

Budget Justification / Narrative Best Practices

Courtesy of Arizona State University Learning Sciences Institute (modified for MSU OSP 2016)

The **purpose** of the justification is to explain all expenses required to achieve the project aims & objectives. It should:

- Follow sponsor proposal instructions, providing as much detail as needed
- Explain why each of the requested items is necessary to accomplish the proposed research – don't leave the reviewer wondering why an item was requested
- Approach the budget from the perspective of what the sponsor needs to know, not from the perspective of what the PI wants
- Unless sponsor requires it, it is not necessary to include \$ amounts in the narrative

Use the following as a general guide for the categories of your budget justification:

KEY/SENIOR PERSONNEL

For each PI, Co-PI, or Project Director, list name, title, amount of time to be spent on the project and what s/he will accomplish.

Example: Dr. PI will serve as principal investigator and will commit 2 summer months of effort to this project and will primarily be responsible for... A 3% salary increase has been budgeted in out years as per standard MSU practice.

OTHER PERSONNEL

Include Research technicians, Postdoctoral fellows, Graduate & Undergraduate research assistants, etc. When known, list name, title, amount of time to be spent on the project and what s/he will accomplish.

Example: One post-doctoral fellow will be hired to work on this project. This individual will commit 12 calendar months and 100% of his or her time to this research. The post doc's primary focus will be on... A 3% salary increase has been budgeted in out years as per standard MSU practice.

Example: Sally Student will work as a graduate research assistant for this project and will commit 12 calendar months per year and dedicate 100% of her time during the 9 months of the Academic Year and 50% of her time during the 3 summer months to this research. Sally will be responsible for... A 3% salary increase has been budgeted in out years as per standard MSU practice.

BENEFITS

Benefits at MSU are estimates based on campus wide averages. The estimate for faculty and professional is 37% and the estimate for classified is 47%. Students are 1% for full time and 9% for part time. You may also budget the actual rates of the individual if that rate is known. Typically your departmental accountant can provide an individual's benefit rate.

TRAVEL

Explain the need for travel - how the travel will benefit the project's aims - and your calculations of travel costs for domestic and foreign travel. Break down by airfare, hotel, per diem, etc. Note that the cost estimates for per diem, mileage, etc. are based on MSU Travel and/or federal foreign travel rates.

Example: Domestic Travel – \$Amount Support is requested for Dr. PI and Dr. Co-PI to attend the American Society for Cell Biology Association conference in project year 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 Montana State University.

Example: Foreign Travel – \$Amount support is requested for Dr. PI to travel to Costa Rica to collect data from La Selva Biological Station. This estimate is based on \$1500 airfare, \$110 hotel per night for 20 nights, and standard per diem rates used by Montana State University.

EQUIPMENT

Equipment is an item of durable value with an acquisition cost over \$5000. 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 microscopy lens is required. This powerful lens will enable researchers to detect the presence and number of damaged protons. This information will enable faster analysis and reengineering of the experiment.

SUBCONTRACTOR

The MSU justification should focus on what the subcontractor is responsible for and why they were chosen over any other subcontractor. The subcontractor should provide the budget justification narrative for their own budget. These justifications should not be intermingled, i.e., the personnel section should NOT include MSU personnel and Subcontractor personnel.

Example: Funds are requested for Columbia University to perform all clinical trial work in year 2. Columbia University was chosen because Dr. Fantastico is the leading expert in subject recruitment and retention and because of his extensive experience with clinical trials dealing with TB strains resistant to antibiotics. A detailed budget narrative for Columbia's budget request is included for reference.

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 justification, so be as specific as possible. Always explain why purchases are essential to the project's aims and dedicated only to research on this project.

Example: Materials & Supplies: Test tubes, beakers, chemicals and lab consumables are required for this project to complete the blood tests and analysis.

Example: Consultant: Jill Consultant, President of Cell Biology Data Systems, will consult with project personnel on an ongoing basis, 2 trips per year, and 5 days each in Bozeman. She was chosen because of her expertise in X. Dr. Consultant's compensation rate is \$300 per day. Airfare is estimated at \$700 per trip. Hotel is estimated at \$135 per night and standard per diem rates used by Montana State University will apply.

OTHER – AWARDS

Awards, also known as Tuition Remission: Indicate any tuition and fees for students (tuition charged to a project as part of their compensation).

Example: Tuition for the graduate student is included and is charged in proportion to the amount of effort the graduate student will work on the project. Tuition charges are exempt from Facilities & Administrative costs.

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?