



Guidance for Submitting Budgets for BHA-Funded Programs

Notes

- BHA encourages organizations to use this guidance as a checklist prior to submitting a budget and budget narrative.
- The budget narrative must provide a justification for each proposed cost in the budget and explain how it was calculated.
- The description of line items whenever applicable should contain the following details: Quantity, Unit of Measure (such as days, trips, or months), Unit Amount/Rate, Total Amount.
- Provide a breakdown of all proposed costs. If you include a lump sum as a line item, the budget narrative needs to break down the built-in costs.
- Estimates can be based on many sources, including but not limited to the local market, quotations received from vendors, historical records, ongoing activities, NGO or sub-grantee policies and procedures. These must be explicitly stated in the budget narrative for a new application or a cost extension/modification.
- The sequence of information in the budget narrative should match that of the budget.

Guidance

- Verify that the proposed costs are allowable, reasonable, and allocable in accordance with [2 CFR 200](#):
 - Allowable: Necessary and reasonable for the performance of the award, consistent with policies and procedures applying to federal awards; accorded consistent treatment (i.e. cannot be charged directly to one award and indirectly to another), and adequately documented;
 - Reasonable: Prudent, does not significantly deviate from organization's established practices, generally recognized as ordinary and necessary for the organization's operation or the proper, and efficient performance of the award; and
 - Allocable: Incurred specifically for the award, necessary to the organization's overall operation, and assigned to the award.

- Fully break down any lump sum budget line item by unit, unit cost, type of cost, quantity, level of effort/full time equivalent (FTE):
 - This includes components of hygiene kits, items in agriculture kits, training costs, monitoring and evaluation costs, surveys and assessments, consultancy rates, fringe rates, etc.; and
 - Any additional supporting tables providing cost breakdowns in the budget narrative must be in either Excel or Word format to facilitate calculation review. Do not include any screenshots or image formats.
- Ensure any proposed shared costs, pooled costs, or regional support costs are adequately explained and justified based on acceptable cost allocation methodology.
- Ensure the budget, budget narrative, and the project overview table reflect the same totals.
- Check for consistent and correct usage of formulae in the budget.
- When using rounded figures, ensure that totals are still correct after rounding off for all budget line items.
- All unit costs must be in U.S. dollars.
- Two decimal points maximum.
- Apply the latest Negotiated Indirect Cost Rate Agreement (NICRA) rate according to the correct base of application before submitting the budget for approval if your organization has a NICRA.
- If you or your sub-awardees are using the de minimis indirect cost rate of 10%, confirm that it is applied correctly to the Modified Total Direct Costs per [2 CFR 200.68](#).
 - This applies to all direct salaries and wages, fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each sub-award.
 - This excludes equipment, capital expenditures, charges for patient care, rental costs, tuition reimbursement, scholarships and fellowships, participant support costs, and the portion of each sub-award in excess of \$25,000.
- Specify if seeking prior approval for any items that are restricted per [2 CFR 200.407](#) and USAID Automated Directives System (ADS) [312.3.3](#).
- Specify if seeking approval to deviate from source and nationality requirements for procurement of goods and services in USAID ADS [310](#).
- Verify that, in accordance with USAID ADS [312.2.4](#)., the application does not request funding for ineligible items.

- Ensure all per diem rates and overseas allowances are reasonable and in accordance with organization policies and the DSSR allowances.
- For all budgeted flights, include the origin, destination, and whether tickets are round-trip or one-way.
- Ensure both prime and sub-awardee(s) use the same budget and budget narrative templates for consistency.
- If your application includes cost share, ensure the budget and budget narrative provide adequate details on proposed cost share.
- If your application includes food assistance, follow BHA Functional Policy (BHA-FP) guidance on Eligible Uses of Section 202(e); Internal Transportation, Storage and Handling; Inland Freight, Monetization Proceeds; and Community Development Funds on the [BHA Emergency Application Guidelines Page](#).
 - Provide modality and commodity details for food assistance and nutrition using the three annex tables required in the Food Assistance and Nutrition sections of [Annex A](#) in the BHA Emergency Application Guidelines.
 - These tables do not need to be included in either the summary or detailed budget, but can be included as a separate annex.