

Guidelines for Drafting a Budget

DNA Backlog Reduction Program

This guidance for drafting a budget is tailored specifically for the recommended Budget Detail and Narrative Worksheet. If you are not using the recommended Budget Detail and Narrative Worksheet, please note that whatever format you choose must include the same components and follow the same order. This means all budget categories must be the same, and they must follow the same order as in this guidance document. The items noted in the guidance below must still be included, such as vendors, locations of travel, defined units, costs, etc.

The budget for your award is one of the most important documents in your application as it dictates what exactly you will be purchasing, from whom, and how much it will cost. It essentially defines the scope of your entire project. Your budget is a “living document,” as in you can make adjustments to it over the life of your award as your needs change.

Before you get started drafting your budget, make sure to carefully consider what you are requesting and make sure the requests made will really impact your laboratory’s capacity to work more cases, be more efficient, and reduce backlogs.

Locate your budget detail and narrative worksheet. If you do not have it, you can always download it from the [DNA Backlog Reduction page at NIJ.gov](#). As you create and edit your budget, do **NOT** delete any rows, columns or formulas. This is **VERY** important. You may hide rows, but please never remove them.

Look carefully at the tabs found at the bottom of the budget detail and narrative worksheet for information on allowable and unallowable costs, and examples of how to prepare your budget detail and narrative.

You will note that at the end of each budget category there is a space for you to insert a narrative. DO NOT include any cost data in the narrative. It would be duplicative of what is registered on the spreadsheet already and opens up the possibility of discrepant costs being entered. The narrative should describe in brief fashion what each purchase or service you are requesting in that category will do to help your lab increase capacity or reduce backlogs.

This document will go through each budget category one at a time and discuss what should and should not be included, some things to look out for, and what should be noted in your narrative sections.

PERSONNEL

Allowable funding requests for Personnel under the DNA Backlog Reduction award include:

- Full-time or part-time employees (employees who earn W-2 income and received benefits):
 - To work on or process casework and/or database samples.
 - To work on capacity enhancement projects.
- Overtime for employees:
 - To work on or process casework or database samples.
 - To work on capacity enhancement projects.
- Grant administrative costs used only for award purposes.

Drafting your Personnel budget detail:

- Do NOT include employee names. The position title will suffice.
- For overtime, the average overtime hourly rate with X number of hours of overtime needed is sufficient. There is no need to list each analyst by name with their salary rate.
- For full- or part-time salaries, you can enter annual OR monthly salaries. Just make sure you properly enter the unit in the “Define unit” section of the spreadsheet.
- Grant administrative costs shown as hourly rate at X number of hours in the correct subsection of the Personnel category.
 - Administrative fees must not exceed 3% of the award amount.
- Do not delete the formula in the “Cost” cells.
 - Make sure to fill in each computation cell (amount per unit, # units, # individuals) so the formula can be accurately calculated.

Drafting your Personnel budget narrative:

- Discuss the tasks to be performed under each position listed in the budget detail. This information is used to verify that the personnel being requested under the award will only be performing activities allowable under the solicitation. Some examples are as follows:
 - *We will employ two full-time DNA analysts with these funds. The analysts are funded with a full-time salary of \$50,000 per year for 1.5 years. These analysts will be responsible for DNA analysis of forensic casework including extraction, amplification, and interpretation of the profile. The analysts will be expected to work at the agency an average of eight cases per month.*
 - *We are requesting an additional analyst for our database unit (CODIS analyst) for a full salary of \$47,000 per year for 1.5 years. With the new database expansion legislation becoming effective this year, we will need an extra analyst in the database unit to help with the expected increase in sample submissions.*
 - *Analysts will work overtime in order to process backlogged forensic DNA cases in all stage—extraction, amplification, data analysis, profile upload, and technical review.*

- *We are requesting 20 hours of overtime for our Grant Manager to do the administrative tasks of managing this award, which is above and beyond his normal duties. His overtime rate is \$38.00 per hour.*
- If you have any personnel working overtime for casework or database purposes, please note how many cases or database samples they will be working with the funds requested for overtime *and* supplies (for further guidance see the callout box in the SUPPLIES section on page 5).

Salaries and benefits for existing staff, other than as discussed in the DNA Backlog Reduction solicitation Section H (Permissible Uses of Funds), paragraphs 1 and 2, are unallowable.

FRINGE BENEFITS

Fringe benefits can be applied to all personnel earning W-2 income as demonstrated above. You must break out the costs into allowable fringe categories and include the percent level of each benefit. Fringe benefits should reflect what would be charged to a state- or local-funded employee doing the same work or holding the same position. This applies to both salary and OT.

In order to calculate a benefit that is not a percentage of the salary or overtime cost, enter the formula for that calculation into the “Cost” cell. For example, if a benefit costs \$20 per month for full-time employees and your budget requests includes a full-time analyst for 18 months, enter “=20*18” into the appropriate “Cost” cell. Health insurance costs are an example of this kind of issue.

TRAVEL

Travel funds can be used for three main purposes:

1. For trained analysts in the DNA Unit to attend qualified continuing educational events that meet the requirements of the National DNA Quality Assurance Standards. Each training event must contain 8 hours of training in DNA technologies suitable to meet the DNA Quality Assurance Standards.
2. To conduct required site visits to public or private accredited laboratories that will be performing DNA analyses on your behalf so that the required procedures and practices can be reviewed prior to initial sample shipment. Grantees may use funds to make one additional unannounced site visit.
3. To provide travel to new analysts for training that is not available in the laboratory, or which can be more cost effectively purchased elsewhere. The training must be directly related to the analyst’s work assignment.

Absent prior express written approval from NIJ, rates for lodging charged to any award under this solicitation **may NOT exceed the posted GSA rate** for the location. If an award recipient opts to book lodging at a higher rate, the cost differential, including associated taxes, may not be charged to the award. Visit <http://www.gsa.gov/portal/content/104877> for current per diem rates.

Drafting your Travel budget detail:

- Always enter the name of the conference or meeting and the month and year you will be attending in “Purpose of Travel.”
- If the location is known, include it. This will help to verify your lodging/meal rates. If unknown, enter “TBD.” To estimate lodging costs, use the previous year’s location rate or the GSA rate for areas without specified rates.
- Lodging and meal costs must be broken out by the daily rate, the number of days in travel, and the number of travelers.
- Travel associated with vendor laboratory site visits and new employee trainings should be entered in the grey shaded boxes at the bottom of the Travel category so they are not included in the 5% calculation travel and registration cap for trained analysts.

Drafting your Travel budget narrative:

- Discuss all travel being requested in your budget detail worksheet.
- If you are including taxes in any of your lodging rates causing them to exceed the per diem rate, please note that in your narrative and include the tax rate percentage being included.

Funds used towards travel and registration expenses for qualified analysts (including workshop fees) cannot exceed 5% of the total award. Travel expenses, registration fees and required learning aids for appropriate training and continuing education opportunities not associated with professional meetings and conferences will not be included in the 5%. This is automatically calculated for you in the budget detail worksheet in the travel category.

EQUIPMENT

Equipment funds are used to upgrade, replace, or purchase laboratory equipment, instrumentation, and computer hardware for the forensic DNA and/or the DNA database laboratory. The federal government defines any non-disposable item that has a value of \$5,000 as equipment, but you must follow your state/local policies for determining what is equipment. If you are required to carry an instrument on your laboratory equipment log, you should consider this equipment for the purposes of preparing your budget.

Drafting your Equipment budget detail:

- Always list the vendor if known so you can tally up the total purchases under that vendor. This will help you to make sure you are in compliance with sole source requirements. If you do not know the vendor yet, list “TBD” and/or note that it will be competitively bid.

Drafting your Equipment budget narrative:

- Briefly describe each item listed in your budget detail and why you will be purchasing it (what benefit it will bring to your laboratory).

- Include the procurement type for any purchases that will total \$100,000 or more in your narrative—existing contract, sole source, competitively bid.

These items do NOT belong in the Equipment category:

- Small ticket items like pipettes (list these in the OTHER category)
- Software
- Flash drives, cables, equipment accessories, etc. (list these in the OTHER category.)
- Rented or leased equipment (list these in the CONTRACT category.)
- Expendable/Consumable items (list these in the SUPPLY category)

SUPPLIES

Supply funds can be used to purchase kits, reagents, and disposable supplies for three main purposes:

1. In-house processing, recording, screening, and analysis of forensic DNA casework.
2. In-house processing, recording, screening, and analysis of DNA Database samples.
3. Validation of new DNA analysis technologies.

Convicted offender- and/or arrestee-related sample collection kits are allowable purchases, but they must be requested in the OTHER budget category.

Each main purpose has its own sub-category in which requests should be listed.

Drafting your Supplies budget detail:

- Be cognizant of the designated sub-categories for casework (blue), database (green), and validation (purple) supplies. *Note: These colors may look slightly different on your computer, so make sure to read the category name.*
- Make sure to enter the cost per unit, define the unit, and provide the number of units you will order. The formula built into the spreadsheet will automatically calculate the total cost of the item based on this information.

Cost per unit	Define Unit	# Units
\$3,500.00	per kit	12
\$1,000.00	per kit	6
\$380.00	per kit	50

- When applicable, include the number of tests an item will allow you to run in the Item category. For example, see the highlighted sections below.

Forensic Casework Supply Items	
Identifiler Plus STR kit	(200 tests)
Quantifiler Y	(400 tests)
EZ1 Investigator Kits	(48)

- Always list the vendor, if known, so you can total the purchases requested under that vendor. This will help you make sure you are in compliance with sole source requirements. If you do not know the vendor yet, list “TBD” and/or note that it will be competitively bid.

Vendor
Life Technologies
Life Technologies
Qiagen
TBD

- You may use a “Miscellaneous Supplies” line item for smaller consumables which would be tedious to list out (e.g., gloves, pipette tips). However this category may **NOT** exceed \$5,000.
- Office supplies are **NOT** allowable purchases under this award.

Drafting your Supplies budget narrative:

- Include the procurement type for any purchases of \$100,000 or more across all budget categories in your narrative—existing contract, sole source, competitively bid.
- If requesting casework and/or database supplies, discuss what they will be used for. For example, *The laboratory is requesting supplies for DNA analysis of backlogged casework as well as amplification kits to process database samples.*
 - In your narrative, indicate how many cases will be worked with casework and database supplies (see guidance in the callout box below for this calculation.)
 - If you are requesting supplies for validation work, discuss the validations being conducted in detail here.

How many cases or database samples do I need to work?

To the right of the Supply category, you will see a “How many cases should I work?” box, and a “How many database samples should I work/cost per sample?” box.

- *How many cases should I work?*
 - This box will tell you the **minimum** number of cases you will need to work based on your overtime and supply requests in order to comply with the solicitation.
 - Remember, you must not exceed \$1000/case.
- *How many database samples should I work/cost per sample?*
 - This box will calculate the total amount of funding being requested between overtime and supplies for database work. In the cell to the left of “samples declared,” type in the number of database samples you intend to work using these funds. Look at the “Actual cost per sample:” to see what the cost per sample is based on the number of samples declared.
 - Remember, you must not exceed \$40/sample.

NOTE: In the budget narrative, you must also re-state how many cases and/or database samples you intend to work using overtime and supply funds.

CONSTRUCTION

Construction costs are unallowable under this program, and therefore the balance of this category should always be \$0.00. Renovations funded under this award belong in the Contracts or Other budget categories.

CONSULTANTS/CONTRACTS

You have the option to hire consultants and engage in contracts in this section of your budget.

Drafting your Consultant budget detail:

* Generally, a consultant is someone you hire to provide advice.

** Keep in mind that it is very difficult to gain approval to pay a consultant more than \$56.25/hour (\$450/day).

- DNA Auditor fees would go in this section.
 - Auditors must meet the requirements specified in the Quality Assurance Standards for Forensic DNA Testing and/or DNA Database Laboratories and, in addition, must reside outside the state where the laboratory to be audited operates.
 - The same auditors cannot be used in consecutive audits.

- All auditors must sign a conflict of interest and nondisclosure form prior to performing any work.
- Always note the service to be provided by the consultant in the *Service Provided* section.
- As with the other budget categories, you must fill in all of the computation cells (cost per unit, define unit, and # units) in order for this to be approved.
- If there are associated consultant expenses (e.g., travel), make sure to stay within the allowable GSA rate (<http://www.gsa.gov/portal/content/104877>).

Drafting your Contracts budget detail:

- Fill in all applicable cells in your budget detail (item, vendor, service provided).
- In the FY13 budget detail worksheet, there is a section designated specifically for outsourcing contracts. Make sure all computation cells are properly filled out. Again, a formula will auto-calculate the total cost assuming everything is entered correctly.
- For service/maintenance contracts, under “service provided,” detail the equipment under contract and the cost/contract.
 - Remember: Service contracts CANNOT extend past the end date of the award. However, if you get a discount for purchasing a multi-year contract when buying a piece of equipment, this is allowable even if the contract extends past the award end date.
- If you are hiring a subject matter expert to provide training in-house, develop a contract with them for the planning, delivery, and assessment of the training. This contract should also cover the cost of handouts, books, etc., as well as travel to and from your lab. The contract should be developed for a single fixed cost.
- If you are developing a contract with a vendor to do renovations, you can enter the costs in this category. Renovation costs can also be listed in the "Other" category.
 - Requested renovations MUST be completed within the ORIGINAL award period for all awards under the FY13 solicitation and beyond.

What / who can be contracted?

- Outsourcing
- Service/maintenance contracts
- Hire subject matter experts to provide in-house training
- Renovations
- Upgrades to existing instruments
- Validation of equipment
- Purchase/Install DNA modules to existing Laboratory Information Management Systems (LIMS)
- Lean Six Sigma-type studies or process mapping
- Hire contract staff for casework, database, or validation purposes
- DNA Audits

Drafting your Consultants/Contracts budget narrative:

- Discuss ALL items being requested under this category.
- Make sure to indicate the procurement type for any purchases equal to or over \$100,000 from a single vendor—existing contract, sole source, competitive bid.

- If requesting someone to provide in-house training, discuss the training in detail and the benefit it will bring to your agency. Make sure to discuss the qualifications of the person providing the training.

OTHER

This category is broken down into two sections: (1) *Registration and Workshop Costs* and (2) all other items. In the *Registration and Workshop Costs* section, registration and workshop costs for allowable conferences and meetings should be entered. All other items, such as software purchases, renovation costs (if not covered by contracts), books and journals, tuition for college coursework in DNA technologies, and items which have a cost below agency requirements to be categorized as equipment will go in the sub-category directly below that.

Drafting your Registration and Workshop Costs budget detail:

- Properly fill out the Computation section so the formula will accurately calculate the total cost being requested for that workshop or training. The total in this category is combined with the total in the TRAVEL category to determine whether or not you are over the 5% allowable amount for travel and registration, so it is important that it is filled out correctly. For example:

		Computation		
Registration and Workshop Costs		Cost per unit	(define unit)	# Units
AAFS registration 2014		\$450.00	per person	3
AAFS workshop 2014		\$200.00	per person	3
Promega registration 2013		\$720.00	per person	2

Drafting your Other costs budget detail:

- What belongs in this category?
 - Costs for software, such as Genemapper ID-X, True-Allele, etc.
 - Small, inexpensive equipment such as pipettes, centrifuges, etc.
 - Renovation costs can be entered here if not already in the Contracts category.
 - Journals, books, etc.
 - Non-personnel administrative costs can be entered here, but they must be detailed and clearly labeled as administrative expenses.
 - Convicted offender- and/or arrestee-related sample collection kits.

Drafting your Other category budget narrative:

- Detail ALL items being requested in this category and why they are being requested.

INDIRECT COSTS AND ADMINISTRATIVE COSTS

Up to 3% of the federal portion of an award under this program may be used for indirect costs.

Make sure that the calculations provided cover ONLY items you can charge indirect cost against. This is not a flat 3% of all funds authorization against all budget categories.

Indirect costs for state agencies are allowed ONLY if the applicant has a federally approved indirect cost rate. This approved indirect cost agreement with the federal government must be attached along with your budget. It must come from a federal agency and must be signed and current. Internally generated indirect costs agreements are not acceptable as evidence of an approved indirect cost rate from a federal agency. This should be submitted with your application.

Indirect costs for local agencies would not need federal approval; however, they do need to attach their local approved indirect cost basis to the application.

Applicants may NOT request both direct administrative expenses and indirect costs.

Administrative costs would include overtime for grant managers to prepare progress reports and collect performance measures, office supplies used to create and file grant paperwork, or salaries for full-time grant personnel who are funded solely by federal awards (not full-time state or local employees). Administrative costs are also capped at 3% of the award total. Administrative costs must be shown in the paper and files for grant records (admin costs: $\$200 \times 1 = \200).