**EXHIBIT C**

**West Virginia Rural Health Initiative Budget Narrative**

The descriptions and templates below are intended to assist you in determining how to categorize expenses under the grant and draft budget narrative statements. The guidance is not all inclusive; provide any other information for each expense that you believe will help justify the cost.

As the RHI Program begins to place greater emphasis on outcomes, grantees are no longer required to connect all spending to a rural and/or underserved area.

Prohibited costs under this grant opportunity include:

* Direct administration costs that exceed 10 percent of the total grant award.
* Indirect costs supporting university research corporations.
* Promotional items such as logo branded material.
* Alcoholic beverages.

**PART I: BUDGETING FORMAT**

Use the general structure contained below when formatting your budget narrative. See Part II for additional information on how to categorize and describe expenses. Where you have multiple expenses in a category, provide detail on each expense separately and then provide a total proposed dollar amount for each expense and functional category. If you do not have an expense for a particular expense or functional category, leave it blank.

**Salaries and Benefits:**

**Teaching:**

**Student Support:**

**Recruitment and Retention:**

**Community Support:**

**Administration::**

**Rent:**

**Teaching:**

**Student Support:**

**Recruitment and Retention:**

**Community Support:**

**Administration::**

**Equipment:**

**Teaching:**

**Student Support:**

**Recruitment and Retention:**

**Community Support:**

**Administration::**

**Travel:**

**Teaching:**

**Student Support:**

**Recruitment and Retention:**

**Community Support:**

**Administration::**

**Hospitality:**

**Teaching:**

**Student Support:**

**Recruitment and Retention:**

**Community Support:**

**Administration::**

**Contractual:**

**Teaching:**

**Student Support:**

**Recruitment and Retention:**

**Community Support:**

**Administration::**

**Miscellaneous:**

**Teaching:**

**Student Support:**

**Recruitment and Retention:**

**Community Support:**

**Administration::**

**PART II: EXPENSE DESCRIPTIONS**

The budget narrative must include the planned amount of each cost (do not round), as well as a proposed description of how the funding will be spent. Provide a unique, descriptive title for each expense such as “Student Scholarship”, “Rural/Underserved Student Housing”, “Director of Clinical Experiences” etc. The descriptions below provide additional detail on what should be included in expense descriptions.

**Expense Categories:**

* **Salaries and Benefits:** Salaries and benefits should be established within the personnel system of the grantee institution. Break out by individual positions and provide the name and title of the staff member supported. Include the percentage of the position’s time purchased and the salary amount and the benefit amount paid under the grant. Include a brief description of the person’s duties under the grant. Where a position will have responsibilities in multiple functional categories, list under all relevant categories and further break down the salary and benefit info for each category.
* **Rent:** Provide a list of the facilities for which rent is paid and the purposes of each facility rented. Include any utilities, insurance or maintenance expenses for which you are responsible under the terms of the lease. For rent related to student rotation housing, include the number of weeks, the amount paid per week, and the number of students supported. Facility rental related to special events should be listed under Hospitality.
* **Equipment:** Provide a list of equipment purchased or leased under this grant and the purpose for which each item is used. All computing/telecommunications equipment costing more than $100 and all other equipment costing more than $500 should be included in this category. Any items that do not meet these monetary thresholds should be listed under Miscellaneous. Equipment must be purchased and maintained according to state guidelines.
* **Travel:** Travel costs should be paid according to reimbursement guidelines used by the institution. Include estimated costs for each type of travel expense that might be included in the trip (i.e. mileage, lodging, airfare, toll, meals, taxis, etc.) and the length of the trip (i.e. day trip, three nights/four days etc.). If budgeting mileage, provide the mileage rate that will be paid and the estimated number of miles. If budgeting lodging, provide the lodging rate and the number of nights supported. Where multiple trips will be taken during the grant period for the same purpose, i.e. pipeline trips to a high school, you may provide the information in one entry, but be sure to include an estimate of the number of trips that will be taken, the estimated total number of miles, and the estimated total number of travelers.
* **Hospitality:** Includes food and beverages costs, facility rental, and other expenses related to hosting events. In addition to costs, provide the purpose of the hospitality and the number of individuals receiving hospitality. Funding may not be used for alcoholic beverages. Where multiple events will occur during the grant period for the same purpose, i.e. catering for pipeline events on campus, you may provide the information in one entry, but be sure to include an estimate of the number of events, the estimated number of attendees at each event, and the estimated cost per event.
* **Contractual:** Include the name of the individual or entity receiving the contract. Describe the purpose of the contract and the anticipated number of hours to be contributed.
* **Miscellaneous:** Include any costs that do not meet the descriptions of other expense categories.

**Functional Categories:**

* **Teaching:** Include costs of developing teaching materials, faculty stipends, faculty development and continuing education, classroom rental, teleconferencing, etc.
* **Student Support:** Include costs of student housing and transportation, telecommunication and computer equipment, books and supplies, student stipends, etc.
* **Recruitment and Retention:** Include costs associated with recruiting new providers to serve rural/underserved populations, reducing the isolation of rural providers, providing continuing education to rural/underserved providers, etc.
* **Community Support:** Include costs related to engaging communities in health education or improving communities’ ability to access healthcare such as through the purchase of telemedicine equipment, mobile unit support, workshops for community members, transportation to healthcare services, etc.
* **Direct Administration:** Include costs associated with scheduling students into rural clinical rotations, maintaining and assigning housing for rural rotations, recordkeeping and data collection required for grant administration, etc. No more than 10 percent may be spent on direct program administration.

**PART III: ADDITIONAL BUDGET REPORTING**

**Change Orders**

Once a grantee’s budget is approved, a grantee must request prior approval and a change order when:

1. A change in the scope of the grant agreement has occurred. A change in scope is a significant change in activity from what was originally described in the statement of work or workplan contained in the grant agreement.
2. Transferring more than $40,000 between either functional categories or expense categories
3. A new purchase of equipment that is $1,000.00 or more and was not included in the initial grant request; or

In the event, a grantee needs to request a change order, the Commission will provide guidance on how to structure the change order request.

**Progress Report**

The January 2019, July 2019, and January 2020 progress reports will not require the completion of a budget narrative.

**Final Report**

For the FY 2019 and 2020 combined final report, grantees will be required to show how funds may have moved from one budget expense to another budget expense due to changing budget needs. In addition, grantees will be required on the final report to justify the reason why less/more was spent from the original budget. In addition to providing a final description of spending for each expense, grantees will be required to provide both their original budget description and change order budget description (if applicable). Additional information will be provided with FY 2019 and 2020 final report guidance, but as an example, the structure of an expense entry in the final report could look like:

**Budgeted**: < *amount*> **Change Order:** < *amount*> **Actual**: <*amount*>

**Budgeted**: < *description from original budget*>

**Change Order**: < *description from change order*>

**Actual**: <*description of final spending, including an explanation if spending is more or less than budgeted or change order*>

**Unspent funds**: <*insert amount*> moved to <*insert where amount moved to*>

**Overspent funds**: <*insert amount*> received from <*insert were amount received from*>

**Amount To Be Returned To The Commission**: < *insert amount*>