



USAID
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QUICK REFERENCE

PREPARING BUDGETS FOR USAID ACQUISITION SOLICITATIONS

Follow these steps to develop accurate and complete budget proposals in response to USAID acquisition (contracts) solicitations.

1

UNDERSTAND EXPECTATIONS

Contracts are used by the Agency to purchase goods and services. Read the solicitation carefully to determine whether the goals, objectives, parameters, and anticipated results fit your organization's mission, expertise, and past performance.

2

LEARN THE LANGUAGE

Solicitation documents include many terms organizations need to understand to partner successfully with USAID. Find links to key phrases and abbreviations at the end of this document.

3

REVIEW THE REGULATIONS

Establish whether your organization is commercial, nonprofit, or educational, then familiarize yourself with Federal Acquisition Regulations (FAR) and USAID Acquisition Regulations (AIDAR).

4

FOLLOW BUDGET PREPARATION INSTRUCTIONS

Carefully read the instructions for creating your budget to ensure that you understand and can provide the required information. Acquisition solicitations require the use of Standard Form 33, "Solicitation, Offer, and Award."

5

PLAN YOUR BUDGET

When evaluating a solicitation, identify the budget categories that require specific cost information and determine how you will gather the information you need to present these costs accurately and completely.

6

MEET THE CRITERIA FOR SUCCESS

Include sufficient detail in your response to the solicitation to enable USAID to evaluate your proposal and confirm whether the proposed costs and level of effort are:

- Realistic for the work to be performed;
- Allocable and incurred specifically for the award;
- Allowable and conforming to any award parameters;
- Reflective of a clear understanding of the contract requirements; and
- Consistent with your technical proposal and budget narrative.

7

PRESENT A COMPLETE PICTURE

You should fully explain all budget costs in your budget narrative, including assumptions you made to arrive at those costs and your sources. This helps USAID evaluators understand the cost implications of your proposed interventions.

8

PLAN FOR YOUR PERSONNEL

The salaries and wages section is the first section in acquisition budgets. Include full details on all key personnel and follow the requirements, salary limits, and cost thresholds provided. Comply with local labor laws and be sure to explain cost escalations such as salary increases and inflation.

9

BE CONSISTENT

Subcontractors' detailed budgets must be included in the detailed budget worksheet of the prime organization. The format of a subcontractor's budget should follow that of the prime organization and include relevant cost categories. Keep in mind that the prime organization is responsible to USAID for its subcontractors.

10

SUPPORT A TEAM EFFORT

Coordinate with relevant team members throughout the budget preparation process to ensure that proposed costs match your technical proposal and align with labor and other expenses. Include time for a final review by colleagues who will manage the contract with USAID.

RESOURCES:

- [Glossary of ADS Terms](#) and [“Acronym Soup”](#)
- [Introduction to Federal Government Contracting](#)
- [Types of USAID Contracts](#)
- [“Understanding USAID Awards”](#) module
- [“Effectively Responding to USAID Award Solicitations”](#) module

For questions related to this resource, contact USAID's Industry Liaison at IndustryLiaison@usaid.gov.