



Lesson 8A1: Key Budget-Related Terms

Term	Description
1099	The form that must be sent to consultants or contractors who provide a service to a project. The form can be sent to an individual (Social Security Number) or to an entity (EIN).
Budget alignment	Implies that the budget is in alignment with the project, as described in the narrative
Budget Narrative or Budget Justification	Written description of the budget items, used to provide additional details about a budget so a reviewer more fully understands how a particular expense or revenue item is linked with the project
Consultant	Usually an individual who provides a service.
Contractor or vendor	Individual or entity who performs a service for the project.
Direct costs	Costs that are directly and clearly related to the implementation of the proposed project. Examples include employees who are responsible for implementing the project; Supplies such as air quality monitors, food for meetings, copies of reports, technical consultants needed to train volunteers who will have a role in the project, graphic designers creating media materials, etc.
Effort	Usually refers to the percentage of an employee's time that will be spent on the project.
Eligible or allowable expense	A type of expense that the funder has indicated can be used to cover project expenses.
Expense	Cost item associated with a project.
Fringe	Includes things like the employer contribution to medicare/social security, unemployment fund, health insurance, paid time off, etc.
In-kind	Contributions to a project which are both quantifiable and tangible, but not in the form of actual funds contributed by the donor or matching sources. Even though this is an in-kind source, a dollar amount must be estimated. Examples of in-kind contributions could include donation of supplies, rent & utilities (if you are not including this as part of your "indirect" costs), staff time.
Indirect cost rate agreement (ICRA)	A specific reference to agreement between the applicant and the federal government that dictates how much of a project's budget the applicant can attribute to indirect costs. Often, the funder will indicate that limit for indirect cost rate if the applicant does not have a ICRA in place (usually 10%).
Indirect costs	Costs that may not directly attributable to a project activity but which are still important for the project's success. Examples include rent/utilities, administrative staff time (if not included as a direct cost), incidental travel, office supplies, legal and other professional fees, evaluation, etc. A caveat is that any of these items could potentially be included as a direct expense (see funder's requirements), and if they are they would not also be considered indirect costs.
Leveraged resources	Funds or other in-kind resources that are available to the project. In some cases, this could refer to funds that become available contingent to the awarding of a grant. An example of

	<p>“leveraged” funds could be a funding from a different grant that are supporting a synergistic project, and thus there will be some overlapping benefit to both projects. It is important to be clear that there will be no duplicity or “double-dipping.” In other words if an activity is already funded, do not propose to use funds from the grant you are applying for to also pay for this same expense.</p>
<p>Matching funds</p>	<p>Resources contributed by the applicant or an institutional partner; generally these “resources” are cash, but (per funder’s specifications) in-kind contributions of resources may be allowable. Typically, for a commitment of matching funds from an entity which is not the applicant, a letter of commitment must be included with the application.</p>
<p>Overhead</p>	<p>Often used interchangeably with “indirect” costs.</p>
<p>Pending support</p>	<p>A list of grants that have been submitted, but the funder has not yet decided whether to fund the project.</p>
<p>Revenue or “program income”</p>	<p>Income that may be generated from the project. Not all projects will have a revenue component, and in most grant applications, reporting project revenue is not required or expected</p>
<p>Subawardee</p>	<p>A partner that is responsible for a significant aspect of project implementation and is accountable for their results at a higher level than a contractor/vendor.</p>