

## Attachment: Budget Narrative

*Please provide a complete budget narrative, sometimes known as a budget justification, for every line item in your attached budget detail. The purpose of the budget narrative is insure that the programme staff and evaluation committee clearly understand the purpose of the proposed costs.*

*Directions: Once the project's budget detail is final, write 2-3 sentences for each budget item under its corresponding category. Save the narrative in a .doc or .docx format and send with your grant application. Examples are provided for each budget category which you may replace with your own information.*

### **Category: Personnel**

#### Example:

Project Director: The Project Director currently oversees the programme and will spend 100% of her time hiring, training, and supervising staff. This individual's annual salary will be covered by grant funds for the 12 months of the project. Fringe benefits of 17.1% are included. Fringe benefits include taxes, social security, health and life insurance.

### **Category: Travel**

Please explain when travel is budgeted for personnel and when it is budgeted for participants, if necessary. Provide the estimated travel dates, location, and duration to extent possible. Applicants may separate line items in the budget detail and budget narrative according to purpose of travel or category of travel (airfare, daily subsistence allowance, or other travel costs).

#### Example:

Airfare: Costs include roundtrip airfare, baggage, and related fees to send 2 staff members and 1 partner to the three-day District Meeting in destination X in month X.

Or

District Meeting: Three people to funder-required three-day district training in destination X in month X. Two participants are staff members, the third participant is a partner from the partnering organization X

3 people x \$500 airfare = \$1,500

3 people x 3 days x \$40 allowance = \$360

3 people x 2 nights x \$100.00 hotel = \$600

Note: Please note that air travel (if required) should be booked in economy class.

**Category: Operations Costs**

*Subcategory: Consumables*

Example:

Project Computer: Project Computer x 1 = \$800. The computer will be housed in the administrative office and will be checked out by staff when they go out into the field. It will be connected to the office network for the purpose of maintaining databases and performing administrative work connected to the project.

*Subcategory: Contracts/Consultants*

Example:

Consultant: Provide a description of the product or services to be provided by the consultant and an estimate of or detailing of exact cost, according to your procurement policy. For example, include: a) Consultant Fees (for each consultant enter the name, service, hourly or daily fee, and estimated time on the project, where possible)

Contract: For contracts, provide a description of the transactional services the organisation wishes to purchase.

Note: Consider engaging with local suppliers to understand where there is potential to a) support your local market and supply chain, and b) lower shipping/travel costs. The UN Global Compact has a network of local chapters around the world that may be helpful, with national vendors that support sustainable procurement. Please see <https://www.unglobalcompact.org/engage-locally> for more information.

*Subcategory: Subcontracts/Subgrantee Allocations*

If your grant project involves passing grant funds to another, typically smaller, organization to participate in the project, please name the organization and very briefly explain their involvement. Please explain any fees, if necessary.

**Category: Other Costs**

Other costs are costs that are directly attributable to the project, but do not clearly relate to other budget categories.

**Category: Indirect Costs**

Please indicate the percentage of your indirect cost rate, but do not exceed 10%. Indirect costs are different from direct costs. Please see the table below to better understand the difference between direct and indirect costs.

Defining Direct and Indirect Costs	
Direct costs are incurred costs that are:	Indirect costs are incurred costs that:
Directly attributable to the action as outlined in the 'description of action,' e.g. contract to build website	May be overhead costs, e.g. utilities, internet service, accounting and legal fees, etc.
Specifically provided for in the approved budget, e.g. t-shirts for participants	Do not require verifiable vouchers,
Supported by original and verifiable vouchers for the incurred period, e.g. the item or service comes with a quote, invoice, and/or receipt.	Are calculated as a percentage against the total of incurred direct costs