SBIR/STTR Budget's Provide the Numbers;
The Budget Justification Tells the Story

As you prepare your NIH or NSF budget, you will also need to prepare a detailed *budget justification*. This is an important and mostly underutilized part of the proposal. Numbers on a spreadsheet are only half of the story. The reviewers need to see WHY you are spending money on the things in your budget and if what you are requesting is reasonable in comparison to the work you are proposing to do. Here are four things to consider as you approach your budget and justification:

- **Identify** - What labor, supplies, partners or collaborators, travel, etc. will be needed?
- **Itemize** - Without going overboard, provide enough details to allow the reviewer to understand what is to be purchased.
- **Estimate** - Include an estimate of costs based on prior research or experience.
- **Justify** - Why this money is needed; provide a reason for each category of costs.

The most important things to remember are:

1. This is the only place in the proposal that really tells the reviewers who is doing what, and where they are doing it. It should be a valuable overview of the way the project is set up. It helps answer a lot of questions reviewers have about your company.
2. This is not where you justify the project and talk about how great it is. That information should be in the Research Strategy. The Budget Justification is where you explain in narrative detail how you will spend the money.
3. Every line item (including project personnel) in the project budget should have a subheading and corresponding paragraph in the Budget Justification. Keeping the order, numbering and headings as in the budget spreadsheet will help you to do this.
4. Include all justification information for all years of a multi-year project in the same document.
5. List all Company Personnel and include the following information in a short paragraph for each:
    i. Employment status – Where are they currently employed? Will this change on receipt of award? Will they be hired by the company on receipt of award?
    ii. Project role – What will their project role/title be, and what will they do? This is not the place to add a lot of background information about the individual and how great they are; that information belongs in the Biosketch.
    iii. % Effort – Express in terms of Calendar Months, e.g. 50% effort on a 6-month project = 3 calendar months.
    iv. Total salary/payment in $
    v. Again: This is not where you add lots of biographical information for your team -- that goes in the Biosketches!
6. If the application includes a subaward/consortium budget, a separate budget and budget justification must be submitted for each subaward.
7. The Budget Justification should be a stand-alone document to give the reviewers an overview of the budget without having to refer to the budget spreadsheets.

BBCetc can help you prepare your budget and budget justification and guide you through the proposal preparation process. Fill out and submit our online Assessment Form to explore working with us.