

Suggestions for Preparing a Budget

When requesting funding for a grant, presenting an appropriate and accurate budget is very important. More specifically:

- Costs defined in the budget must be consistent with the narrative description of the planned activities.
- Any budget entries that are too vague such as a line item for “Miscellaneous Expenses” is not acceptable. All expenses must be identifiable, cost-specific line items.
- Items we cannot fund include fines, childcare, medical expenses, entertainment, and alcohol.
- “Conducting Research” or a similar activity as part of the proposal will not be supported.
- Food is an allowable item if necessary for the program. For example, if you were getting coffee, tea and fruit for a break, that would be fine. But we could not pay for a dinner. In general, we support food served between program sessions.
- Please be aware that if international flights are a part of the budget you must comply with the [Fly America Act](#). This means that the person travelling must fly a US carrier or another airline with a code share agreement, such as: Delta and Air France, RAM and American Airlines, United and Lufthansa, etc.

Other things to keep in mind when submitting a grant proposal and planning a grant budget:

- Although grant budgets can be amended while the project is underway, amendments due to poor budget planning are unacceptable. Therefore, please plan carefully. Costs for line items in the budget should be exact wherever possible. If you **must** estimate a cost, please do your research carefully.
- Funds must be spent as specified in the budget unless approval is sought from the grants officer.
- If cost sharing is involved, please specify how much will be provided for each cost item in the budget and track it through the entire program.
- At the end of the program, if there are unspent funds, they must be returned to the US Government.
- You cannot start spending funds until the project period has been set, the grant has been signed, and there is a Kickoff meeting. You must spend all funds within the period of performance (the start of the program to the end of the program).

Budget Justification Guidelines

- **Personnel:** Describe the wages, salaries, and benefits of temporary or permanent staff who will be working directly for the applicant on the program, and the percentage of their time that will be spent on the program.
- **Travel:** Estimate the costs of travel and per diem for this program. If the program involves international travel, include a brief statement of justification for that travel. For have US travelers, please see the requirements for travel under the [Fly America Act](#).
- **Equipment:** Describe any machinery, furniture, or other property that is required to implement the program, which has a useful life of more than one year (or a life longer than the duration of the program), and costs at least \$5,000 per unit.
- **Supplies:** List and describe all the items and materials, including any computer devices, that are needed for the program. If an item is more than \$5,000 per unit, put it in the budget under “Equipment.”
- **Contractual:** Describe goods and services that the applicant plans to acquire through a contract with a vendor. Also describe any sub-awards to non-profit partners that will help carry out the program activities.
- **Other Direct Costs:** Describe other costs directly associated with the program, which do not fit in the other categories. For example, shipping costs for materials and equipment or applicable taxes. All “Other” or “Miscellaneous” expenses must be itemized and explained.
- **Indirect Costs:** These are costs that cannot be linked directly to the program activities, such as overhead costs needed to help keep the organization operating. (If your organization has a Negotiated Indirect Cost Rate or NICRA and includes NICRA charges in the budget, attach a copy of your latest NICRA document.) *Organizations that have never had a NICRA may request indirect costs of 10% of the modified total direct costs.*
- **Cost Sharing:** “Cost Sharing” refers to contributions from the organization or entities other than the U.S. Embassy. It also includes in-kind contributions such as volunteers’ time and donated venues.