar business provider) will be reimbursed up to the total allowable amount for airport parking at the standard Sky Harbor economy parking rate of \$12 per day.
- Lodging – Reimbursement for hotel accommodations is limited to the U.S. General Services Administration Lodging Rate Schedule, plus taxes, for the destination city in the U.S. The number of lodging nights eligible for reimbursement cannot exceed the number of full days of scheduled training or conference educational content.

Note: Local travel is travel within 50 miles (using the most direct route) of the traveler's residence and the primary place of work. Only mileage/transportation costs may be charged for local travel.

Per diem and other costs are not allowable for local travel.

Event	Location	Number of People	Registration	Cost of Airfare	Days of Travel	Per Diem Meals and Incidentals	Lodging per night	Amount Requested
National Head Start Association	Phoenix	1	\$675	N/A	2	N/A	N/A	\$ 675
Zero to Three	San Diego	1	\$500	\$200	3	\$63	\$200	\$1,489

JUSTIFICATION

The Project Coordinator and the lead teacher will travel to (XXXX) to attend the Zero to Three conference. Describe in detail the purpose of the travel and the benefits of attending the conference.

Cost estimates are based on the organizational travel policy.

OTHER

This category should include expenditures that do not fit within the other cost categories (e.g., registration costs). Individually list each item requested and provide proper justification related to the program objectives.

Item Requested	Number of Months	Estimated Cost per Month	Number of Staff	Amount Requested
Phones	12	\$250		\$3,000
Postage	10	\$100		\$1,000
Printing	12	\$200	N/A	\$2,400
Internet Services Provider	12	\$500	N/A	\$6,000
Total Other	12	\$250		\$12,400

JUSTIFICATION

For printing costs, identify the types of documents (e.g., procedure manuals, annual reports, and materials for recruitment activities and parent education campaigns) and the number of copies to be printed.

Postage - Description of the need

Printing - Description of the need

Internet - Description of the need

CONTRACTUAL COSTS

Providers must obtain written approval from the City of Phoenix before establishing a third-party contract to perform program activities. The budget requests should include a summary of the proposed contractual request and the cost for each contract proposed.

The following six elements are required before a contract begins:

- **Period of Performance:** Specify the beginning and ending dates of the contract.
- **Scope of Work:** Describe the specific services/tasks to be performed by the contractor and relate them to accomplishing program objectives. Deliverables should be clearly defined.
- **Itemized Budget and Justification:** Provide an itemized budget with proper justification.
- **Name of Contractor:** Identify the name of the proposed contractor and indicate whether the contract is with an individual or organization.
- **Method of Selection:** State whether the contract is the sole source or competitive bid. If an organization is the sole contract source, explain why this contractor is the only source to perform the contracted services.
- **Method of Accountability:** Describe how the progress and performance of the contractor will be monitored. Identify who will be responsible for managing the contract.

Elements 1-3 are required for approval of contract budget requests. If these elements are not known when the application is submitted, the information must be provided later as a prior approval.