

What Is a Grant Budget?

- Budget = research plan in dollars
- Signals realism & feasibility
- Reviewed but not separately scored

Think of a grant budget as a scientific document written in numbers

Budgets can inspire confidence or create doubt
Standard maximum award of \$314,363

What Is a Budget Justification?

- Explains why costs are necessary
- Helps define scope, costs, and sequencing
- Connects dollars to experiments – it tells a story about your aims in numbers, resources, and personnel.
- Written clearly and precisely



Budget as Competitive Signal

- Likely influences Approach, Investigator, and Environment scores
- Risks to both over and under budgeting both dollars and time
- Conservative, realistic budgets work best
- Budgets that are clearly mapped to the strategy increase reviewer confidence

Phase I Budget Norms

- NIH Caps – total award, salaries, fringe, F&A (indirect rates), fees (profit)
- Expanded budget flexibility (topic specific) - AI, mental health, rare disease
- Caution against large deviations from norm without consulting a program officer

Budget Structure

- Personnel (A/B)
- Equipment (C)
- Travel (D)
- Participant/Trainee Support Costs (E)
- Other Direct Costs (F)
- Indirect Costs (H)
- Fee (J)



Budgeting Basics – Fit Project to Budget

Phase I SBIR

\$314,000 Award
- 20,543 – 7% profit or fee
\$293,457 – Available for Directs and indirect expenses
-38,277 – 15%* Indirect

\$255,180 – Total available for direct costs
• 15% used for illustrative purposes based on Admin. directive

Personnel Costs

Most often the largest most scrutinized category
Reviewers are assessing:

- Is there someone responsible for each piece of work that needs to be done
- % Effort and if realistic match to the Research Strategy
- Do the roles budgeted for match the expertise needed?

RESEARCH & RELATED BUDGET - Budget Period 1 Create Period CASE NUMBER: 40493001
Expiration Date: 10/31/2016

ORGANIZATIONAL FUNDS: Enter name of Organization:

Budget Type: Budget Period: 1 Start Date: End Date:

A. Senior/Key Person

Prfts	First	Worsk	Levl	Qu/ft	Rate Salary (\$)	Months	Requested	Fringe	Funds
						Actd.	Salary (\$)	Benefits (\$)	Requested (\$)
1									

Project Role:

Add Additional Key Person

Total Funds requested for all Senior Key Persons in the attached file:

Total Senior Key Person:

B. Other Personnel

Number of Personnel	Project Role	Months	Requested	Fringe	Funds
		Actd.	Salary (\$)	Benefits (\$)	Requested (\$)
	Post Doctoral Associates				
	Graduate Students				
	Undergraduate Students				
	Secretarial/Clerical				

Add Additional Other Personnel

Total Number Other Personnel:

Total Other Personnel:

Total Salary, Wages and Fringe Benefits (A+B):

Salary Reasonableness

- Market-alignment matters
- Founder / PI Salary must be defensible Executive Level II maximum salary \$228,000
- Excessive salaries or time commitments can cause reviewer concern

Equipment

Equipment is defined as an item of property that has an acquisition cost of \$10,000 or more and an expected service life of more than one year.

- Equipment must be essential
- Why own vs rent or core facility
- Item : What it enables : Why alternatives don't work

Supplies & Consumables

- Supplies vs Equipment
- Scale with experiments (Yr. 1 vs Yr 2)
- Maps to the aims and strategy
- Budget Justification indicate general categories like glassware, chemicals, etc... And itemize within the category. Categories under \$1000 do not need itemized

Subaward vs Consultant

(Decision Rule)

- Subaward = programmatic role and collaborative research model
- Consultant = specialized advisory expertise
- Misclassification raises compliance flags

Intellectual property considerations can vary by role

Subcontracts & Consultants

(Scope & Cost)

- Core innovation must not be outsourced
- Both fill capability gaps
- Subcontract is measured against a scope of work that needs to be completed for the grant, may have shared programmatic decision making
- Consultant provides professional advice or services

Technical and Business Assistance (TABAs)

Used for:

- Assistance with product sales
- IP Protections
- Market research and/or validation
- Development of regulatory plans
- Development of manufacturing plans
- Database access
- Up to \$6500 for a phase I proposal

Indirect Costs

Phase I de minimis is not negotiated if company does not have one and is a maximum 40%

It has been proposed that the rate be reduced to 15% for some grant recipients.

Allowable vs Unallowable

Allowable:

- Facilities operation and maintenance
- Administrative costs

Not Allowable:

- No marketing
- No patenting
- Investor travel
- Commercialization activities



Aim-Budget Crosswalk

Reviewers do this implicitly, applicant should do it explicitly.

Category	Aim 1	Aim 2	Total Cost
Personnel	\$40,000	\$20,000	\$60,000
Consultants	\$5,000	\$0	\$5,000
Equipment	\$12,000	\$0	\$12,000
Supplies	\$3,000	\$2,000	\$5,000
Travel	\$0	\$1,500	\$1,500
Total Direct	\$60,000	\$23,500	\$83,500

Writing the Justification

- Narrative paragraphs not bullets
- Clear statements about how costs were determined
 - GSA schedule
 - Actual costs
 - Estimates from likely suppliers
- Factual, composed, lucid writing style

Strong vs Weak Examples

- Weak: Supplies needed.
- Strong: Funds requested for assay reagents to perform sensitivity testing in Aim 1 based on current pricing from Thermo Fisher Scientific.

Do: Quantify assumptions, match scope exactly, show restraint

Don't: Pad supplies, include phase II work, be imprecise