GOOD Budget Justification Guidelines

When developing a budget justification/narrative please follow these guidelines for each budget item, as appropriate.

PERSONNEL

All personnel – Include a brief description of their role in the project. Include the amount of effort in person months and the amount of salary that is being requested. Include the fringe benefit rate and the annual rate of the salary increase.

Example -
Jane Smith, PI, will serve as project director & will oversee the entire project. Additionally s/he will do XYZ for the project. S/he will devote XX months effort and is requesting $$$$ salary. The fringe benefit rate is 32.3%. Salaries are increased 4% annually.

If no salary is requested then this needs to be stated - Jane Smith, PI, will serve as project director & will oversee the entire project. Additionally s/he will do XYZ for the project. No salary is requested.

Undergrad Students – Include a brief description of their role. The hourly rate is approximately $8-10/hr X 10-20 hrs/wk X the # of months. If the student is working in the summer then state that the fringe benefit rate is 7.99% (currently 7.99% for undergrads).

Graduate Students – Include a brief description of their role, the amount of time they are committing (their effort), salary rate, and fringe rate (currently 4%). If there will be a salary increase, state the % of the increase.

EQUIPMENT

This includes items of equipment equal to or greater than $5,000 & having a useful life of more than 1 year. Details such as the type of equipment, cost, and a brief narrative on the intended use of the equipment for project objectives are required. Each item of equipment should be listed with the corresponding cost. F&A is not calculated on equipment costs

Software is not considered to be Equipment and should not be listed here. It is more appropriately listed under Materials and Supplies.

TRAVEL

Include all travel paid directly by the sponsor, including whether it’s Foreign or Domestic travel. Provide the following information used in estimating the travel costs: the destination, if known, purpose, number of travelers, airfare, ground transportation, lodging, and meals/per diem (e.g., St. Louis, Missouri to attend a conference, 2 persons,
registration $135, airfare $350, ground transportation $40, lodging $125/night/2 nights, meals $75/day/3 days - $1,000 ea.).

For vehicle travel identify the number of miles & mileage rate (currently .55/mile), along with the destination and reason for travel. (e.g., Dover DE, one day conference, 50 miles @ .55/mile = $27.50).

PARTICIPANT SUPPORT COSTS

Participant Support Costs include scholarships, stipends, travel, and subsistence for Non-UD participants. Costs should be itemized with a dollar amount provided for each item. The number of participants to be supported should be indicated for each item. Obtaining the names of participants is not necessary. The institution should submit an itemization of these costs. F&A is not calculated on participant support costs. To determine what constitutes participant support costs go to the research Office website: http://www.udel.edu/research/pdf/PartSupCosts.pdf

If you have questions about this section discuss this with your department administrator for clarification.

OTHER DIRECT COSTS (ODC)

Items in ODC for Federal & Matching funds should be listed with the corresponding dollar amounts with an explanation of the costs provided in the Budget Narrative. Examples of items are:

1. **Materials and Supplies** - This includes items such as software, educational or field supplies, and laboratory supplies such as chemicals, reagents, and glassware. For those items that aren't typical materials & supplies, a brief narrative or justification of how the item fits the program should be included. Indicate the types of materials and supplies in general terms with estimated costs. Supplies should be itemized with their respective dollar amounts.

2. **Publication Costs** - This line is associated with the publishing of an article in a scientific or technical journal or other type of field/program related publication or for commercial printing of brochures and program materials.

3. **Consultants** - A consultant is someone who renders expert advice in his/her field. The consultant cannot be affiliated with UD. Include the name of the consultant and his/her organization, a statement of work, and a breakdown of the amount being charged to the project (e.g. number of days of service, rate of pay, travel, per diem, etc.). A resume or vita for each consultant should be included. A letter of collaboration or intent signed by the consultant or the Authorizing Representative of the consultant organization must also be included.
Consultant rate of pay may not exceed an Executive Level IV. Information on Executive Level IV Salary Rates may be found at the Office of Personnel Management website http://opm.gov and click on “Salary and Wages”.

4. **Computer (ADP) Services** - Represents the charges associated with the organization’s shared computer system (i.e., line charges or computer processing usage costs). Charges for Internet access may be included in this category only for off-site projects.

5. **Subawards/Consortium/Contractual Costs** - When a portion of the work proposed will be performed by outside sources, a statement of work (proposal), budget and budget narrative from the proposed subcontractor should be submitted. The proposal must include the Subrecipient Commitment Form signed by the subcontractor’s Authorizing Representative. The level of details required for the subcontract budget is the same as the recipient’s organization.

The Provider Determination Worksheet must be completed.

6. **Equipment/Facility Rentals/User Fees** -

   a. **Equipment Rental** – When there is a need to rent equipment for use on the project, provide information on the type of equipment to be rented, the purpose or use on the project, the length of time needed, and the rental rate.
   b. **Facility** - When it is necessary to rent office or other facilities spaces for project implementation, and the space(s) are located off-site from the organization's main facility in space not owned by the recipient organization, the cost of the rent may be charged against the award if the space is used specifically for the project. The budget narrative should provide details on the monthly rental charge and if the rent is pro-rated to the project. For laboratory facilities, please provide a letter signed by an Authorizing Representative of the rented space attesting their agreement to allow the project to operate in the space.
   c. **Land-Use Charges** - When there is a charge for using land owned by others for project purposes, provide the charge per acre (or other rate charged), number of acres, and total cost.
   d. **User Fees** – When there are usage fees, provide information on the type of service being charged, how it relates to the project, an explanation and breakdown of the costs. This includes user fees for equipment/services at DBI and greenhouse user fees.

7. **Other** - For other costs not specifically listed above. Identify and provide details of the costs involved. Some of the more common items included in this category are:

   a. **Communications** - Mailings, postage, express mail, faxes, and telephone long distance charges that are directly related to the project and are above and beyond normal business use.
   b. **Photocopying** - In-house photocopying of materials that are directly related to the project and are above and beyond normal business use.
c. Service or Maintenance Contracts - Costs should be in direct correlation to the use of the equipment for the project (i.e., if a particular machine is used 50% of the time for the project, the project should only be charged 50% of the service/maintenance costs). Provide details of the type of equipment and the amount of the service contract to be paid from Federal funds.

d. Conferences/Meetings - Costs of holding a conference or meeting are included in this category. Some examples are the rental of facilities and equipment for the meeting, honorariums or fees for trainers or guest speakers, travel, and per diem for speakers. Details of costs for each conference or meeting should be broken out and provided in the budget narrative. Meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost. In contrast, it is generally allowable that a formal group meeting being conducted in a business atmosphere may charge meals to the project if such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. Breakfast meals are generally not allowable because no continuity of the meeting exists.

*Please not that participant support costs do not belong in this category, those cost should be in the Participant Support Costs category.

e. Speaker/Trainer Fees - Information on speakers should include the fee and a description of the services they are providing.

f. Honorariums - Honorariums to persons providing a service are allowable. Provide information regarding the honorarium amount (rate of pay) and a brief statement regarding what the person is doing to earn the honorarium.

g. Fabrication of Equipment - When the project calls for an item of equipment to be developed vs. purchasing the item, the budget narrative should include a description of the item and its purpose as well as a total cost of the item. F&A is not calculated on equipment fabrication.

8. Tuition – If the sponsor allows tuition then this is an allowable cost on a grant proposal and must be charged at the current rate. The current rate can be found here: [http://www.udel.edu/bill_coll/fees_grad.pdf](http://www.udel.edu/bill_coll/fees_grad.pdf). Subsequent years tuition should be increased by 8%. F&A is not calculated on tuition costs.

**INDIRECT COSTS**

If indirect costs are allowable under the program, state the rate used and what the rate has been charged against or what has been excluded from indirect costs. Include the link to UD's negotiated rate agreement: [http://www.udel.edu/research/pdf/idcCalc.pdf](http://www.udel.edu/research/pdf/idcCalc.pdf).

Example: The University of Delaware’s negotiated overhead rate is 53% of modified total direct costs, excluding equipment, participant support costs, tuition and sub-contract cost over $25,000. A copy of our Negotiation agreement with the Office of Naval Research can be read at [http://www.udel.edu/research/pdf/idcCalc.pdf](http://www.udel.edu/research/pdf/idcCalc.pdf).

**OTHER ITEMS of NOTE**
**Cost Sharing/Matching** - The same level of detail required for Federal funds should be provided for any required cost-sharing/matching. Matching which is not required should not be included on the budget.

Third party matching should be explained in the ODC Section of the Budget Narrative. Any Cost Sharing commitments by a 3rd party organization must include a letter signed by the contributing organization’s Authorizing Representative and counter-signed by the recipient organization’s AR in order for it to be accepted as a required match. This letter should also state whether the matching is cash or in-kind. If letter is submitted with the proposal, counter signature by recipient Authorized R will not be required.