
QUICK REFERENCE

PREPARING BUDGETS FOR USAID ASSISTANCE AWARDS

Follow these steps to develop accurate and complete budgets in response to USAID assistance (grants and cooperative agreements) awards.

1

UNDERSTAND EXPECTATIONS

Read the funding opportunity carefully to determine whether the goals, objectives, parameters, and anticipated results fit your organization's mission, expertise, and past performance.

2

LEARN THE LANGUAGE

A USAID Notice of Funding Opportunity (NOFO) includes many terms that organizations need to understand to partner successfully with the Agency. Find links to key phrases and abbreviations at the end of this document.

3

REVIEW THE REGULATIONS

Establish whether your organization is commercial, nonprofit, or educational and familiarize yourself with the U.S. Government's Title 2 Code of Federal Regulations and USAID Acquisition Regulations (AIDAR).

4

FOLLOW BUDGET PREPARATION INSTRUCTIONS

Carefully read the instructions for creating your budget to ensure that you understand and can provide the required information. Assistance solicitations require the use of Standard Form 424A, "Budget Information for Non-Construction Programs."

5

PLAN YOUR BUDGET

When evaluating an assistance funding opportunity, identify the budget categories that require cost estimates and determine how you will gather the information you need to present budget totals accurately and completely.

6 MEET THE CRITERIA FOR SUCCESS

Include sufficient detail in your response to the funding opportunity to enable USAID to evaluate your budget and confirm whether the anticipated cost estimates and level of effort are:

- Realistic for the work to be performed;
- Allocable and incurred specifically for the award;
- Allowable and conforming to any limitations in the award;
- Reflective of a clear understanding of the contract requirements; and
- Consistent with your technical proposal and budget narrative.

7 PRESENT A COMPLETE PICTURE

You should fully explain all budget costs in your budget narrative, including assumptions you made to arrive at those costs and your sources. This helps USAID evaluators understand the cost implications of your proposed interventions.

8 PLAN FOR YOUR PERSONNEL

The salaries and wages section is the first section in acquisition budgets. Include full details on all key personnel and follow the requirements, salary limits, and cost thresholds provided. Comply with local labor laws and be sure to explain cost escalations such as salary increases and inflation.

9 BE CONSISTENT

Subawardees' detailed budgets must be included in the detailed budget worksheet of the prime recipient. The format of a subawardee's budget should follow that of the prime and include relevant cost categories. Keep in mind that the prime organization is responsible to USAID for its subawardees.

10 SUPPORT A TEAM EFFORT

Coordinate with relevant team members throughout the budget preparation process to ensure that budgeted costs match your technical approach and align with labor and other expenses. Include time for a final review by colleagues who will manage the grant or cooperative agreement.

RESOURCES:

- [Glossary of ADS Terms](#) and “Acronym Soup”
- [USAID's Definitions of Words and Terms](#)
- [Title 2 Code of Federal Regulations for Grants and Agreements](#)
- “Understanding USAID Awards” module
- “Effectively Responding to USAID Award Solicitations” module

For questions related to this resource, contact USAID's Industry Liaison at IndustryLiaison@usaid.gov.