PRIMER: BUDGET JUSTIFICATION

The purpose of the budget justification is to explain why each of the requested items in the budget is necessary to accomplish the proposed research. The budget justification should address all expenses required to achieve project aims and objectives. A budget justification should adhere to sponsor proposal instructions, providing as much detail as needed.

The following may be used as a general guide for writing a budget justification. The cost categories are not exhaustive. Additional information may be found in the web resources listed at the end of this document, or by searching online using search terms such as “sample budget justification” or “sample budget narrative”.

Personnel
For each project role, list the individual’s name (or to-be-named (TBN) for roles not yet filled), credentials, role on project, calendar months of committed effort (Federal proposals) or % effort (for most non-federal proposals) and a brief description of what s/he will accomplish in relation to the specific aims of the project. Provide a description of the escalation factor applied to out-year projections if applicable.

When an individual’s effort varies by budget period, list the different amounts of effort when they apply and what the effort will be committed towards in relation to the specific aims of the project (e.g. 6 calendar mo. in budget periods 1-3 collecting data related to specific aims 1 – 3, and 1.2 calendar months in budget periods 4-5 working on specific aim 4 and manuscript preparation).

Examples:

Patti PI, Ph.D., will serve as principal investigator and will commit 6 calendar mo. of effort to this project. Dr. PI will primarily be responsible for… A 3% salary increase has been budgeted in the out years.

One TBN, post-doctoral fellow will be hired to work on this project. This individual will commit 12 calendar mo. to this research. The post doc’s primary focus will be on… A 3% salary increase has been budgeted in out years.

Scott Student will work as a graduate research assistant for this project and will commit 6 calendar mo. to this research. Scott will be responsible for… A 3% salary increase has been budgeted in out years.

Consultants
Consultants, by definition, are not performing part of the project work. Consultants provide expert advice to the investigators who are doing the work.

Provide the consultant’s name, institution, and an explanation of the consultant’s area of expertise as it relates to the project. If a consulting fee is to be paid, explain how the rate is calculated (for example, $X/day for x # of days). The rate may be calculated on an hourly or daily basis, or may be based on
completion of a task or milestone. Obtain a signed letter from each consultant indicating her/his willingness to act as a consultant to the project.

Example:
Cassie Consultant, President of Industry Sponsor, will consult with project personnel on an ongoing basis, 2 trips per year, 5 days each in Seattle. Dr. Consultant was chosen because of her expertise in X. Dr. Consultant’s compensation rate is $300 per day.

Fringe Benefits
Employee fringe benefit rates are linked to the current DHHS-approved rates for faculty, research staff, & students for the duration of the project.

Example:
Employee fringe benefit rates are calculated from rates approved by the University’s cognizant federal agency, the Department of Health and Human Services, dated X. Employee benefits generally include contributions to retirement, social security, and medical, industrial, accident and life insurance. The approved rates for the employee classes working on this project are: Faculty, X%, Professional Staff, Y%, Classified Staff, Z%, Hourly

Travel
Explain the need for travel, e.g., how the travel will benefit the project’s aims and how the travel projections (domestic and foreign) were calculated. Break out costs by airfare, hotel, per diem, etc. Note that the cost estimates for per diem, mileage, etc. are based on UW Travel and/or federal foreign travel rates set by the General Service Administration.

Example:
Domestic Travel – $X is requested for Dr. PI to attend the Biophysical Society conference in YR 3 to share results. This estimate is based on $500 airfare per person, $185 hotel per night per person for four nights, and standard per diem rates used by UW.

Example:
Foreign Travel – $Y is requested for Dr. PI to travel to Uppsala, Sweden in YR 1 to collect data from WISENET. This estimate is based on $1500 airfare, $110 hotel per night for 20 nights, and standard per diem rates used by UW.

Equipment
Equipment is an item with a useful life of more than one year with an acquisition cost over $5,000. List the equipment you are requesting, including model name/number and price quotes from a vendor. Explain the necessity of the equipment to the project.

Example:
In order to complete Aim #2, a high power xenon lamp is required. This lamp will enable researchers to detect fluorescence at a high signal to noise ratio. This information will enable
faster analysis and reengineering of experiment if required.

**Materials and Supplies**
All non-permanent, disposable supplies such as glassware, reagents, chemicals computer supplies and software fall into this category. Small equipment purchases costing less than $2,000 per item should also be included in the supplies category. Provide a list of the types of supplies needed on the project and explain how the costs were estimated.

*Example:*
*Test tubes, beakers, chemicals, assay kits and lab consumables are required for this project to complete the blood tests and analysis.*

**OTHER COSTS**
Costs can only be charged directly to a sponsor if they can be readily and specifically identified with that project. Costs that are essential to the project’s research and which will be used solely for the project may be budgeted with proper narrative. Always explain why purchases are essential to the project’s aims and dedicated only to research on the project.

*Example:*
*Dr. PI expects to publish 3 manuscripts from this work. Publication charges are projected at $1500/manuscript based on an average of the page and setup charges realized for manuscripts published by Dr. PI in the last 3 years.*

**Notable Other Cost Categories**

**Consultant Travel**
Consultant travel is presented in other costs. As with project travel, explain the need for consultant travel, e.g. how the travel will benefit the project’s aims and how the travel projections (domestic and foreign) are calculated. Break out costs by airfare, hotel, per diem, etc.

*Example:*
*Airfare is estimated at $500 per trip. Per Diem in Tempe is estimated at $150 per day. Hotel is estimated at $185 per night.*

**Tuition**
Tuition Remission: Indicate any tuition remission for students. Present the number of quarters and projected rate/quarter. Include the escalation factor for out-year projections. Note: Tuition charges are exempt from Facilities & Administrative costs.

*Example:*
*Tuition for a graduate student (3 academic and 1 summer quarter(s)) is included. Tuition rates are projected as $X/quarter. Tuition projections are escalated by % in the out-years.*
Subrecipient/Subaward
The UW narrative should focus on what the subrecipient is responsible for and why they were chosen over any other subrecipient. The subrecipient should provide the budget justification for their own budget. These narratives should not be intermingled, i.e., the personnel section should NOT include UW personnel and Subrecipient personnel.

Example:
Funds are requested for the University of Illinois (U of I) to perform all clinical trial work in year 2. U of I was chosen because Dr. Magnificent is the leading expert in subject recruitment and retention and because of her extensive experience with clinical trials dealing with leukemia resistant to conventional chemotherapy. A detailed budget justification for U of I’s budget request is included in the proposal for reference.

Facilities and Administrative Costs
Facilities and Administrative costs (F & A/indirect costs) reimburse the University for costs incurred to support sponsored research, instruction and other activity. These costs are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. It is a percentage normally charged to the sponsored project’s modified total direct costs.

Example:
Facilities and Administration costs are calculated on the Modified Total Direct Cost base (Total Direct Costs exclusive of equipment, tuition remission, and that portion of a sub-contract in excess of $25,000) using the Federally – negotiated rate of X% approved 9/22/2011 by DHHS, Division of Cost Allocation, San Francisco office.

Use the following checklist to review your budget justification:

☐ Does the budget justification follow the same order as the budget?
☐ Does it give additional details to explain the costs included in the budget?
☐ Does it include only items that are allowable, reasonable, & allocable?
☐ Is it easy to read (short paragraphs, headings to separate different budget categories, etc.)?
☐ Is it concise? (no more than 3 pages for NSF)
☐ Do the numbers in the budget justification match those in the budget?

References:

University of Washington Financial Accounting Object Codes:
http://f2.washington.edu/fm/faq/references/object-codes#03

University of Washington Grants Information Memoranda 1:
http://www.washington.edu/research/osp/gim/gim1a3.html#employee