



USAID
FROM THE AMERICAN PEOPLE

PREPARING BUDGETS FOR USAID ASSISTANCE AWARDS

“How to Work with USAID” Training Series

Visit [WorkwithUSAID.org](https://www.WorkwithUSAID.org) to learn more.



LEARNING OBJECTIVES

- Review how to effectively interpret USAID assistance solicitations.
- Learn how to evaluate criteria to identify a good funding fit.
- Determine the key elements needed to prepare accurate budgets in response to solicitations.
- Discover resources to help you successfully prepare proper cost proposals.



WHY USAID PARTNERS WITH ORGANIZATIONS



USAID Mission:

To lead the U.S. Government's international development and disaster assistance efforts.

USAID offers this assistance on behalf of the American people through partnerships and investments that:

- Save lives;
- Reduce poverty;
- Strengthen democratic governance; and
- Help people emerge from humanitarian crises and progress beyond assistance.

ASSISTANCE AND ACQUISITION

USAID has two types of solicitations that may result in two types of awards: assistance and acquisition.

1. ACQUISITION AWARDS: contracts

USAID purchases goods and services from a contractor for the government's own use or to implement an activity. The Agency provides primary direction to the partner.

2. ASSISTANCE AWARDS: grants and cooperative agreements

The Agency provides funds to accomplish a public purpose and will have limited involvement.

For details, see the [“Understanding USAID Awards”](#) module.



RULES AND REGULATIONS

Several sets of general regulations govern USAID awards.

U.S. GOVERNMENT REGULATIONS

- The **Code of Federal Regulations (CFR)** governs how USAID issues acquisition and assistance awards.
- **Federal Acquisition Regulations (FAR)** include primary rules that guide how U.S. Government agencies acquire supplies and services.

USAID INTERNAL POLICIES

- The **Automated Directives System (ADS)** outlines operational policies covering all Agency and partner activities. Assistance awards are governed by ADS Chapter 303: “Grants and Cooperative Agreements.”
- **USAID Acquisition Regulations (AIDAR)** govern how USAID administers public funds.

GLOSSARY

- **Two types of Notices of Funding Opportunity (NOFOs)**
Request for Application (RFA) and an Annual Program Statement (APS)
- **Budget Line Items**
Define deliverables or organize information about deliverables in your budget
- **Negotiated Indirect Cost Rate Agreement (NICRA)**
Document that reflects an estimate of indirect cost rates negotiated between the U.S. Government and a U.S. organization (Partners without a NICRA may instead use a 10-percent de minimis rate.)
- **Financial review**
Analysis of a USAID-funded organization's financial policies, procedures, systems, and controls
- **Cost share**
The resources a partner contributes to the total cost of an agreement
- **Agreement Officer's Representative (AOR)**
Your main point of contact with USAID for technical matters

GRANTS

Grants accomplish a public purpose where substantial involvement by USAID is not anticipated.

- They may be used for:
 - Conferences;
 - Surveys;
 - Policy papers; and
 - Some technical development assistance.
- They enable a partner to complete activities and build institutional capacity.



COOPERATIVE AGREEMENTS

Cooperative agreements also accomplish a public purpose, but *with substantial involvement by USAID.*

- Involvement may include (but is not limited to):
 - Approval of implementation plans;
 - Approval of specified key personnel; and
 - Collaboration between USAID and the partner.
- Read the “substantial involvement” section of the solicitation or agreement to understand the role the Agency will play.

See the ADS, Chapter 303, for rules governing grants and cooperative agreements.



SOLICITATIONS

IDENTIFY OPPORTUNITIES

Find assistance funding opportunities on [Grants.gov](https://www.grants.gov).

The screenshot shows the Grants.gov search results page. The search criteria are: Keyword(s): [empty], Opportunity Number: [empty], CFDA: [empty]. The search results are sorted by Posted Date (Descending) and show 114 results. The first few results are:

Opportunity Number	Opportunity Title	Agency	Opportunity Status	Posted Date ↓	Close Date
SCAKAB-21-CA-002-SCA-03302021	Management of the U.S. Public Diplomacy Program Alumni Network	DOS-AFG	Posted	04/02/2021	06/03/2021
RFA-DA-22-002	Limited Competition Coordinating Center for the HIV/AIDS and Substance Use Cohorts Program (U24 - Clinical Trial Not Allowed)	HHS-NIH11	Posted	04/02/2021	08/09/2021
21CS21	Developing Coaching Assessment for Evidence Based Practices	USDOJ-BOP-NIC	Posted	04/02/2021	05/01/2021
DHS-21-DAD-024-00-04	Emergency Food and Shelter National Board Program (EFSN), pursuant to the American Rescue Plan Act of 2021, Section 4007	DHS-DHS	Posted	04/02/2021	04/07/2021
21JD01	Strategic Inmate Management Initiative	USDOJ-BOP-NIC	Posted	04/02/2021	06/18/2021
STATE-BISHKEK-PAS-21-0001	Annual Program Statement for Public Affairs Cultural and Educational Programs ("Public Diplomacy Grants Program"), U.S. Embassy - Bishkek	DOS-KGC	Posted	04/02/2021	08/02/2021
STATE-BISHKEK-PAS-21-0002	U.S. Embassy-Bishkek Democracy Commission Small Grants Program	DOS-KGC	Posted	04/02/2021	05/31/2021
L21AS00317	Department of the Interior - Bureau of Land Management Utah Wildlife Resource Management	DOI-BLM	Posted	04/02/2021	05/03/2021
L21AS00305	Department of the Interior - Bureau of Land Management Utah Threatened and Endangered Species	DOI-BLM	Posted	04/02/2021	05/03/2021
F20AS00232	White-Nose Syndrome Grants to States and Tribes	DOI-FWS	Posted	04/02/2021	06/01/2021
RFA-TR-21-015	Intramural - Extramural Collaboration for Drug Screening with Biofabricated 3-D Disease Tissue Models (UH2/UH3 Clinical Trial Not Allowed)	HHS-NIH11	Posted	04/02/2021	06/28/2021

FIND A GOOD FIT

To help you evaluate an assistance solicitation:

1. Determine the main parameters of the award's requirements.
2. Review the specifications and requirements of the RFA or APS.
3. Read the instructions several times. They tell you how to prepare your technical and cost proposal.
4. Closely examine the evaluation criteria.

Follow upcoming funding opportunities on the [USAID Business Forecast](#).

DETERMINE PARAMETERS

This RFA includes:

- Timeline
- Award amount
- Type of award
- Important deadlines
- General overview of activity goals



USAID | **PAKISTAN**
FROM THE AMERICAN PEOPLE

Issuance Date: **April 3, 2013**
RFA Clarification Questions Due: **April 10, 2013, 1700 hrs (PST)**
Closing Date and Time for Application Submission: **May 6, 2013, 1700 hrs (PST)**

Subject: Request for an Application (RFA) No. 391-13-000009;
Child, Newborn, and Maternal Health Project

To Whom It May Concern:

The United States Agency for International Development (USAID) Mission to Pakistan invites interested *Non-Governmental Organizations (US and Non-US), Private Voluntary Organizations (PVOs), Faith Based Organizations (FBOs), Public International Organizations (PIOs), and For Profit Organizations* to submit an application for the Child, Newborn, and Maternal Health Project. The period of the Project is approximately 5 years (July 1, 2013 – June 30, 2018) with an estimated overall amount of USD \$60 million dollars.

For the purposes of this RFA, the term "Award" is synonymous with "Cooperative Agreement;" "Grantee" is synonymous with "Recipient." The authority for the RFA is found in the Foreign Assistance Act of 1961, as amended.

Pursuant to 22 CFR 226.81, it is the policy of USAID not to award a profit under assistance instruments. However, all reasonable, allocable, and allowable expenses (both direct and indirect), that are related to the Cooperative Agreement are in accordance with applicable cost standards (22 CFR 226, 2 CFR Part 230 for non-profit organizations, 2 CFR Part 215 for "Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations", 2 CFR Part 220 for "Cost Principles for Educational Institutions" and the

DETERMINE PARAMETERS

Notice:

- Eligible organizations
- Involvement of local expertise and institutions
- Applicable regulations

Pursuant to the authority granted with the Foreign Assistance Act of 1961, as amended, the United States Government, represented by the Agency for International Development (USAID) Mission to the West Bank and Gaza is seeking applications from qualified U.S. Non-Governmental Organizations (NGOs), U.S. Private Voluntary Organizations (PVOs), Public International Organizations (PIOs), and U.S. for profit firms (provided they forgo profit) to implement a program entitled “School Improvement Program”. Applicants are encouraged to utilize local expertise and local institutions whenever possible in implementing the program.

Dear Prospective Applicants:

Pursuant to the authority granted with the Foreign Assistance Act of 1961, as amended, the United States Government, represented by the Agency for International Development (USAID) Mission to the West Bank and Gaza is seeking applications from qualified U.S. Non-Governmental Organizations (NGOs), U.S. Private Voluntary Organizations (PVOs), Public International Organizations (PIOs), and U.S. for profit firms (provided they forgo profit) to implement a program entitled “School Improvement Program”. Applicants are encouraged to utilize local expertise and local institutions whenever possible in implementing the program.

Pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable and allowable expenses, both direct and indirect, which are related to the agreement program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for profit organizations), may be paid under the anticipated award.

Issuance of this RFA does not constitute an award commitment on the part of the Government, nor does it commit the Government to pay for costs incurred in the preparation and/or submission of an application. Applicants who come under consideration for an award that have never received USAID funding will be subject to a pre-award audit to determine fiscal responsibility, ensure adequacy of financial controls, and establish an indirect cost rate (if applicable).

Subject to the availability of funds, USAID/West Bank and Gaza intends to provide approximately \$20 Million in total USAID funding for this activity to be allocated over a four-year period.

Pursuant to 22 CFR 226.81, it is USAID policy not to award profit under assistance instruments. However, all reasonable, allocable and allowable expenses, both direct and indirect, which are related to the agreement program and are in accordance with applicable cost standards (22 CFR 226, OMB Circular A-122 for non-profit organization, OMB Circular A-21 for universities, and the Federal Acquisition Regulation (FAR) Part 31 for profit organizations), may be paid under the anticipated award.

REVIEW ACTIVITY DESCRIPTION

As you read the description, assess whether the goals fit your organization's strengths and expertise.

USAID usually provides the following for an activity:

- Goals, objectives, anticipated results;
- Suggested interventions; and
- Innovative solutions to the problem or results envisioned.



BUDGET PREPARATION INSTRUCTIONS

Carefully read the instructions to ensure that you understand:

- Submission details;
- Required forms and formats;
- Cost and budget category details; and
- References to regulations.

GRANTS.GOV™
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VIEW GRANT OPPORTUNITY

72061321RFA00007
Strengthening Media for Accountability in Zimbabwe Program (SMAZ)
Agency for International Development
Zimbabwe USAID-Harare

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SYNOPSIS | VERSION HISTORY | **RELATED DOCUMENTS** | PACKAGE

Print Related Documents List ?

Click on the following file link(s) to download the related document(s):

File Description	File Name	Last Updated Date/Time	File Size
Folder: Full Announcement - Notice of Funding Opportunity	72061321RFA00007-Full Announcement - Notice of Funding Opportunity.zip	Mar 26, 2021 01:39:53 PM EDT	564.9 KB
Annex 1 - Budget Template	Annex 1 - Detailed and Summary Budget Template.xlsx	Mar 26, 2021 01:39:53 PM EDT	106.0 KB
Notice of Funding Opportunity Number: 72061321RFA00007	72061321RFA00007 - Strengthening Media Accountability in Zimbabwe.pdf	Mar 26, 2021 01:39:00 PM EDT	495.0 KB

EVALUATION CRITERIA FOR COST PROPOSALS

USAID will evaluate your cost proposal and level of effort on three points.

1. **Reasonable:** Costs are generally recognized as ordinary and necessary.
2. **Allocable:** Costs are incurred specifically for the award.
3. **Allowable:** Costs are not disallowed by the terms of the award.



SOLICITATIONS

SUMMARY

- Determine whether an opportunity is a good fit by reviewing all the details.
- USAID funding is awarded on a competitive basis.
- Is your organization ready?





COST PROPOSAL REQUIREMENTS

COST PRINCIPLES

Review the cost principles (rules) that govern your type of organization.

Use these sections of the Code of Federal Regulations to determine the cost principles that you must follow:

- For-profit entities: Title 48, Part 7 (as well as FAR Part 31 and AIDAR Part 731)
- Nonprofits: Title 2, Part 230
- Educational institutions: Title 2, Part 220
- Overall guidance on administrative, cost, and audit rules: Title 2, Part 700

Solicitations typically provide guidance about the budget format and the templates to use.

Find links to these regulations in the “Resources” section.

BUDGET CATEGORIES

**CONTRACTORS AND SUBCONTRACTORS (ACQUISITION)
AWARDEES AND SUBAWARDEES (ASSISTANCE)
GRANTEES AND SUBGRANTEES (ASSISTANCE)**

INDIRECT COSTS

Apply your organization's preapproved Negotiated Indirect Cost Rate Agreement (NICRA).

OTHER DIRECT COSTS

Provide proper estimates for both operational and programmatic costs.

CONSULTANTS

Clearly define labor costs and follow daily rates for consultants.

SALARIES AND WAGES

List the key personnel on your project. Note the requirements, salary limits, and cost thresholds.

FRINGE BENEFITS AND ALLOWANCES

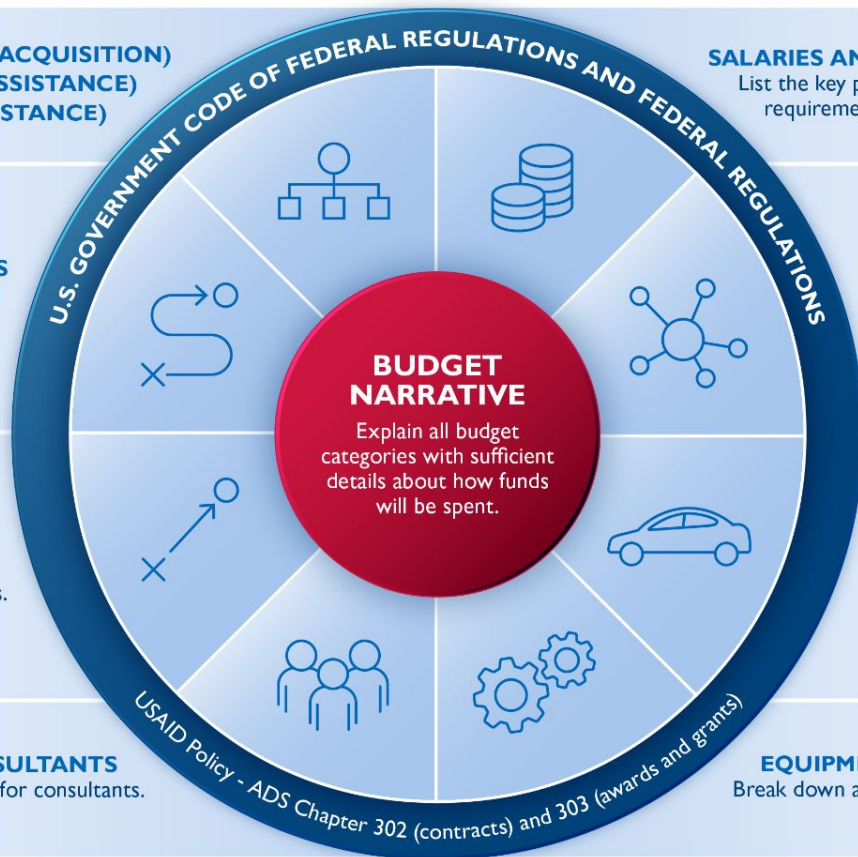
Present fringe benefits as direct costs. Break down allowances by specific type.

TRAVEL AND TRANSPORTATION

Separate domestic and international travel. Provide the number of trips and cost per trip.

EQUIPMENT AND SUPPLIES

Break down and explain pricing for equipment and supplies.



SALARIES AND WAGES

Every solicitation asks for a list of key personnel and staff required for your project.

Your budget proposal should include the following for each *key* individual:

- Position;
- Name;
- Nationality;
- Daily rate;
- Number of proposed workdays; and
- Total costs.

You must follow the requirements and salary limits provided.



FRINGE BENEFITS AND ALLOWANCES

In addition to salaries and wages, an organization may provide:

- **Fringe benefits** such as vacation days, health insurance, and retirement benefits. These may be presented as direct costs or as a percentage per authorized NICRA.
 - Fringe benefits vary by country, so make sure you are compliant with local labor laws.
- **Benefit allowances** for costs such as housing, storage, and education. Allowances must be broken down by specific type—such as danger pay or housing—and by person.

Find more guidance on allowances at the [U.S. Department of State Office of Allowances.](#)



TRAVEL AND TRANSPORTATION

Clearly separate domestic and international travel costs.

Provide the number of trips you anticipate and the estimated cost per trip, including airfare and per diem. Describe the basis of your calculations.

International travel must:

- Be approved in advance.
- Comply with the Fly America Act whenever possible.

Find more guidance on per diem rates at the [U.S. Department of State Office of Allowances.](#)



EQUIPMENT AND SUPPLIES



Federal and USAID rules require you to break down and explain pricing and to justify all equipment and supplies.

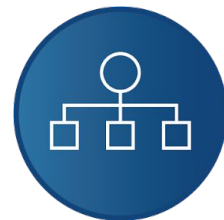
- **Equipment**—non-expendable personal property—is defined as tangible property with a useful life of more than two years and a unit cost of more than \$500.
- **Supplies** include all other items that cost less than \$500 and consumable supplies such as pens, pencils, and paper.



SUBGRANTEES AND SUBAWARDEES

A subgrantee or subawardee is a sub-partner contracted by a lead, or “prime,” partner to help meet activity objectives.

- A sub-partner helps makes programming decisions, and its performance is measured against activity goals.
- Submit detailed budgets for each sub-partner in separate worksheets or tabs of your Excel file.
- The format of a sub-partner’s budget should be the same as that of the prime’s budget.



CONSULTANTS



Partners may also work with consultants to help with activity implementation.

A **consultant** is a technical expert or specialist who is not your regular employee. A consultant is also a subcontractor.

- Include consultant labor costs in this section of the budget.
- These costs can also be presented as a separate section of your cost proposal.



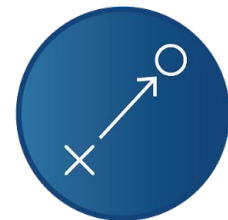
OTHER DIRECT COSTS



This section generally includes two types of costs:

- **Field office operations costs**
- **Programmatic costs**

Sometimes, the line between these two categories is difficult to determine. Do your best to assign direct costs to either the operations or programmatic function.



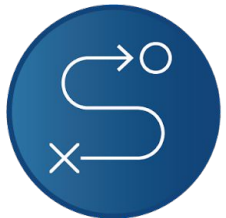
INDIRECT COSTS

Indirect costs include expenses that cannot be attributed to one activity, such as costs in the head office for implementing multiple activities.

Rates for indirect costs may be submitted in two ways:

- **Established partners** typically apply preapproved rates from a Negotiated Indirect Cost Rate Agreement (NICRA) with the Agency.
- **New partners without a NICRA** may opt to budget costs as “direct costs” or they may propose a rate, such as the 10-percent de minimis rate.

Learn more about using the [10-percent de minimis rate](#).



BUDGET NARRATIVE

A budget narrative includes:

- Explanations of budget categories;
- Descriptions and justifications of each line item; and
- Sufficient detail to allow USAID to assess proposed costs and see precisely how its money will be spent.

To make it easier for reviewers to understand, ensure that your budget narrative follows the exact format of your detailed budget.

Do not describe mathematical transactions; rather, explain the rationale for the proposed costs.

DETAILED BUDGET EXAMPLE

ATTACHMENT 5 NOTE: This is a sample budget. Each organization will need to adapt this budget to their specific needs. Please note that USAID may provide a specific template and instructions for this budget.

 **USAID MANDATORY BUDGET FORM**
FROM THE AMERICAN PEOPLE Budget Summary Spreadsheet: Dollars

Please provide the information requested for each year, the totals, and a by-line-item explanation. All amounts in US \$. If more subcontractors are proposed please insert additional worksheets as needed.

ITEM	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
LABOR					
FRINGE BENEFITS					
ALLOWANCES					
TRAVEL					
EQUIPMENT					
SUPPLIES					
OTHER DIRECT COSTS (Include sub-contracts here)					
SUPPORT FUND					
INDIRECT COSTS					
AWARD FEE POOL					
TOTAL ESTIMATED COSTS					

Build this out to the length of time listed in the solicitation; for example, five years.

DETAILED BUDGET EXAMPLE

3. Travel						
3.1 International Travel						
3.1.1 Long-term Technical Assistance (LTTA) Flights						
Mobilization/Demobilization - One Way		to/from	/one way	\$350.00	4	\$ 1,400
3.1.2 Short-term Technical Assistance (STTA) - HQ						
International Airfare - Washington DC to Almaty		Almaty	/RT	\$1,500.00	5	\$ 7,500
3.1.3 Short-term Technical Assistance (STTA) - Consultants						
International Airfare - Washington DC to Almaty		Almaty	/RT	\$1,500.00	3	\$ 4,500
3.1.4 Per Diem (Lodging and M&IE) & Ground Transport						
<i>International Travel Per Diem</i>						
Lodging and M&IE - Per Diem (Almaty)			/days	\$316.00	112	\$ 35,332
Ground Transport		Almaty	/trip	\$150.00	8	\$ 1,200
3.2 Regional Travel						
International Airfare - (Regional)			/RT	\$350.00	24	\$ 8,400
Lodging and M&IE - Per Diem Dushanbe			/days	\$320.00	40	\$ 12,800
Lodging and M&IE - Per Diem Ashgabat			/days	\$282.00	40	\$ 11,280
Lodging and M&IE - Per Diem Tashkent			/days	\$279.00	40	\$ 11,160
Ground Transport			/trip	\$150.00	24	\$ 3,600
3.3 Local Travel						
Local Transportation			/month	\$500.00	12	\$ 6,000
Sub-total Travel						\$103,232

BUDGET NARRATIVE EXAMPLE

3.1.3 Short-term Technical Assistance (STTA) Expatriate/Consultants Flights

The budget includes 15 round-trip airfares at \$1,500 on average per airfare from U.S. city to Almaty for consultants' travel to post. Airfare costs are based on current Fly America-compliant, refundable economy-class airfare quotes from our in-house travel agent from U.S. city to Almaty Kazakhstan. Three trips per year are budgeted for each program year.

3.1.4 Per Diem (Lodging and M&IE) and Ground Transport

Per diem is budgeted based on the rates provided in the Department of State Standardized Regulations (DSSR), Chapter 925. The following assumptions have been budgeted per diem:

- a) *International Travel Per Diem:* Lodging and M&IE is budgeted at \$316/day per the DSSR for international HQ, STTA, and consultants traveling to Kazakhstan. Each trip is budgeted for 14 days inclusive of travel days. We calculated per diem days based on the LOE budgeted under personnel for HQ, STTA, and international consultants.
- b) *Ground Transport:* \$150 per trip is budgeted for ground transport for HQ, STTA, and consultant travel to Kazakhstan.

SAMPLE BUDGET SUMMARY

		Budget SUMMARY					
Program Name:							
Program Dates:							
Cost Category		Year 1	Year 2	Year 3	Year 4	Year 5	Total All Years
a.	Personnel	-	-	-	-	-	-
b.	Fringe Benefits	-	-	-	-	-	-
c.	Travel	-	-	-	-	-	-
d.	Equipment	-	-	-	-	-	-
e.	Supplies	-	-	-	-	-	-
f.	Contractual	-	-	-	-	-	-
g.	Construction	-	-	-	-	-	-
h.	Other Direct Costs	-	-	-	-	-	-
i.	Total Direct Charges	-	-	-	-	-	-
j.	Indirect Charges	-	-	-	-	-	-
k.	TOTALS	-	-	-	-	-	-

TEAM COORDINATION

As you prepare the budget proposal, coordinate with different teams across your organization.

- With your **technical team**, ensure that proposed costs match the program design.
- With your **human resources team**, confirm that labor costs are in line with negotiated costs and your policies.
- With your **in-country field office**, ensure that travel and other costs are reasonable and appropriate.

Be sure to include time for a final review of the proposal by colleagues who would administer any award agreement.

KEY POINTS

To successfully prepare a budget for a USAID assistance solicitation, you should:

- Evaluate a solicitation's **main parameters** and the **description, specifications, or statement of work**.
- Review all aspects of the solicitation's **instructions**.
- Include **details and sources** for your cost proposal.
- Coordinate with relevant **team members**.
- Develop a **budget narrative** that clearly explains costs for different line items.

RESOURCES

- **ADS Chapter 303: “[Grants and Cooperative Agreements](#)”**
- **Code of Federal Regulations (CFR): for-profits use [Title 48, Part 7](#) (as well as FAR [Part 31](#) and AIDAR [Part 731](#)); nonprofits use [Title 2, Part 230](#); educational institutions use [Title 2, Part 220](#); find overall guidance at [Title 2, Part 700](#)**
- **USAID’s “[Acronym Soup](#)” and “[Glossary of ADS Terms](#)”**
- **USAID funding opportunities: [Business Forecast](#) and [Grants.gov](#)**
- **[Standard Form 424 for Assistance Opportunities](#)**
- **[Types of Assistance Instruments](#)**
- **[When to Use the 10% De Minimis Rate](#) infographic**
- **U.S. Department of State’s [allowance rates](#) and [per diem rates](#)**
- **[Fly America Act/Open Skies Agreement](#)**
- **USAID training modules at [WorkwithUSAID.org](#):**
 - **[“Effectively Responding to USAID Award Solicitations”](#)**
 - **[“Preparing Budgets for USAID Acquisition Awards”](#)**
 - **[“Building Strong Sub-Partnerships”](#)**

Thank You





This module was produced by the United States Agency for International Development. The presentation team includes staff from both USAID and the Partnerships Incubator.

USAID thanks all of the individuals who contributed their time and ideas toward the development of this training module.

Email questions and feedback: **IndustryLiaison@usaid.gov**



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The power of
partnership
starts here.



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