A. Introduction to the *Guidelines*

The *Guidelines for Preparing Applications–Fiscal Year 2004 (Guidelines)* are designed to help you prepare an application addressing the six review criteria identified in the *Federal Funding Opportunity Announcement (Announcement)* and produce your application for the Technology Opportunities Program (TOP). The *Guidelines* include recommendations from TOP grantees based on lessons they learned developing their projects, and from professionals who have reviewed TOP applications. The *Guidelines* also include pointers to online resources available through the TOP website at http://www.ntia.doc.gov/top. If you have difficulty accessing the website, please contact TOP at (202) 482-2048.

The suggestions presented here are not a guaranteed prescription for a successful application, nor should they be considered the only way to address the review criteria described in the *Announcement*.

As you read through the *Guidelines*, you will find that preparing a competitive TOP application involves a number of preliminary steps. Before you begin to write your project narrative, we recommend that you investigate if other organizations have tried your planned approach, meet with potential end users and stakeholders to gauge their interest in your effort, develop your partnerships, and determine the specific outcomes by which you will measure the impact of your efforts. These few simple steps will improve your project planning even if you decide not to apply to TOP.

B. Application Deadline and Delivery to NTIA

Complete applications for the Fiscal Year 2004 TOP grant program **must be either postmarked no later than April 27, 2004**, or **hand-delivered no later than 5:00 P.M. Eastern Standard Time on April 27, 2004**, to the respective addresses listed on the following page. Applications delivered by guaranteed carrier services will be considered postmarked on the date they are submitted to the carrier.

Applications must show proof of mailing consisting of one of the following:

1. A legibly dated U.S. Postal Service postmark. Please note that the U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, applicants should check with their local post office.

2. A legible mail receipt with the date of mailing stamped by the U.S. Postal Service.

3. A dated shipping label, invoice, or receipt from a commercial carrier.

Neither of the following will be accepted as proof of mailing:

1. A private metered postmark.

2. A mail receipt that is not dated by the U.S. Postal Service.

Applications with postmarked dates after April 27, 2004, will not be considered in the current grant round and will be returned to the applicant.

United States Postal Service's Priority Mail, First Class Mail, and Parcel Post packages delivered to the Department of Commerce are irradiated. Irradiation could result in damage to the contents, or delay the delivery of an application to the TOP Program Office. Thus, applicants are encouraged to consider the impact of these procedures in selecting their chosen method for application delivery.

Applications will not be accepted via facsimile machine transmission or electronic mail. Completed applications must be mailed, shipped, or sent overnight express to:

Technology Opportunities Program
National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue, NW
HCHB, Room 4096
Washington, DC 20230

If you choose to hand deliver your application directly to the Department of Commerce in person or by courier, you must deliver it to:

Technology Opportunities Program
National Telecommunications and Information Administration
U.S. Department of Commerce
HCHB, Room 1874
1401 Constitution Avenue, NW
Washington, DC 20230

Room 1874 is located at entrance #10 on 15th Street NW, between Pennsylvania and Constitution Avenues. NTIA will provide a written acknowledgment of the receipt of each application and will publish a list of applicants on the TOP website. If you send your application by carrier, please retain a copy of your package tracking information to confirm delivery of your application and prove that the carrier received your application.

C. General Instructions for Preparing Applications

An application is considered complete when it includes all the items listed below. **As indicated in the *Announcement*, the three items highlighted in bold must be present AND the Standard Form 424 must have an original signature, or your application will not be considered for review.**

For ease of processing, please assemble your application in the following order:

- **Standard Form 424, *Application for Federal Assistance* (original signature required)**
- Executive Summary (one page)
- **Project Narrative (up to 8 pages)**
- Appendices (up to 27 pages)

- Standard Form 424A, *Budget Information–Non-Construction Programs*
- **Budget Narrative (no page limit)**
- Statement of Matching Funds

If your application is considered for award, TOP will require you to provide additional forms including the Standard Form 424B, *Assurances*; Standard Form CD-511, *Certifications*; Standard Form LLL, *Disclosure of Lobbying Activities*; and the Standard Form CD-346, *Name Check*. You do not need to submit these forms for the April 27, 2004 deadline; TOP staff will contact you in the event they are needed.

1. Online Tools

TOP has developed a set of online tools to help you complete your Standard Form 424, Standard Form 424A, and executive summary. Please be advised that your executive summary will be posted on the TOP website only if you enter it via the online tools.

TOP's online tools, with self-calculating totals and pre-filled forms, are available at http://www.ntia.doc.gov/top/grants/grants.htm. **If you prepare the forms using TOP's online tools, you must print them, sign the Standard Form 424, and include all forms in your application. The use of the online tools is optional and not required to prepare an application.** You can still prepare a complete application using the forms from this *Application Kit*. If you need additional copies of forms or materials, you may also contact the TOP office at (202) 482-2048.

Additional details about the online tools are provided on our website, and you can contact the TOP office if you have questions.

2. Signatures

Original signatures are required for the Standard Form 424, *Application for Federal Assistance* in Box 18d. **If you prepare the Standard Form 424 using TOP's online tools, you must print and sign the form with an original signature**.

Please note that your application will be not be considered in the current grant round and will be returned if it lacks a Standard Form 424, *Application for Federal Assistance*, with an original signature.

3. Page Limits and Format

Stay within the page limits prescribed in the *Announcement*. Reviewers will be instructed to ignore any portion of your application that extends beyond the prescribed page limits. The application must be typed, single-sided, single-spaced, on 8½" x 11" paper. Use a font of no less than 12 points with margins of no less than one inch (1"). Number the pages of your application consecutively, starting with the first page of the project narrative through the appendices.

Your project narrative must not exceed eight (8) pages. The project narrative is the core component of your application. A table of contents or dividers to help organize your eight pages do not count against the eight-page limit. For suggestions on how to prepare your project narrative, please see Section E: "Instructions for Preparing the Project Narrative."

You may provide up to twenty-seven (27) pages of appendices. Your appendices may include time lines, evaluation details, organizational charts, memoranda of understanding, technical designs, illustrations, maps, letters of support, brief bios of key staff, supporting documents, etc. However, do not include CD-ROMs, disks, videos or audio tapes in your application.

Your executive summary must not exceed one (1) page. For suggestions on how to prepare your executive summary, please see Section D: "Instructions for Preparing the Executive Summary."

There is no page limitation on the Budget Narrative. For ease of processing, please number the budget narrative and the Statement of Matching Funds separately, beginning with 424A-1, 424A-2, 424A-3, etc.

4. Total Number of Copies

NTIA requests that each applicant submit one (1) complete application with original signatures and five (5) copies, unless doing so presents a financial hardship, in which case the applicant may submit one original and two copies of the application. Mark the application with original signatures clearly as "Original." Mark duplicates clearly as "Copy."

To assist in the review process, secure the original application (marked "Original") and one of the five copies of the application with binder clips (see illustration to the left). Staple the remaining four copies, which will be sent to the peer reviewers.

5. Waiver Requests

As stated in the *Announcement*, it is the general intent of NTIA not to waive any of the provisions set forth in the *Announcement*. However, under extraordinary circumstances and when it is in the best interest of the federal government, NTIA, upon its own initiative or when requested, may grant a waiver. Waivers may only be granted for requirements that are discretionary and not mandated by statute. Any request for a waiver should set forth the extraordinary circumstances for the request and be included in the application or sent to the address provided in Section B.

As noted in Section B, complete applications for the Fiscal Year 2004 TOP grant program must either be postmarked no later than April 27, 2004, or hand-delivered no later than 5:00 P.M. Eastern Standard Time on April 27, 2004, to the respective addresses listed above. NTIA will not waive this requirement.

For waiver requests that do not involve the deadline, submit a letter explaining (1) what provision(s) you are asking to be waived, and (2) the extraordinary circumstances that necessitate the waiver.

If you intend to request that NTIA provide more than 50% of the total project costs, you do not need a waiver. Instead, you are required to make a justification regarding the circumstances that warrant a federal share in excess of 50% of the total project costs in your Statement of Matching Funds.

D. Instructions for Preparing the Executive Summary

Every application is required to include a concise executive summary that does not exceed one (1) page. Focus your executive summary on problem, solution, and outcomes. Briefly cover the core aspects of the project in order to help the reviewer answer the following questions:

What are the goal(s) of the project?
What services will you provide through the project and to whom?
What are the anticipated outcomes and impact of the project?
How many sites are there and where are they located?
What technologies are to be employed?
What will users do with the technology?
Who are the communities to be served?
What organizations are participating as partners?

Below is a sample executive summary adapted from a successful grantee's application.

> The National Council on the Aging will develop a nationwide, online service that enables older people as well as their family caregivers and community organizations that serve them to quickly and easily determine their eligibility for federal and state benefits programs. The system, BenefitsCheckUp, will include a 50-state database with over 1,000 programs and 40,000 local entry points, allowing users to check eligibility and learn how and where to apply for various programs. In 2004 and 2005, three model communities will participate–the Chicago area, Denver area and three rural counties in southern Colorado. In 2006, three additional sites will be selected from areas currently developing the requisite local resources and infrastructure.
>
> The demonstration project will include an array of organizations in rural and urban communities, including local aging services programs, religious human service agencies, neighborhood health centers and Community Action Agencies. The project will target low-income and disadvantaged elderly people, who historically have been intimidated by the complex application process for assistance. Consumers will have free 24-hour-a-day, every day, access to the service directly through the Internet. In addition, participating organizations will help guide users through the application process and online tools.
>
> The primary objective of this multi-site demonstration project is to increase the number of older adults in the model communities who are screened and who enroll in needed benefit programs. Over three years, we expect to serve 193,000 older persons in the model communities, including 74,500 low-income elders and help more than 12,000 seniors obtain Medicaid, 15,000 obtain Food Stamps and 4,900 obtain SSI. In addition, the project will compare results across the various sites to learn more about adoption rates of this new technology by communities and service organizations throughout the United States. The National Council on the Aging will partner with the National Interfaith Coalition on Aging (representing more than 13 national faith-based organizations) and Catholic Charities USA, the National Institute of Senior Centers, and the National Institute of Senior Housing.

E. Instructions for Preparing the Project Narrative

The project narrative is your opportunity to convince reviewers that your project meets the six review criteria defined in the *Announcement*. Here you describe the problem(s) you are trying to solve, the solution(s) you propose, the expected outcome(s) of your project, how you plan to achieve these outcomes, the partners and end users that will be involved, and how you plan to evaluate and share what you learn.

As indicated in the *Announcement*, NTIA will give priority:

> "to projects that address problems of national significance, expand economic opportunities, enhance productivity, increase worker skills, and create jobs for American workers. Funded projects must evidence a strong probability of replication in other communities throughout the United States. Priority also will be given to projects demonstrating the use of new telecommunications and information technologies. NTIA is especially interested in applications of wireless technologies including, but not limited to, WI-FI, unlicensed spectrum devices, and projects demonstrating the potential application of 3rd generation or Advanced Wireless Services."

While it is helpful to highlight those aspects of your project that address TOP's priorities, an application does not necessarily need to address these priorities to be competitive. Moreover, addressing TOP's priorities is not a guarantee that your application will be selected for funding. NTIA will continue to support a wide range of projects.

Below are some general guidelines to help you present your project.

Be clear and succinct. Reviewers are not interested in jargon, boilerplate, rhetoric or exaggeration. They are interested in learning precisely what you are proposing to do and how well your project responds to the six review criteria published in the *Announcement*. The reviewers need to clearly understand what you are planning to do and why you have chosen this particular approach, as well as how your project is innovative or different from work that is already taking place.

Use an impartial proofreader. Even though each section of the project narrative often corresponds to a different review criterion, the reviewers expect a coherent and convincing presentation that demonstrates clearly thought out relationships between problem, solution, outcome, and evaluation. Reviewers have frequently noted that various parts of a single narrative appear to have been written by different people, and that no one appears to have read the narrative all the way through to check for inconsistencies as well as spelling mistakes, stylistic problems, redundancies, factual omissions, and unexplained assumptions. Reviewers also notice when applications have evidently been written for other funding sources and barely altered for submission to TOP. Before you submit your application to TOP, let someone who is unfamiliar with the project read and critique the project narrative.

Do not use links to online resources. Because web pages or other online resources can change or disappear after the close of the grant round, links to online resources are not allowed in your application. Reviewers will be instructed to ignore links to online resources. If you want to include documentation available on the Internet, please print the material and include it in your appendices.

Use appendices wisely to expand your presentation. Please keep in mind that you are writing for a diverse group of readers that includes independent reviewers, TOP staff, and the NTIA selecting official. Do not assume that the people who are reading your application know anything about you, your organization, your project, your target groups, or your community. Use the 27 pages allowed for appendices to expand and clarify your narrative, and reference all appendices in the project narrative. In other words, design the narrative in a way that makes the reviewer eager to look at your appendices. Your application will be reproduced in black and white for the reviewers, so make sure any graphics still make sense when reproduced in this manner.

Addressing the Review Criteria

Reviewers will evaluate and score your project based on the six review criteria published in the *Announcement*. Your project narrative should correspond to the review criteria–Project Purpose, Innovation, Community Involvement, Evaluation, and Project Feasibility. You need not address the sixth criterion, Project Budget, in your narrative since you will present budget details in your budget narrative. The sections that follow were developed with the assistance of feedback from evaluators, reviewers, and grantees. Each section provides information, suggestions, and examples on various ways to address the review criteria.

1. Project Purpose (20%)

The Project Purpose section of your application is where you clearly define the problem(s) you are trying to solve, the solution(s) you propose, and the outcome(s) you expect.

> ***From the Announcement:*** "Each application must describe a clearly defined project that uses telecommunications and information technology for the provision of educational, health care, or public information. In assessing the project purpose, reviewers will examine the degree to which the applicant clearly describes and convincingly links three major elements: (1) the problem(s) to be addressed, (2) the proposed solution, and (3) the anticipated outcomes of the project."

Define a specific problem. The successful application will describe a problem or set of problems that can be addressed through the use of network technology.

> ***From the Announcement:*** "Based on documentation provided by the applicant, reviewers will assess the severity of the identified problem(s) and need(s) and the extent to which the problem addressed is of national significance."

The problem(s) may include the lack of a skilled workforce, business disinvestment in the area, limited access to high quality medical care, high unemployment, etc. In defining the problem, include baseline data that characterizes the population(s) to be served by the project (e.g., community demographics, income levels, crime rates). Providing baseline data links the project purpose with evaluation. It allows you to compare the problem to be remedied prior to project implementation against the results of the project. For instance, if your project addresses the lack of a skilled workforce, provide data that describe current skill levels, specific jobs, age, race, gender of the population and so forth.

As you define the problems you propose to address, it is also helpful to describe your target groups and community. Reviewers will assess the challenges the community or communities face and the degree to which your project will benefit your target groups. To support this presentation, use specific quantitative data to document the nature and extent of the community's needs. For example, if you propose to address hunger, provide a sample of annual statistics on the level of hunger in the communities where the project will be piloted.

Reviewers will also assess the degree to which the problems you propose to address are of national significance. Providing data on the prevalence of the problem nationwide or comparing the degree to which it affects other communities will help reviewers place your project in a national context.

The following passage is adapted from the Project Purpose section of a successful applicant:

> Despite a growing economy and shrinking welfare rolls, over 22 million Americans sought emergency food assistance in 2002. Furthermore, charitable feeding programs across the country report that demand is still rising. In fact, the U.S. Conference of Mayors has documented increased demands for emergency food assistance across the country since 1983 including a 16 percent increase in 2002 alone. While the lines at pantries and kitchens are rising, food waste continues to warrant concern. In a 2003 report, the USDA estimated that 98 billion pounds of consumable food are wasted each year. This includes 5.8 billion pounds at the retail level and 92 billion pounds at the food service and consumer level (Appendix A, page 9). Our organization's goal is to access this recoverable food and distribute it through our network of 188 food banks across the country (Appendix B, page 10) to over 50,000 charitable feeding programs such as food pantries and soup kitchens. This network makes food available to needy adults and children in every county in America, both urban and rural. Hunger in America can be solved. We need to develop the means to access and distribute available food more effectively and efficiently.

Propose a credible solution that employs network technologies. Explain how network technology and information resources will provide a realistic and effective mechanism for addressing the problem(s) you defined in the preceding section.

> ***From the Announcement:*** "Reviewers will assess the degree to which the use of network technologies will address the identified problem(s) and whether the solution evidences a strong probability for replication across the Nation."

Competitive applications always demonstrate a logical link between the problem(s) they define and the solution(s) they propose. The successful TOP applicant cited above continues:

> In order to more fully access available products and more effectively distribute them across the country, we and our food bank partners will undertake Project Enterprise. Project Enterprise will put in place the tools necessary for food banks in all regions of the country to serve needy Americans better. While the project entails hardware and software components at local food banks, as well as at our national office, we seek funding for the wide area network (WAN) that will enable the coordination of food demands between local food banks, food donors and our national office. This detailed data sharing will help the food bank network more effectively distribute available product to areas with the greatest demand for that product. The general public, including individual donors and people looking for the availability of food, will be able to access the system via the Internet to learn about donation opportunities, timing of food shipments, and other resources. The website will also serve as an educational tool to provide decision makers with realtime information regarding food shortages and their affect on hunger throughout the Nation.

With respect to anticipated project outcomes, reviewers will assess the degree to which the proposed outcomes of the project are realistic and measurable.

Reviewers also will assess the solution in terms of its probability for replication across the Nation. To address replication potential, you should discuss elements of your project that enable it to be copied easily by other communities, especially communities constrained by geographic, physical, or financial barriers. For example, you can highlight the effectiveness, cost-efficiency, or simplicity of your approach as compared to alternative solutions.

Identify realistic, measurable outcomes that you expect as a result of the project. Reviewers will look for a compelling reason to believe that the project you propose will make a difference.

From the Announcement: "With respect to anticipated project outcomes, reviewers will assess the degree to which the proposed outcomes of the project are realistic and measurable."

The nature of that difference can best be described by the outcomes you expect to result from the project. When describing project outcomes, it is helpful to keep in mind the distinction between project outputs and outcomes. Outputs may be thought of as a unit of service or the result of the project's activities, e.g., number of training classes held, number of hits to your website, number of client referrals, or number of sites established. Such data are important because they often lead to the desired or expected outcome(s).

Outcomes, on the other hand, are the benefits derived from the project activity or the consequences of project participation. Outcomes reflect a changed state or condition of your target population or the project beneficiaries, e.g., improved level of literacy, more efficient delivery of vital human services, or improved emergency services in rural communities.
Link your anticipated outcomes to your problem statement and include measurements that will determine whether the outcome has occurred. When developing your outcomes, some useful questions to consider include: What do you expect to change in your community? Who will be affected? What specific, realistic outcomes do you expect to occur within the grant award period? Looking beyond the grant award period, what longer term effects do you expect to occur?

The following passage is adapted from the TOP applicant cited above. The outcomes are italicized.

> This virtual warehouse will affect local communities, service providers, and food donors in several important ways. First, local, regional, and national food solicitation can be tailored to meet individual community needs. The data stored in the virtual warehouse will enable effective resource sharing so that no community will be overlooked when there is available food to meet those needs in another location. Second, when a donor offers a specific item on the network, the network will help recipients respond to the offer in a timely and efficient manner. This timeliness will strengthen donor-recipient relationships and will encourage future donations. *Our goals for the project are to: (1) increase the public's satisfaction with the food donation system; (2) reduce the time needed for food recipients to identify and receive food donations; (3) achieve cost savings for service providers and food donors; (4) reduce food spoilage in storage facilities; (4) increase consumption of healthier foods and thereby positively affect the long term health of food donor recipients.* For more details on our anticipated project outcomes and how we intend to evaluate our success in meeting them, please see Appendix C, pages 13 - 15.

2. Innovation (30%)

From the Announcement: "TOP defines innovation broadly to include applications that both demonstrate new technologies and projects that demonstrate how applications of new technology can be creatively used to address the needs of the non-profit and public sectors. Using experience gained in their respective fields, reviewers will examine each project in a national context. In evaluating the innovative qualities of each application, reviewers will assess how an application compares with, complements, and improves on what is known about using telecommunications and information technology in the non-profit and public sectors."

Once you have established what you intend to do, describe the innovative aspects of your project. Innovation can take many forms, including projects that involve imaginative partnerships, the introduction of new business processes designed to offer more effective services, demonstrations of new network applications, or untested strategies for overcoming access barriers.Describe in detail the aspects of your project that are unusual or innovative and that might serve as models for other communities across the nation. **Simply stating that a particular approach has not been tried in your community is insufficient evidence of innovation**. Place your efforts in a national context by comparing and contrasting your project to other efforts or projects in your field. You should clearly state how your project complements and builds on prior work and what you expect others in the field to learn from your efforts.

Prior to preparing your application, reviewers strongly encourage you to review and reference case studies, reports, articles, journals, and the activities of other technology projects. In order to gain a better understanding of current uses of network technology and information resources, use the Internet and other resources to search for comparable efforts and projects. As a start, TOP's website, accessible via http://www.ntia.doc.gov/top, contains descriptions of 583 funded projects, project narratives from the 1999 through 2003 grant recipients, links to projects funded in previous grant rounds, detailed case studies, and other reports. You can also contact a member of TOP staff for assistance with this criterion and feedback on your project concept at 202-482-2048.

Successful applicants have used these resources to discuss how their proposed project compares with and differs from existing projects and efforts. A successful TOP applicant provided the following discussion of innovation in their application:

> The Portland Area Housing Clearing House will utilize emerging broad bandwidth technology to link housing agencies with a continuum of housing resources that are updated regularly by project participants. The Portland Area Housing Clearing House builds upon the success of other housing-related projects like the Cleveland Housing Network by providing comprehensive information

about available housing and services through an interactive system structured around barriers to stable housing. Many communities, including Portland, currently use network technology to house basic information and referral systems. This project moves beyond information and referral systems to provide state and local government employees and their clients new tools for problem-solving and case work management. From our survey of housing authority networks in five different states (please see Appendix D, page 21 for a brief description of each these projects and a matrix highlighting the differences between them), the proposed Portland Area Housing Clearing House is unique in that it will speed users into and through the system of services by making needed appointments, searching for appropriate housing, and assisting with problem assessment and solution.

3. Community Involvement (10%)

Once you have presented a coherent and convincing description of the project and discussed the innovative elements, you should then provide evidence that the communities to be served by the project support it and participated in its development. In this section, discuss your partners, the steps you have taken and will take to involve the community (or communities), and your plan for involving and supporting the project's end users. Demonstrate that you understand the needs and requirements of all potential end users, including those who face challenges in accessing or using the technology.

***Partnerships*.** Present a clear discussion of who your partners are, their respective roles, what benefits each expects to receive, and what specific contributions each partner will make to the project in the form of financial support, equipment, personnel, or other resources. Describe plans for maintaining your partnerships during the grant.

> ***From the Announcement:*** "Reviewers will analyze the applicant's partnerships to ensure that they include linkages among unaffiliated organizations (from the public, non-profit, or private sectors) as an ongoing and integral part of project planning and operation. TOP considers partners to be organizations that contribute matching funds by supplying cash, in-kind resources (including personnel, equipment, facilities, etc.), and are actively involved in the planning and operation of the project."

Successful applications define partnerships clearly and document each partners' benefits and their contributions to the conduct of the project during the grant award period and its sustainability after federal funding has ceased. Reviewers look for the inclusion of letters of commitment or memoranda of understanding from your partners that describe their roles and quantify their contributions. You should also ensure that your partners' contributions are documented appropriately in the Statement of Matching Funds. Section F, Instructions for Preparing a Budget Request, includes information on how to document your partner's financial contributions in the Statement of Matching Funds.

If you have worked with your partners on projects in the past, discuss the nature and results of those projects and the responsibilities assumed by each collaborator. Never assume that reviewers know who your proposed partner is, what that partner is capable of or willing to commit to the project, or why the partner wants to help.

Tip from Grantees: Grantees emphasize the importance of ensuring that the grant recipient's and partners' roles are mutually agreed upon and put in writing in advance of the project. This generates project support and commitment on the part of all stakeholders and provides a positive starting point.

Tip from Grantees: Grantees repeatedly comment on the importance of developing alliances with organizations that are capable of performing their assigned roles. They suggest that applicants take the time to learn the limitations of their proposed partners, and that they select partners that can clearly devote the necessary time and resources to the project.

Support for End Users. Successful applications include a detailed description of the needs, skills, working conditions, and living environments of the targeted end users.

From the Announcement: "Reviewers will consider the degree of attention paid to the needs, skills, working conditions, and living environments of the targeted end users. Reviewers will consider the extent to which applicants involve representatives from a broad range of potential users in both the design and operation of the project and consider the varying degrees of abilities of all end users, including individuals with disabilities. Reviewers will also assess the degree to which the project addresses barriers which limit a community's or a group's access to network technologies. Finally, reviewers will assess the applicant's plans for training end users and upgrading their skills."

Discuss how you will work with end users to ensure that they can use the services that you put in place. How will they be recruited? How will they be trained? How will you provide ongoing technical support?

Tip from Grantees: Grantees suggest that the need for training on the use of new systems and technologies is constant and is often more costly and time consuming than originally anticipated. They recommend allocating enough resources to cover the cost for training time, end-user recruitment, and materials. Some grantees also found that integrating instructional activities into normal work duties (rather than offering training on a voluntary basis or as an additional requirement) to be a helpful approach.

Competitive applications often provide scenarios that show exactly how the end users will interact with the technology, when and how training will be offered, and what will result. For example:

> Mr. Jones, an elderly patient, arrives at the emergency room complaining of a chronic cough. A preliminary diagnosis reveals evidence of tuberculosis. As part of our system, an automated tuberculosis protocol recommends appropriate antibiotics, further tests, and an isolation room. A message is sent over the network to the city Department of Health, reporting that a likely case of tuberculosis has been found. After two weeks, the patient's fever and cough have subsided. The physician contacts the department electronically to arrange for him to be followed by the Department for Directly Observed Therapy; with his permission, relevant clinical data are transferred electronically to the department. Since the patient is unable to attend the public health clinic, a public health assistant visits him and uses a hand-held computer to report on his condition. His condition can be tracked over a period of months, and subsequent diagnoses can be made, using the same hand-held device. When Mr. Jones is well enough to visit the public health clinic, he can access the tuberculosis information kiosk in the waiting area, which will provide valuable information related to his condition. To support his use of the system, a trainer will spend up to five hours teaching Mr. Jones to navigate the screens. The trainer will also be available to answer technical support calls from 8-5 P.M., Monday through Friday.

Stakeholder Involvement. Describe the steps you have taken to include a wide variety of community stakeholders in the planning and development processes.

> ***From the Announcement:*** "Reviewers will examine the steps the applicant has taken to include and sustain the involvement of a variety of community stakeholders. Reviewers will look for documented evidence of demand–from the community, end users, and potential beneficiaries–for the services proposed by the project."

Helpful strategies to engage and sustain stakeholder involvement include holding open meetings, conducting focus groups, and creating a steering committee or advisory group to address end users' and stakeholders' needs and help guide the project.

Reviewers will assess documentation of end users' interest and demand for the project. Suggestions on demonstrating community demand include surveying potential end users and including the results in your application, or having potential end users indicate how they intend to use the proposed services and what benefits they expect. Projects that appear to be designed with little or no involvement from the communities that are supposed to benefit rarely score well.

Tip from Grantees: The most successful projects involve community stakeholders in the design and development phases. This inclusive approach leads to project designs that meet the needs of (and are therefore used by) their intended beneficiaries. Conversely, projects that fail to involve stakeholders and end users often struggle to gain community support.

Demonstrating Sustained Commitment. As indicated in the *Announcement*, reviewers will also "assess the commitment of community partners to the long term sustainability of the project after the federal grant period."

When soliciting letters of support from partners, it is helpful to have them address their long term commitment to the project and describe the measures they will take to help sustain the project once federal funding ends.

The following passage describes a successful applicant's approach to involve its community:

> As we considered the scope of the project, we started with the assumption that the community had diverse ethnic, racial, and economic populations. We also assumed that the community needed better communications to overcome a general feeling of low self-esteem because of crime, joblessness, poor housing, and lack of a sense of community.
>
> To test our assumptions, the staff surveyed local churches, libraries, business groups, and local press to determine which local organizations and community leaders would make the best partners for the project. We then met with the partners and community organizations to discuss strategies for seeking community input, and to establish project goals and objectives within the timetable once the assumptions were confirmed. We concluded that the best way to do this was for the partners and community organizations to disseminate information to community residents explaining who the partners were, and what the proposed project was about. Subsequently, we created a needs assessment survey and carried out door-to-door surveys. Additionally, we invited the residents to attend a series of five focus group sessions in their neighborhoods. One hundred sixty-five members of the community attended these meetings. They represented all segments of the community. Most of the assumptions about community needs and the demand for the proposed services were confirmed in the survey and focus group results. Copies of the surveys and a summary of the focus group discussions are attached in Appendix D on page 15. Letters of support from our key partners appear in Appendix H, pages 22-27.

4. Evaluation (10%)
In the Project Purpose section, you described your project outcomes. In this section you present a clearly defined plan to evaluate the degree to which the project achieves these outcomes.

> ***From the Announcement:*** "Each application will be rated on its proposed evaluation plan. Reviewers will assess the evaluation design for: (1) plans to document how the project is conducted so others may adapt or replicate it; (2) evaluation questions to measure the stated outcomes; (3) data collection plan; (4) resources allocated; (5) the qualifications of any staff or external evaluators working on the evaluation; and (6) the degree to which the it meets TOP's requirements for an independent evaluation."

Evaluation is a key component of a cycle that consists of program planning, implementation, evaluation, and project revision. An effective evaluation provides timely feedback that helps you manage your project more effectively, and yields valid and reliable information that you can use to sustain or enhance your project. It is insufficient to state that you will do a formative and summative evaluation. At a minimum, reviewers will expect you to discuss the basics of your overall research design and methodology. Some helpful topics to consider as you build your evaluation plan are discussed below.

1. Evaluation Strategy. Describe the approach you will take to prove you have achieved your proposed outcomes. Components of your evaluation strategy could include a description of the evaluation participants, the methodology for collecting baseline data, or the use of a control group or comparative analysis across various sites or users.

2. Evaluation Questions. Include some examples of evaluation questions in this section. What do you expect to learn from your project? What questions will the evaluation seek to answer? Link your evaluation questions directly to the outcomes described in the Project Purpose section.

3. Data Collection and Analysis Plans. Provide a data collection plan to help reviewers understand when and how you will collect information over the course of the project from the various project sites and end users. Questions to consider include the kind of measurement instruments that will be used (i.e., quantitative and/or qualitative) and at what points in the project data will be collected. Examples of data collection instruments can be included in your appendices. In terms of data analysis, you should include appropriate techniques for the types of data to be collected. For example, open-ended interview schedules often require extensive and careful coding of responses and tend to employ qualitative analyses.

4. Funds for Evaluation. Reviewers will check to ensure that you have allocated sufficient resources in the budget narrative to conduct an adequate evaluation. For example, the budget should include the costs of staffing and materials to carry out the data collection, data analysis, and report preparation you propose. Although evaluation plans are highly dependent on the specifics of the project, evaluation experts recommend that you allocate approximately 10% of the total project budget for these efforts. Projects dealing with multiple target groups or numerous outcomes may require a higher percentage.

5. Evaluator(s). Specify the individual(s) or group(s) who will be involved in conducting the evaluation. Describe the qualifications and responsibilities of key personnel involved with the project evaluation, both internally and externally.

6. Final Evaluation Report. As indicated in the *Announcement*, your application is required to include provisions for a final evaluation report produced by an independent evaluator or team of evaluators. The independent evaluator(s) needs to be an individual(s) outside the direct reporting structure of your organization. In other words, while a subordinate of your staff would not qualify as an independent evaluator, a representative from another department or office would qualify as an independent evaluator.

Tip from Grantees: Many grantees indicate the value of giving more thought to evaluation at the outset of the project. Grantees recommend that applicants involve an evaluator early in the design of the project and during the preparation of the application.

To help you develop an evaluation plan, the TOP website provides links to assessment and evaluation information, including independent evaluations from previous grantees, case studies, reports, and evaluation guides, at http://www.ntia.doc.gov/top/research/research.htm. The evaluation guides are especially helpful since they provide worksheets and simple, clear exercises on how to integrate program planning, implementation, and evaluation.

Finally, every evaluation conducted as part of a TOP-funded project must conform to existing federal regulations concerning human subjects protection in research. The federal government defines research broadly to encompass the study of human behavior, reactions, thought processes, and study of the human body. To learn more about human subjects research protections, please see Appendix I of these *Guidelines*.

5. Project Feasibility (20%)
In this section, you should describe your technical approach, organizational capacity, implementation plan, relevant privacy and security considerations, plans for sustainability, and your strategies for disseminating the lessons learned from your project.

Technical Approach. Describe in detail the technology employed in your project, your rationale for selecting this particular technology, and how the various components will be organized and work together.

> ***From the Announcement:*** "Reviewers will examine the technical feasibility of the proposed system, the degree to which the proposed approach will work and interoperate with other systems, and plans for maintenance and periodic upgrades. Applicants are expected to make use of existing infrastructure and commercially available telecommunications services, unless extraordinary circumstances require the construction of new network facilities."

Be as specific as you can in this section to alleviate confusion concerning the technology you are proposing to use and how it will work. Often the easiest way to communicate a technical approach is to append diagrams or other pictorial materials that allow reviewers to "see" what you are describing.

In order to understand how your project will build on the existing resources, describe the network technologies, resources, and services currently available to the end users. When discussing the technical approach, specify in detail not only how the proposed system will work, but also (1) how it will operate with other systems; (2) the technological alternatives that you have examined and the reason why you consider your approach superior; (3) your plans for maintaining and/or upgrading the system; and (4) how it will grow to accommodate additional users. These four elements are described in more detail below.

1. Describe as concretely as possible how your system will work with other relevant networks or services. For example, if you are planning to deploy a network that will be used to transmit medical images among several institutions, describe how your network will integrate with other information systems at those institutions. Discuss your use of standards, and if you have chosen any proprietary, closed solutions when standards-based solutions are available, provide justification.

2. Explain the alternative approaches you considered. Detail how your project uses existing infrastructure and commercially available telecommunications services, or if this is not the case, clearly discuss the extraordinary circumstances that require the construction of new network facilities. For example, if you plan to deploy hardware for wireless broadband connectivity, explain why commercially available cable or DSL broadband connectivity is insufficient.

3. Describe your plans for maintaining the system you deploy and for future upgrades of the technology (if applicable). For example, if your project relies on one or several community technology centers, deploying large numbers of computers, printers, modems, and other items, how will you handle replacement and maintenance of this hardware in the latter stages of the project and beyond?

4. Discuss how the system you intend to deploy can accommodate growth beyond the scale defined for the grant period, including growth in the number of users, in geographic area, or in services offered. For example, if your initial population of end users includes only seniors or at-risk youth, but you expect to recruit other groups once the initial project has been implemented, how will you provide for the training and support of these new users?

***Applicant Qualifications*.** Here you provide evidence that the applicant team has the ability to deal effectively with the technical complexity and the organizational challenges associated with managing the project.

> ***From the Announcement:*** "Reviewers will assess the applicant and its partners to determine if they have the financial resources, expertise, and experience necessary to undertake, evaluate, and complete the project and disseminate results within the proposed project period."

It is helpful to include information on your organizational capacity to manage the grant (i.e., previous experience with similar projects, number of staff, brief history of your organization, etc.). Demonstrate that all team members have the qualifications, experience and commitment necessary to undertake the project and complete it within the proposed time schedule. Address team members' experience with network technology projects, serving the communities or populations targeted by the project, and project management. Include brief biographical sketches of key project personnel in the appendices. If you will be hiring individuals to fill positions once the grant is awarded, include a description of the positions you will be filling.

Project Implementation and Completion. As indicated in the *Announcement,* "reviewers will assess the degree to which the proposed project, from implementation through evaluation, will be completed in the proposed time frame." The grant period can range from 18 to 36 months.

A successful application will convince the reviewers that you are capable of both conducting your project and completing a thorough evaluation in the time period you propose. Applicants should present an implementation schedule that identifies major project tasks and milestones. If space is a concern in the project narrative, append this time line.

> ***Tip from Grantees:*** Data collected from TOP grantees show that a commonly reported problem is the underestimation of the time and resources needed to complete project tasks. Grantees recommend that you develop a realistic time line that allows sufficient time to correct errors, trouble shoot, train end users, and deal with unexpected obstacles.

Privacy and Security. The *Announcement* indicates that "reviewers will evaluate the applicant's plans to safeguard the privacy of the project's end users and others affected by the project."

Accordingly, you should describe your plans for protecting the privacy of the end users and beneficiaries of the project. For example, if you are proposing a project dealing with individually identifiable information (student grades, medical records, etc.), describe in detail the technology you will employ to maintain system security and prevent unauthorized access to information. In addition, discuss the policy mechanisms (e.g., staff education and usage guidelines) to deter improper use of the network. If you believe that privacy and confidentiality are not important issues in your project, state so clearly and discuss your reasoning.

Sustainability. As indicated in the Announcement, "reviewers will examine the applicant's strategies to sustain the project after the completion of the grant."

Successful applications demonstrate that the project will have economic and organizational viability beyond the grant period. Reviewers look for a credible sustainability plan that includes a discussion of anticipated ongoing expenses and potential sources of non-federal funds to sustain the project. You should address whether, and how, you expect partners to contribute to the sustainability of your project. As noted above, it is also helpful to have partners' letters of support confirm their role in sustaining your project

Dissemination. As directed by the *Announcement*, reviewers will also "assess the applicant's plans and capacity for sharing the best practices and lessons learned from the project's successes and failures."

You should describe plans for actively sharing information about your project. Such plans may include presenting at professional conferences, workshops, and symposia; hosting regional conferences; spending time at sites in other locations to aid in their adaptation of your project; publishing findings in professional journals or reports; or creating a website which describes the project and provides a how-to guide for others. Since reviewers will also assess the degree to which you dedicate sufficient resources for the activities you propose, clearly describe the staff time or resources dedicated to dissemination in your budget narrative.

Often your partners, especially organizations with national reach, can assist in your dissemination. Specify the groups and organizations you will target for dissemination assistance. In addition, name the conferences, publications, journals, and associations you intend to use for dissemination purposes.

6. Project Budget (10%)

Reviewers will carefully examine your budget narrative to assess whether the budget is appropriate and clearly related to the tasks you propose in the preceding sections of the project narrative.

> ***From the Announcement:*** "Reviewers will analyze the budget for clarity and cost-effectiveness. They also will assess the reasonableness of the proposed budget and whether the allocation of funds is sufficient to complete the tasks outlined in the project narrative."

While you will cover the details of your budget in the budget narrative of your application, you may want to discuss any unusual expenses in this section of your project narrative.

In addition, as stated in the *Announcement*, certain costs are ineligible and should not be included in your budget. In particular, TOP cannot fund the cost of construction or professional services delivered over the network that are being compensated otherwise. See Section F. "Instructions for Preparing a Budget Request" for more details.

F. Instructions for Preparing a Budget Request

Your budget is a description of the resources you propose to use to complete your TOP project in the time period you specify. Include in your budget the cost of all of the items you will need to complete your project. **The budget may contain only eligible items, regardless of whether they are going to be paid for with federal funds or with matching funds**. Remember that the same administrative requirements, cost principles, and audit requirements apply to the use of both federal funds and the funds and contributions provided as the non-federal share. Therefore, if an item is not eligible to be supported with federal funds, it cannot be supported with matching funds.

Reviewers will analyze your budget carefully. As part of the Project Budget criterion, reviewers will rate you on the extent to which your budget is clear, cost-effective, and consistent with the objectives and tasks described in your project narrative. **Accordingly, do not design your budget based on the maximum amount of money you can request from TOP**. Rather, create a budget that realistically details the activities and costs appropriate to the tasks you describe in your project narrative.

Provide enough detail on each cost so that reviewers can easily understand the relationship of items in the budget to your project narrative. One of the most common errors an applicant can make is to submit a budget that is not consistent with the project narrative. In addition, provide enough detail so that reviewers can easily discern the calculation for each line item.

Your budget presentation must detail costs over the entire life of the project. The budget must reflect the costs for the duration of the project, not a single year. In addition, the total federal funds for the entire duration of the project may not exceed $700,000. The following sections will help guide you through the process of preparing a budget.

1. Identifying Costs

In order that the reviewers and program staff can evaluate your budget, fully explain each budget item in your budget narrative. Reviewers will carefully evaluate whether the budget is reasonable for the tasks you expect to accomplish. Clearly define the relationship of items in the budget to the project narrative, especially the project objectives.

TOP will support most costs associated with your project. TOP allows costs for personnel; fringe benefits; computer hardware, software, and other end-user equipment; telecommunications services and related equipment; consultants and contractual services; travel; rental of office equipment, furniture and space; supplies; and indirect charges that are allowable under the applicable cost principles. The only cost category specifically excluded is construction costs (see the Eligible Costs section of the *Announcement*).

The Office of Management and Budget (OMB) Circulars describe in far greater detail the various costs generally associated with federally-supported projects. We urge you to consult the circular(s) appropriate to your organization. OMB circulars are available from the OMB website at: http://www.whitehouse.gov/omb/circulars/index.html.

Organization Type	**Refer to Cost Principles in . . .**
Universities and Colleges	OMB Circular A-21, Cost Principles for Educational Institutions
State, local, or federally-recognized Indian tribal governments; public schools; city and county libraries, etc.	OMB Circular A-87, Cost Principles for States, Local, and Indian Tribal Governments
Community-based organizations, libraries, private K-12 institutions, museums, etc.	OMB Circular A-122, Cost Principles for Non-Profit Organizations
Research and development groups within hospitals	Appendix E of 45 CFR Part 74, Principles for Determining Costs Applicable to R&D under Grants and Contracts with Hospitals

Below are a number of items that have proved to be problematic for grant applicants. If, after reading this section, you still have questions regarding any of the items, please contact a member of the TOP staff (202) 482-2048.

Timing: The timing of when costs are incurred is an important consideration as you develop your budget. As a general rule, NTIA cannot pay for costs that are incurred prior to the official start date of the grant award, October 1, 2004. If you have a piece of equipment that was purchased or you plan to buy before October 1, 2004, you may only count the depreciated or “use value” of the equipment for the time it is used on the project. Please note that there are several methods to calculate use value of an item. See the depreciation and use allowance sections of the relevant OMB circulars for additional guidance. The sample budget narrative in Appendix II contains an example of a use value calculation in the “Supplies” category.

Construction Costs: As stated in the *Announcement*, costs associated with the construction or major renovation of buildings are not eligible.

Discounts: The value of products or services you include in your budget need to reflect the fully discounted price of that item to your organization. For instance, if you can receive a 70% discount on a $2,000 laptop, then the value of the equipment needs to appear in the budget as the actual amount you will pay (i.e., $600). **In addition, you may not use the discount on an item or service as an in-kind contribution from the provider**.

Professional Services: It is important to distinguish between: (1) personnel costs, such as project management, network engineering, and training, associated with the development or maintenance of a network; and (2) costs associated with professional services, such as teaching, counseling, or medical care, that will be delivered over the network that your project will create. **Personnel costs associated with development or maintenance of a network are eligible; payment for ongoing professional services is not eligible**.

For example, if you plan to create a telemedicine network, the costs of setting up and maintaining the network are eligible, but payment for the time or services of physicians or other health professionals providing care over the network is not an eligible cost. In other words, you cannot pay a professional to deliver the services he or she normally delivers in a non-network environment.

Restrictions on Funds: In previous years, the legislative authority to award TOP grants placed restrictions on eligible costs for applicants receiving Universal Service Fund discounts (also known as e-rate discounts) and applicants receiving assistance from the Department of Justice's Regional Information Sharing Systems Program (RISS) as part of the project costs. The statute states:

> *That, notwithstanding any other provision of law, no entity that receives telecommunications services at preferential rates under section 254(h) of the Act (47 U.S.C. 254(h)) or receives assistance under the regional information sharing systems grant program of the Department of Justice under part M of Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796h) may use funds under a grant under this heading to cover any costs of the entity that would otherwise be covered by such preferential rates or such assistance, as the case may be.*

Accordingly, organizations eligible for the preferential rates or assistance described above can not include any costs that would be covered by such preferential rates or assistance in a proposed TOP grant budget. For example, if your organization is a school that is eligible to receive a discount on network line charges under the Universal Service Fund, you can not use any federal funds, or any matching funds, to cover the cost of the network line charges. You can not use matching or federal funds for the undiscounted portion of the network line charges either. Network line charges would simply not appear in your TOP budget.

The rules of both the Universal Service Fund and RISS programs are subject to change at any time. For this reason, we encourage you to refer to the appropriate agencies listed below to learn eligibility requirements and the availability of discounts.

The Universal Service Administrative Company (USAC) is a private, not-for-profit organization and is responsible for providing every state and territory in the United States with access to affordable telecommunications services through the Universal Service Fund. Public and private schools, public libraries, rural health care providers are eligible to seek discounts for communications services from the Universal Service Fund. For further information, the USAC maintains a home page at http://www.universalservice.org/.

The RISS Program is funded by the Department of Justice's Bureau of Justice Assistance (BJA) and offers information sharing and data analysis on criminal activity, telecommunications and investigative support, and specialized equipment sharing. For further information, the BJA maintains a home page at http://www.ojp.usdoj.gov/BJA/.

2. Paying for Eligible Costs

TOP grants are matching grants. This means that, at most, TOP can provide no more than half (50%) of the total project cost unless extraordinary circumstances warrant a grant of up to 75%. If you receive a grant from TOP, you will be required to secure the non-Federal funds proposed in your application. Therefore, be sure that any matching funds you propose in your application are allowable, achievable, and defensible. Clearly, some matching funds will not become available until after the beginning of the grant award period; however, if your budget contains matching items that appear to reviewers to be speculative, unlikely to materialize, or simply unrealistic, your application will be rated accordingly.

If you plan to request federal funds that exceed 50% of the total project cost, fully explain your reasons for the request in the Statement of Matching Funds, and provide appropriate supporting documentation.

You may use matching funds to pay for any eligible item in your budget. Matching funds may be in the form of cash or in-kind donations. The federal government defines in-kind contributions as non-cash donations by a third party to a project that may count toward satisfying the non-federal matching requirement of a project's total budget.

As noted above in the section on eligible costs, you cannot count an item or a service as an in-kind contribution simply because it has value. In general, an item or service may be documented as an in-kind contribution only if it is: (1) an allowable project expense, (2) donated to the project, and (3) used to meet the project objectives.

In general, in-kind contributions might include the following:

- Donated equipment, computers, telecommunications facilities. (Note: If your organization is planning to utilize equipment or resources but is not going to receive legal title to the equipment or resource, you cannot count the full purchase cost as a match. The contribution needs to be accounted for according to the use value of the item, which is generally considerably less than the purchase price. For more details on calculating use value, please see *OMB Circular A-122, Cost Principles for Non-Profit Organizations*. An illustration of the use value calculation is also provided in the sample budget narrative in Appendix II).

- Commitments of time from individuals outside the applicant's organization directly contributing to the project including consultants, engineers, programmers, software engineers, systems support, etc.

- Contributions of services from organizations such as telephone companies, network access providers, Internet Service Providers, satellite companies, cable television operators, etc.

In some instances, your project may generate income. If this happens, that income can only be used to pay for items included as part of your TOP project budget. You may not use them for other costs that your organization may incur, nor can you set them aside to be used to sustain your project after the grant period ends.

For example, if you plan to assess fees for web access, for training services, for software usage, conference attendance, etc., estimate the amount you expect to generate and which items in the budget you will cover with these anticipated funds. You can only spend program income to advance the project TOP is supporting. Similarly, if you realize unanticipated program income during the course of the project, it can only be spent on project-related items. There are places to record program income in your budget narrative, Statement of Matching Funds, Standard Form 424A, and Standard Form 424. Suggestions on how to detail program income are provided in the sample budget narrative, on the following page.

Budget Narrative

Category	Description of Budget Item	Federal	Matching	Program Income	Total
Other	**Telephone service for help desk**. 12 months @ $25 per month, for a total of $300.	$ 300	$ 0		$ 300
	Onsite Volunteers. One local volunteer will provide data entry. The volunteer will work 20 hours a week for 18 months. Based on our research of local labor market, the value of the volunteer's efforts is $5.00/hour. The total value of the volunteer's services is $ 7,200.	$ 0	$7,200		$7,200
	Network Maintenance. We estimate that routine system maintenance, tape backups, and system trouble shooting will cost $2,400. Each of the 20 users expected to use the system will be assessed an access fee. The fee will be $10 per month per user for 12 months, for a total of $2,400. All program income generated will be used to pay for system operating expenses.	$ 0	$ 0	**$ 2,400**	$2,400
	Regional Conference Materials. In year 2, we will host a regional "Lessons Learned" conference. The cost of handouts, name badges, and coffee for 250 attendees at Regional Lessons Learned Conference are estimated at $20 per person for a total of $5,000. A $10 registration fee will be charged to defray the costs of attending and the remaining costs will be paid for with federal funds.	$2,500	$ 0	**$ 2,500**	$ 5,000
	Total Other Costs	$2,800	$7,200	$4,900	$14,900

On the **Statement of Matching Funds**, create a line item for anticipated Program Income.

On the **Standard Form 424A**, use column (3) in Row 6 for Program Income. Please indicate the sum of program income in the appropriate cost categories in rows a through h. Although it is redundant with item 6. k. column (3), also fill out the total program income generated by the project in line 7, column (3). Please see example, on the following page.

Sample Standard Form 424A
Section B for a Project that Includes Program Income

6. Object Class Categories	GRANT PROGRAM, FUNCTION, ACTIVITY			Total (5)
	(1) Federal	(2) Non-federal	(3) Program Income	
a. Personnel	$ 30,000	$ 22,500	$	$ 52,500
b. Fringe Benefits	8,550	6,413		14,963
c. Travel	963	963		1,926
d. Equipment	17,998	24,000		41,998
e. Supplies	375	375		750
f. Contractual	9,900	20,000		29,900
h. Other	2,800	7,200	**4,900**	14,900
i. Total Direct Charges (sum of 6a-6h)	71,936	78,401		150,337
j. Indirect Charges	12,126	12,230		24,356
k. TOTALS (sum of 6i & 6j)	$ 154,648	$ 172,082	$ **4,900**	$ 331,630
7. Program Income	$	$	$ **4,900**	$

On the **Standard Form 424**, include the total amount of program income generated and allocated to the project in Section 15, f. Please see example below.

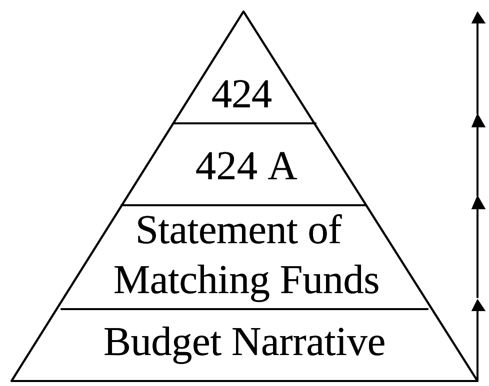
Sample Standard Form 424
Section 15 for a project that includes program income:

15. ESTIMATED FUNDING:		
a. Federal	$	**154,648**
b. Applicant	$	**170,081**
c. State	$	0
d. Local	$	0
e. Other	$	**2,001**
f. Program Income	$	**4,900**
g. **TOTAL**	$	**331,630**

3. Preparing Your Budget Documentation and Forms

The budget request has four parts: (1) a budget narrative; (2) a Statement of Matching Funds; (3) a Standard Form 424A, Budget Information–Non-Construction Programs, and (4) a Standard Form 424. As indicated in the *Announcement*, if your application is missing a budget narrative or a signed Standard Form 424, it will not be considered for review.

By far the most effective strategy for developing a budget request is to write the budget narrative first, and then prepare your Statement of Matching Funds and your Standard Forms 424A and 424. When preparing the budget narrative, it is helpful to use the object class categories from the Standard Form 424A as an outline. Once you have written the budget narrative, it is a relatively simple matter to plug the totals into the SF-424A. This also helps ensure that there will be no discrepancies between the totals in the budget narrative and the corresponding totals on the SF-424A. It is surprising how often discrepancies appear.



Constructing your budget documentation is like building a pyramid. Rather than starting your budget by requesting the maximum amount and working backwards to create a budget that supports your request, first detail all costs required to conduct your project. The costs need to directly support the activities you described in your project narrative. Then detail the costs in your budget narrative. The Statement of Matching Funds builds from your budget narrative by summarizing who will provide the matching funds. The SF-424A abstracts the totals for the categories you described in the budget narrative. Finally, the sums of the categories in the SF-424A are transposed to the SF-424.

Budget Narrative

The budget narrative is a required element and reflects the costs for the duration of the project, not a single year. As noted above, the clarity with which you present your budget information is a factor that reviewers will consider when examining your application. TOP grantees find it helpful to use a spreadsheet when creating the budget narrative to ensure that the total amounts are added correctly. Please round your figures to the nearest whole dollar. Although not a prescribed format, external reviewers and program staff find it helpful to analyze budgets that are prepared according to the format found in the sample budget narrative in Appendix II.

Each item, service or contribution needs to be accounted for in one of six budget cost categories (Personnel, Fringe Benefits, Travel, Equipment, Supplies, Other, Indirect). You may use federal funds and matching funds (or any combination of both) to pay for eligible items in your budget. Each of the cost categories is explained in further detail below.

Personnel

Only the salaries of the applicant organization's staff are placed here. For clarity, list each staff position for which expenses will be claimed, by name and/or by position title. Each listing needs to contain: (1) the position's expected level of effort (e.g., 75%, or 30 hours per week); (2) the duration of the position's involvement (e.g., 18 months), (3) the position's base salary or wage rate (e.g., $35,000 per year, $12 per hour); and, (4) a description of the activities to be performed by the person in that position for the proposed project.

Salaries contributed by partner organizations are listed in the "Other" cost category.

Fringe Benefits

Fringe benefits of staff from your organization are placed here. This section includes only the fringe benefits such as health insurance, social security, workers compensation, and retirement benefits, that apply to the personnel claimed in the section on personnel costs.

If fringe benefits are included in your organization's overall indirect cost rate, then they are not to be included in this section, but presented with "Indirect Charges." Costs for fringe benefits are typically expressed as a percentage of the base salary or as actual costs. Describe the benefits included in the total fringe calculation.

Travel

TOP will support travel costs directly related to the project. Any travel you or your partners require as part of your project can be included in this category. Itemize all travel expenses and show calculations in detail. Provide a clear description of the intended travel and demonstrate that the proposed travel is necessary to the eventual success of the project. Consultant travel costs are described in the "Contractual" section, not here. For air travel, include the origin, destination, and the estimated air fare. For lodging expenses, include the nightly rate and the number of nights. Break out the cost of meals on a per day or per meal basis, as appropriate. If you plan to present at a conference, include the conference fees, location, and proposed date. For automobile travel, include a standard mileage rate and estimated mileage.

Equipment

Equipment typically includes computer and telecommunications hardware that is purchased during the project. All expected equipment purchases are itemized in this section. If detailed information (such as the manufacturer and model number or configuration details) is available, include it. However, exhaustive detail is not required. Describe and justify each equipment item (or set of items). (Note: If you receive a grant, you will need to maintain an inventory of any equipment purchased as part of the grant.)

In accordance with *OMB Circular A-110,* the federal government considers any item that is purchased for $5,000 or more to be equipment; all items purchased for less than $5,000 are "Supplies." Therefore, if you plan to purchase computers, laptops, modems, routers, etc. as part of the grant, and each unit costs less than $5,000, include them in the "Supplies" cost category.

When calculating the value of a particular piece of equipment, it is important to determine which organization will have title to the equipment. If you as the applicant purchase the equipment and maintain title, than the entire purchase price of the equipment can be allocated as match. If, however, title is held by a partner organization, you may only count the depreciated or use value of the equipment as match. Please note that there are several methods to calculate use value of an item. See the depreciation and use allowance sections of the relevant OMB circulars for additional guidance. The sample budget narrative in Appendix II contains an example of a use value calculation in the "Supplies" category.

Supplies

In accordance with *OMB Circular A-110,* the federal government considers supplies to be all items purchased for less than $5,000. Therefore, if you plan to purchase computers, laptops, modems, routers, etc. as part of the grant, and each unit costs less than $5,000, include them in the "Supplies" cost category. Please note that, if selected for an award, you will be required to keep an inventory listing all items that have a useful life of more than one year (including computers and peripheral equipment).

If detailed information, such as the manufacturer and model number or configuration details, is available, include it. However, exhaustive detail is not required. Describe and justify each item (or set of items). To the extent practicable, itemize costs for any needed office supplies including paper, pens, printing cartridges, CDs and other recordable media.

Contractual

Describe all contractual services, including services provided by individual consultants, lease arrangements on equipment, etc. in this section. Describe each service in sufficient detail so that reviewers may assess the reasonableness of the costs. All contracts must conform to competitive procurement rules specified in the appropriate OMB Circulars.

Clearly identify any proposed sole source procurement for $100,000 or more and provide a clear justification for the use of the sole source. The sole source justification needs to be based on the unique nature of the contractor service. It may be that the contractor provides the only hardware or software that is compatible with your system. It may be that a specific vendor may be the only one able to deliver the item or service in a timely way. The sole source provisions of these *Guidelines* also apply to all contracts, including those with individual consultants. Familiarity with the vendor or their past performance is not adequate justification for a sole source contract.

Other

The “Other” category includes the costs (e.g., space rental, volunteer contributions, advertising costs, software licenses) that don’t fall into the categories listed above. However, all costs need to be itemized. Miscellaneous or contingency costs are not allowed. Justify each item and explain its relationship to the project. For staff time contributed by partners, salary and fringe benefits can be combined as a single cost.

Indirect Charges

The amount of indirect charges allocated to the budget is based on your indirect cost rate. Your organization may already have an indirect cost rate negotiated with a federal agency. That rate may be applied to your TOP grant if it is current. If it is not current, you will need to update it. The old rate may still be applied to the TOP grant, with the understanding that the new negotiated rate will apply if an award is made and as long as the total indirect costs do not exceed the dollar amount authorized in the line item budget of the award.

In this section of the budget narrative, explain how the indirect rate is applied to the direct costs. In the simplest case, the indirect rate is a percentage that is applied to the total of all direct costs (both federal and matching funds). However, some organizations apply indirect costs only to certain categories of direct costs, in which case an explanation of how the total amount is derived is helpful. If you have a negotiated indirect cost rate, attach a copy of the agreement to the budget narrative.

If you do not have a negotiated rate, but would like to include indirect costs, estimate your indirect rate and include it in your budget request. Typically, if an award is made, the applicant will have ninety (90) days from the award start date to submit documentation needed to establish a rate with the federal government. Please note, if the subsequent negotiated rate is lower than the estimated rate in the budget, you will be held to the lower rate in your award. If the subsequent negotiated rate is higher than the estimated rate in the budget, you will be held to the lower estimated rate documented in award. It is important to note that, in some instances, contracted service expenditures include indirect charges as part of the cost. Indirect costs for contracted services are included in the “Contractual” section in the budget narrative, not in the “Indirect Charges” section.

Item	Category
Applicant staff time	Personnel
Travel costs for a partner to attend focus group meetings	Travel
New computer equipment purchased by applicant for $5,500	Equipment
Mainframe purchased 2 years ago for $8,000 that will be used by partner (Note: Calculate the use value for the amount used as match)	Equipment
Laptop purchased 2 years ago for $3,750 that will be used by partner (Note: Calculate the use value of the amount used as match. For an illustration on how to calculate this item, see Appendix II in the sample budget narrative section on "Supplies.")	Supplies
Grantee purchased computer costing less $2,500	Supplies
Leased photocopier	Contractual
Charges for telecommunication services, such as data lines or Internet access	Other
Charges for information services, subscriptions to online databases	Other
Telephone charges, postage, photocopying and printing needs	Other
Office space	Other
Advertising and/or publicity expenses directly related to the project	Other
Licenses for operating system software	Other
Volunteer time	Other
Partner's staff time and benefits	Other

Statement of Matching Funds

The Statement of Matching Funds is required for all applicants. The Statement of Matching Funds is a tool to help reviewers and TOP staff understand who will pay for or contribute the items and services identified in the budget narrative.

If you request more than the standard NTIA share of 50% of the project cost, use the Statement of Matching Funds to explain fully your reasons for the request and provide appropriate supporting documentation.

All funds listed in the Statement of Matching Funds should correspond exactly to cost items discussed in the budget narrative and the contributions from partners as documented in their letters of commitment.

With respect to in-kind donations, it is essential to remember that an item which is not eligible for federal support cannot be included as a match. Also, indicate whether the funds will be available at the time of award or if they are to be collected at a later date. Finally, if the funds are to be raised through mechanisms such as service or registration fees or other anticipated program income, document this as described above under the heading "Program Income." A sample Statement of Matching Funds appears below.

Statement of Matching Funds

Contributions from Applicant: $135,984

Contributions from Partners and Others: $ 18,450

Worker, Inc. will provide one welfare-to-work volunteer coordinator for 20 hours per week for 18 months, at $5.00/hour. The total value of this contribution is $7,200. Please see letter of commitment.

Webspectrum will donate 100 hours of web development worth $10,000. Please see letter of commitment.

CompuDonate will provide name badges and materials for 125 attendees at the Regional Lessons Learned Conference valued at $1,250. Please see letter of commitment.

Total Match: $ 154,434

424A-7

Standard Form 424A, Budget Information–Non-Construction Programs

This form is required for all applicants. Please make sure that the figures and totals on the form are consistent with the numbers in your budget narrative and SF-424. Please round figures to the nearest whole dollar. **(Note: You only have to complete the front page of the form, sections A - B; leave sections C - F blank.)**

TOP has online tools available on its website that can generate the Standard Form 424A. The online form has self-correcting features and automatically totals each item to ensure accuracy. If you create the form online, you must print it and include it with your application. **TOP will not accept the electronic submission of this or any other form or information**. To access the tools, please see TOP's website at http://www.ntia.doc.gov/top.

SECTION A–BUDGET SUMMARY

Line 1: Enter the total funds requested from NTIA on line 1, column (e). Enter the amount of non-federal funds, including those from the applicant, state or local governments, or other non-federal sources, on line 1, column (f).

Enter the sum of columns (e) and (f) in column (g).

Leave columns (c) and (d) blank

Lines 2-4: **Leave blank**

Line 5: Enter the same amounts entered on line 1.

SECTION B–BUDGET CATEGORIES

Column (1): Enter the NTIA request for each budget category. Note that the total entered in 6. k (1) needs to equal the amount entered in 1 (e) from Section A. The total needs to also equal the amount entered in section 15. a of your SF 424.

Column (2): Enter the non-federal contribution for each budget category. The total entered in 6. k (2) needs to equal the amount entered in 1 (f) from Section A. The total needs to also equal the sum of sections 15. b - f of your SF 424.

Columns (3), (4): **Leave blank**, unless you anticipate program income.

Column (5): Enter the sums of columns (1) and (2).

Line 7: **Leave blank**, unless you anticipate program income.

SECTIONS C–F **Leave blank**

See sample front page of Standard Form 424A (sections A-B) on the following page.

Standard Form 424, Application for Federal Assistance

Standard Form 424 is required by the Office of Management and Budget (OMB) as a face sheet to all applications for federal assistance. It asks for information about your organization and your project. **Failure to submit a complete Standard Form 424 with an original signature will result in the rejection of your application.**

As indicated in the *Announcement*, OMB now requires all applicants to provide a Dun and Bradstreet Data Universal Numbering System (DUNS) number on the Standard Form 424. If your organization does not have a DUNS number, you can obtain one at no cost by calling toll-free at 1-866-705-5711 (which may take up to 5 days to process) or via the Internet at http://www.dunandbradstreet.com (which may take up to 30 days to process). To accommodate the inclusion of your DUNS information, OMB revised the Standard Form 424 and made it available in PDF format at http://www.whitehouse.gov/omb/grants/sf424.pdf. Instructions to provide your DUNS information can be found below.

TOP has made online tools available on its website that can generate the Standard Form 424. The online form has self-correcting features and automatically totals each item to ensure accuracy. If you create the form online, you must print it, sign it, and include it with your application. **TOP will not accept the electronic submission of this or any other form or information.** To access these tools, please see TOP's website at http://www.ntia.doc.gov/top.

Below are box-by-box instructions about how to fill out Standard Form 424:

Box 2: Enter the date on which the application is being submitted. TOP encourages you to obtain newer versions of the Standard Form which include a specific field for the DUNS information at http://www.whitehouse.gov/omb/grants/sf424.pdf. If you use a version of the Standard Form 424 that does not include a field for your DUNS information, please provide it in the "Applicant Identifier" box. The sample Standard Form 424 in this *Application Kit* demonstrates where to provide DUNS information in older versions of the Standard Form 424.

Box 3, 4: Please leave blank.

Box 5: In the section labeled "Legal Name," enter the legal name of the organization that is applying for a grant. **Do not enter the legal name of the individual who is applying on behalf of the organization.**

In the section labeled "Organizational Unit," enter the name of the department, division, or other organizational unit that will perform the proposed project. For example, the legal name may be the "ABC County Hospital," and the organizational unit may be the "Department of Information Services."

In the section labeled "Address," please enter a street address if possible, not a post office box number. Also, please remember to include the name of the county–it is used for administrative purposes.

In the section labeled "Name and Telephone," please include an electronic mail address, if available, of the contact person.

For applicants using Standard Form 424, Version 7/03, you must provide your organization's DUNS number in the section labeled "Organizational DUNS." If you use a previous version of the Standard Form 424 that does not include a field for your DUNS information, please provide it in the "Applicant Identifier" box. The sample Standard Form 424 in this *Application Kit* demonstrates where to provide DUNS information in older versions of the Standard Form 424.

Box 6: The Employer Identification Number (EIN) is assigned by the Internal Revenue Service. Every employer should have one.

Box 7: Enter the most appropriate letter in the box. If you are a non-profit organization to which none of the labels applies, please enter "N" for "Other" and type in "Non-Profit." **Individuals and for-profit organizations are not eligible to apply.**

Box 11: On the first line of this box, enter a descriptive title of the project. **Do not enter a summary of the project**.

Box 12: List the cities and/or counties affected by the project. If a project is statewide or involves multiple states, please list only the states. If a project is nationwide in scope, please enter "nationwide."

Box 13: **In the section labeled "Start Date," enter the date "10/01/04" the official start date of all awarded projects.** Note that the project may begin at any time after the application deadline, but applicants should read the caution about premature obligation of funds in the relevant OMB circular.

In the section labeled "End Date," enter the date on which the project will terminate. **This date may not be less than 18 months or more than 36 months from the date entered as the start date.**

Box 14: In the section labeled "Applicant," enter the state and district number, e.g., "Nebraska - 2." **Do not enter the name of the Congressional representative. Only list one district; the one that corresponds to the address of the applicant listed in Box 5.**

In the section labeled "Project," enter the state(s) and the Congressional district(s) that will be directly affected by the project.

Box 15a: Enter the funding request from NTIA for the entire duration of the project.

Box 15b: Enter the estimated funding (both cash and in-kind contributions) to be provided by the applicant.

Box 15c: Enter the estimated funding (cash and in-kind contributions) to be provided by a state government or governments. If the applicant is a state government entity, enter the estimated funding in Box 15b as an applicant contribution, and leave this box blank.

Box 15d: Enter the estimated funding (both cash and in-kind contributions) to be provided by a local government or governments. If the applicant is a local government entity, enter the estimated funding in Box 15b as an applicant contribution, and leave this box blank.

Box 15e: Enter the estimated funding (both cash and in-kind contributions) to be provided by other sources (e.g., foundations, private sector contributors).

Box 15f: Leave blank, unless you anticipate generating program income.

Box 15g: Enter the total of Boxes 15a - 15e.

Box 16: **DO NOT** check the box next to "program is not covered by E.O. 12372."

TOP is covered by Executive Order 12372, and all applicants are required to submit a copy of their application to their state Single Point of Contact (SPOC). **To help you determine if your state has a SPOC, the U.S. Office of Management and Budget maintains an up-to-date listing of all state SPOC on the White House website at http://www.whitehouse.gov/omb/grants/spoc.html**. Applicants must indicate the date on which a copy of the application was submitted to the state SPOC office. If the application is from a state that does not have a SPOC office or if a state has for some reason declined to review the application, check the box next to "program has not been selected by state for review."

Box 17: Unless your organization is delinquent on a federal debt, **be sure** to check "No." If your organization is delinquent on a federal debt, explain the circumstances on a separate sheet attached to this form.

Box 18: Enter the name, title and telephone number of someone who is authorized to commit the applicant organization. Have the authorized representative sign the form in **blue ink** so the original signature can be distinguished from the copies. **Failure to submit a complete**

Standard Form 424 with an original signature will result in the rejection of your application.

See Sample Standard Form 424 on the following page.