**Budget Narrative/Justification Instructions and Examples**

When writing the budget justification, consider:

* Does the budget justification follow the same order as the sponsor line-item budget and do the amounts match those in the line-item budget? **Unless required by the sponsor, it is not necessary to include dollar amounts in the narrative.**
* Does the budget justification follow sponsor proposal instructions and explain why each of the requested items is necessary to accomplish the proposed project? **Don’t leave the reviewer wondering why an item was requested.**
* Is it easy to read (short paragraphs, headings to separate different budget categories, etc.)?
* Does the budget justification include only items that are allocable to the project, allowable, reasonable and treated consistently?
* Obtain written quotes for those items applicable and keep the quotes as supporting documentation. Keep all financial documentation for audit purposes.

See narrative examples under each category below. Please note that the examples are in different arrangements and formats for reference but should be treated uniformly on the sponsor budget narrative. If sufficient detail is not provided, the sponsor may not be able to determine if the costs of the activities are necessary and reasonable and may disallow such costs.

**Personnel**

Some sponsors require two separate categories for this section, ‘Senior Key Personnel’ and ‘Other Personnel.’ List name; degree(s); project role; method of cost computation (e.g., as percentage of a person’s time devoted to the project, person months, number of days, number of hours); and duties and responsibilities in relation to the program goals and objectives. Indicate if an annual merit increase is included.

*Examples –*

**Dr. NAME, Principal Investigator:** Funds are requested for .5 summer months effort in year one, .25 summer months effort in year two, and for release time for .5 academic year months effort in years one and two. The principal investigator will oversee day-to-day operation of project, ensure timely completion of project tasks, and write, review, and sign off on project reports. The PI will supervise all project staff, ensure programmatic and technical integrity, and supervise the management of the budget. Her/His programmatic responsibilities will include supervising the technical assistance and training efforts, monitoring progress, functioning as chair of the advisory committee, developing curriculum, and disseminating results at conferences.

**Name, Ph.D., Co-Investigator**

0.00 summer months in each year.

The Co-Investigatorwill be responsible for the design and creation of DNA constructs in support of specific aims (i) and (ii). He will train and supervise one or more undergraduate students to assist him in executing these experiments. He will communicate regularly with the PI/PD to provide research updates, analyze data, and plan future work in order to meet the goals and objectives of this project.

A 3% yearly merit increase is included for all Senior Personnel.

Dr. NAME will serve as the Content Coordinator and will commit 2 summer months of effort to this project and will be responsible for... A 3% yearly merit salary increase has been budgeted in out years to cover increases that may be mandated by the state or university.

**NAME, MS Modeler:** Funds are requested for 2.5 summer months effort in year one, .25 summer months effort in year two. Expertise in modeling is necessary to fulfill the project. The bulk of the modeling effort will be in year 1 with adjustments made based on further research (thus the differences in allocation).

**Lab Technician (TBD)**

Funds are requested each year for 12 calendar months effort. The lab technician will provide support in the production, design, and execution of the project. The lab technician is expected to keep a laboratory notebook and participate in the analysis and reporting of results.

One post-doctoral fellow will be hired to work on this project. This individual will commit 12 calendar months and 100% of his/her time to this research. The post doc’s primary focus will be on... A 3% salary increase has been budgeted in out years to cover increases that may be mandated by the state or university.

**Graduate Student, TBD:** (9 academic months and 2.77 summer months per year) - One graduate student assistant will be assigned to this project to support the efforts of the Principal Investigator and day-to-day operations of the project.

**Undergraduate Students, TBD:** (4 students at 10 hours per week for 30 weeks each, which equates to approximately 1.73 Academic months) - Students will be assigned to key/senior personnel trained in the appropriate laboratory techniques to support research in this proposal. They are expected to execute experiments, keep laboratory notebooks, and participate in the analysis and reporting of their results.

**Fringe Benefits**

Fringe benefits may be claimed only on the portion of Salaries and Wages identified for this project. Current fringe rates are published through the [Office of Budget Management](http://www.jmu.edu/budgetmgmt/univbudgetinfo.shtml). Office of Sponsored Programs staff will perform or check fringe calculations.

*Example–*

Fringe benefits are directly proportional to that portion of personnel costs that are allocated for the project. FICA at 7.65% is included on the salaries and wages of the PI summer salary and undergraduate student wages. Full fringe benefits are based on the actual cost of specific benefit packages chosen by staff and faculty members. Full fringe less medical and deferred compensation at XXX% is requested for the PI’s academic year release time.

**Equipment**

Individual equipment items are normally defined as item of property that has an acquisition cost of $5,000 or more and an expected service life of more than one year.

*Example–*

A total of $<insert amount> is requested to purchase the following items of equipment. This equipment is needed for the specific purpose(s) of <insert reason>.

**Travel**

For travel, sponsors normally want to know where you are going, the purpose of the trip/ rationale for the trip and the cost. When travel to professional meetings or conferences is required, remember to allow funds for those collaborating on the project. All travel costs should be calculated on the least expensive means of travel, economy class. Check sponsor guidelines carefully to ensure that travel expenses are allowed and for any special requirements they may have. Some sponsors do not allow or restrict international travel or place a cap on how much travel is allowed per award. OSP staff can make detailed travel projections for you based on your likely destination, duration and number of travelers.

*Examples–*

Funding is requested for the PI and/or students to attend two-three annual conferences related to the proposed project. It is estimated that one trip per person will cost $<insert amount> and includes costs for airfare, hotel/meals, registration, and incidentals for an average three day trip.

Foreign Travel

Funding is requested for the principal investigator to attend one international conference related to the proposed project. Costs include international airfare, ground transportation, hotel/meals for a five day conference, and other conference incidentals.

Travel costs are estimated based on historical data and available rates.  Expenditures will be based on actual costs and allowable rates per Virginia and James Madison University (JMU) travel procedures. JMU’s travel procedures are available at the following URL: <http://www.jmu.edu/financemanual/procedures/4215.shtml>

All domestic rates for lodging and per diems for meals and incidental expenses are estimated based on the U.S. General Services Administration (GSA) rates available at the following URL: <http://www.gsa.gov/portal/content/104877>

Funds are requested for travel for the principal investigator/program director and lead instructor to attend the XYZ Conference.

Anticipated expenses for each attendee includes:

XYZ Conference in Spring (City, State)

Airfare $446

Hotel ($250/night x 2 nights plus 20% tax) $600

Per Diem ($74 x 1 full day plus $55.50 per travel day x 2 travel days) $185

Parking and Taxi ($75/day x 3 days) $225

Transportation to airport ($.575/mile for 260 miles) $149.50

Total for one attendee: 1605.50

It should be noted that these estimates are based on the possibility of coordinating the travel of the faculty and students involved in the program such that transportation and accommodation will be shared whenever possible.

**Participant Support Costs (PSC)**

Direct costs for items such as participant stipends, supplies, per diem, tuition, travel expenses, and registration fees paid to or on behalf of a participant (but not employees) in connection with a meeting, workshop, conference, symposium or training project. A participant is a non-university employee who is a recipient of a service or training session associated with a workshop, conference, seminar, symposium or other information sharing activity. Participants may be students, national scholars and scientists, private sector representatives, agency personnel, teachers, and others who attend and participate in the conference, workshop, or training activity supported by a particular award. Participants perform no work or services for the project or program other than for their own benefit. A participant is not involved in providing any deliverable to the university or a third party. Specifically, PSC are those costs paid to (or on behalf of) participants in such events.  PSC must be clearly identified and justified at the proposal stage and properly accounted for and administered in accordance with the sponsor’s regulations.  PSC are excluded from the application of facilities and administrative/indirect costs, will be tracked separately, cannot be rebudgeted without specific written prior approval from the sponsor, must be returned if unused at the conclusion of the project and cannot be used to offset cost overruns in other categories. A separate department ID will be issued for PSC because JMU must ensure that funds provided for PSC are separately accounted for and expended for the appropriate and intended objectives of the sponsored project or activity.

Participant support costs do not include:

* Payments made to research subjects as an incentive for recruitment and participation in a research project.
* Honoraria paid to a guest speaker or lecturer.
* Conference support costs such as facility rentals, media equipment rentals, or conference food.
* Costs that cannot be specifically identified to a participant(s).

*Examples–*

Participant Support Costs: Costs associated with activities for the 20 student participants are detailed below:

1. Stipends - Funds are requested for each participant to interact with professionals in the workplace (with local industry/corporate partners).
2. Travel - International airfare to/from XYZ is computed for 20 participants.
3. Subsistence - Per diem and lodging costs are requested for each participant for 2 full days at $<insert amount> per full day, 2 travel days at $<insert amount> per travel day and 3 nights lodging at $<insert amount per night plus 20% tax.

4. Other – Materials for enrichment activities are requested at $<insert amount> per student.

**Other Direct Costs**

Other Direct Costs may include some or all of the expense categories listed below

*Examples–*

Materials and Supplies: A total of $<insert amount> per year is requested for research materials, supplies and consumables needed to carry out the proposed project. Such supplies might include items like software programs, chemicals, collection traps, computers, etc.

Publication Costs/Documentation/Dissemination: Funding is requested for page charges and/or reprints in refereed journals related to the proposed project, such as XYZ journal. (Note: This generally includes the following types of activities: reports, reprints, page charges or other journal costs (except costs for prior or early publication); necessary illustrations; cleanup, documentation, storage and indexing of data and databases; development, documentation and debugging of software; and storage, preservation, documentation, indexing, etc., of physical specimens, collections or fabricated items. For each project year, indicate which publications you intend to submit to and the approximate costs per submission).

Consultant Services: A total of $<insert amount> per year is requested for consultant services. This estimate is based on a placeholder for <insert name>. These costs include a daily consultant rate of $<insert amount> for 3 days to assist with recruitment strategies and help monitor and evaluate the effectiveness of the program. (Note: A letter from the placeholder consultant may be provided. Anticipated services must be justified and information furnished on each individual’s expertise, primary organizational affiliation, normal daily compensation rate, and number of days of expected service. Consultants’ travel costs, including subsistence, may be included. If requested, the proposer must be able to justify that the proposed rate of pay is reasonable).

Computer Services: A total of $<insert amount> is requested to rent computer equipment. Note: General-purpose (e.g., word processing, spreadsheets, communication) computer equipment should not be requested. The cost of computer services, including computer-based retrieval of scientific, technical and educational information, may be requested

Subawards: A total of $<insert amount> is requested to give to <Name of Subawardee> for <insert reason>. (Include what the Subawardee is doing with the funds).

Other: Anything that is a direct cost that does not fit into the categories above. Make sure to explain why these costs are necessary. Below are some examples:

* + 1. Honoraria for External Board Members: Funds are requested per year for three members at $<insert amount> per member.
    2. Workshop Meals: Funds are requested for workshop meals at $<insert amount> per person for five people for ten days in year one and five people for four days in year two.
    3. Room rental and A-V fees: Funds are requested at $<insert amount> per day for room rental and A-V fees during the workshop for three days.
    4. Substitute Teacher Cost: Funds are requested to reimburse the schools at $75 per day for 6 days each year for the 8 teacher participants.
    5. Communications/Postage: A total of $<insert amount>/year is requested for long distance phone charges and postage for materials to be distributed.
    6. Advertising for recruiting project staff in regional newsletters/papers, such as *Nurse Leader*, AJN journals, etc.
    7. Tuition: Out-of-state tuition is requested for one graduate assistant at $<insert amount> per academic year for 18 credit hours. A 6% yearly increase is included on the tuition rate.
    8. Incentives: Funds are requested for payments to human subjects at $<insert amount>/participant for <insert # of participants> to promote completion of a survey.

**Indirect Costs (F&A)**

Facilities and Administrative costs (sometimes called indirect costs or overhead.) are ‘real’ costs to the University for administering your award that cannot be directly applied to the award.  Examples include: electricity for lights and equipment; cleaning services and trash removal; heat/cooling; cost to process contractor or payroll payments.

*Examples–*

James Madison University’s off-campus federally negotiated indirect cost rate is 26% of the modified total direct costs, which excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships, fellowships, participant support costs, and the portion of each sub recipient in excess of $25,000. Indirect costs totaling $<insert amount> are associated with the proposed project at the rate of 26% of the MTDC in the amount of $<insert amount>.

The cognizant agency for James Madison University is the U.S. Department of Health and Human Services. The cognizant agency point of contact is Steven Zuraf, (301) 492 4855. A copy of the rate agreement is available at the following URL: <http://www.jmu.edu/sponsoredprograms/forms-tools-resources/nicra1.pdf>