FSA ORGANIC CERTIFICATION COST-SHARE PROGRAM
BUDGET NARRATIVE GUIDANCE FOR ADMINISTRATIVE COSTS

The guidance below is provided to assist recipients prepare a budget narrative for costs required to administer OCCSP awards (accepting and reviewing applications, making payments, etc.). The administrative budget does not include pass-through funds that will be paid out to producers and handlers. The cost categories are listed in the same order as they appear on the SF-424A.

Amounts included in the SF-424A and budget narrative should match. Budget amounts are estimates. Payments will be based on actual expenditures. The total amount of administrative costs, including both direct costs and their associated indirect costs, cannot exceed 10 percent of the amount requested for payments to producers and handlers.

PERSONNEL – Only include employees of applicant organization
This category includes salaries and wages of personnel of the applicant organization (i.e., employees) that will be working directly on the project. For each position, identify their role and describe their contributions to the project. Also include their annual salary and percent of effort they will contribute to the project (or their hourly wage and number of expected hours) along with the associated funds requested for support.

Examples:

Outreach Coordinator. Accountable for overseeing outreach and application processes. Will provide oversight of daily activities and lead and direct the project. Responsible for the submission of the required reports.

Salary	% effort	Project Duration	Amount Requested
$50,000	25%	12 months	$12,500

Technician. Receives and processes producer applications.

Hourly wage	Hours/month	Project Duration	Funds Requested
$20	20	12 months	$2,800

FRINGE BENEFITS – Only related to salaries identified under Personnel
Fringe benefits include, but are not limited to, the costs of leave (e.g., vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Also, see 2 CFR 200.431, Compensation-Fringe Benefits. Provide information about how fringe benefits are determined along with the amount requested.

For instance:
Fringe benefits - 25% of salaries and wages ($12,500 @ 25%). Requested amount: $3,125

TRAVEL
OCCSP administrative budgets should typically not include travel costs. However, when justified, travel costs should be presented as described below.

Identify the total funds requested for travel. Provide as much detail as possible including purpose, destination, dates of travel, and number of individuals for each trip. If the dates of travel are not known, specifyestimated length of trip. Identify what will be followed (e.g., organizational travel policies or government per diem rates).

Examples:

- 2 people - travel to State capitol once per year for a two-day meeting [identify purpose of meeting].
  Airfare $800 x 2 for airfare = $1,600;
  Airport parking = $64
  Hotel for 3 nights x 2 @ $200 = $1,200;
  Meals for 2 days x 2 = $245;
  Rental car for 3 days @ $110/day = $330. Total for trip: $3,439
- Local travel for Outreach Coordinator is calculated at .58 per mile throughout primary service area x 326 miles/month x12 months = $2,269

EQUIPMENT

Equipment is defined as an item of property that has an acquisition cost of $5,000 or more (unless the organization has established lower levels) and an expected service life of more than one year.

OCCSP administrative budgets should typically not include equipment costs. Contact the grants management specialist identified in the Notice of Funding Opportunity if there are questions about including equipment costs in the budget.

SUPPLIES

Supplies is defined in 2 CFR 200.94 as all tangible personal property other than those described in 2 CFR 200.33 Equipment.

Indicate general categories of expendable supplies including an amount for each category.

Example:

Printed materials	$600
Postage ($37/mo. x 8 mo.)	$296
Total:	$826

CONTRACTUAL

This category includes consultants, subcontracts for temporary staff, etc.

For each contract, describe the associated activities, scope of work or services to be provided and how the costs were estimated. If budgeting for a procurement action, document if a solicitation process has occurred or if the contract will be a sole source.

Example:

- ProTempSolutions will provide temporary staffing to assist with producer application processing. The company will provide an estimated 1,000 hours at $15/hour for an estimated total of $15,000.

CONSTRUCTION

Construction is not an allowable cost category for OCCSP awards.

OTHER

Costs not fitting under one of the other categories are to be included under this category. OCCSP administrative budgets should not typically include costs in this category. Contact the grants management specialist identified in the Notice of Funding Opportunity if there are questions about including such costs in the budget.

INDIRECT

2 CFR 200.56 defines *Indirect (F&A) costs* as those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

Indirect cost rates for most recipients of OCCSP are determined by their Negotiated Indirect Cost Rate Agreement (NICRA), which should be provided along with their application. If you don't have a NICRA and want to claim indirect costs, contact the grants management specialist identified in the Notice of Funding Opportunity to see if ither options are available.

Calculation.

If indirect costs are requested as part of the proposed budget, you must provide details used in determining the indirect costs requested. For instance, provide the calculation specifying the amounts used in applying the base (the base

specified in the applicable rate agreement) by the applicable rate.
The calculation can be displayed in different formats but must capture the components (i.e., amounts used in applying the base and the applicable rate).

EXAMPLE: For purposes of this example, the recipient has a Negotiated Indirect Cost Rate Agreement (NICRA) of 20% with a base of salaries and fringe benefits.

	Budget	Indirect Eligible Amounts
Salaries and wages	$50,000	$50,000
Fringe Benefits	10,000	10,000
Materials and supplies	3,000	-0-
Other	1,000	-0-
		$60,000 x 20% = $12,000 Indirect Costs