**BUDGET EXPLANATION FOR SBIR/STTR APPLICATIONS**

**Note:** Text Boxes have been added by ReliAscent throughout to assist with filling out this form. They should be deleted.

**Grantee:**

**Grant Application Number: DE-FOA-000XXXX**

**DOE Requisition Number (DOE Use Only):**

Please provide detailed information to support each element of the proposed budget. If an element is not applicable, please indicate. Please ensure that the figures provided in this explanation are consistent with those reflected on your proposed budget pages.

Round all figures to the nearest dollar

**A/B. Senior/Key Person & Other Personnel Total $:**

1. Identify each position (“Role in Project”) to be supported under the proposed award, including the name of the Principal Investigator and other Key Personnel. Other personnel shall be identified by name to the extent possible.

PI: Only One PI permitted, and only if the PI is with the small business

Key Personnel: Senior/Key Personnel are defined as individuals who contribute in a substantive, meaningful way to the scientific development or execution of the project, whether or not salaries are requested. These should be the same as identified in the Project Narrative, with the exception of consultants who should be reflected below in Section F.

1. Briefly justify the need for each individual proposed. (Note: If your budget includes any proposed labor that is primarily administrative or managerial in nature, particular effort should be made to support such labor, as these positions are not customarily proposed or recorded as direct labor charges to a specific award.)
2. State the number of hours to be expended, and the hourly labor rate, for each position proposed.

PI = xx hours x $xx/hr (3 hours/week or 117 hours minimum for the project)

Key person 1 = xx hours x $xx/hr

Other Personnel = xx hours x $xx/hr

1. Identify the basis for the labor rate(s) proposed and explain why it is reasonable for the market (e.g., education, skills, experience, salary survey, etc.). **Please note it is not sufficient to state only that the proposed compensation is an individual’s actual salary; however, that should be addressed.**

Acceptable sources: Personal salary history, company compensation plan, on-line salary surveys, professional organization or other HR sources, Bureau of Labor Statistics.

1. FRINGE BENEFITS - If separately proposed, indicate the basis for the rate used or the computation applied, including the types of benefits to be provided. If the rate or computation protocol used has been approved by a Federal agency, provide a copy of the agreement.

Fringe can be expressed as a separate rate. It’s up to the applicant if fringe is calculated and allocated separately or as part of the total G&A rate. Recommendation: If you don’t already have indirect rates approved, include fringe within your total indirect rates.

**C. EQUIPMENT Total $: 0**

1. Briefly itemize and justify the need for each item of equipment to be purchased.

Equipment is defined as an article of tangible, nonexpendable, personal property, including exempt property, charged directly to the award, having a useful life of more than one year, and an acquisition cost of $5,000 or more per unit. If unit cost is less than $5,000, then categorize as material.

As an alternative, consider buying this equipment from indirect funds, profit, or leasing as a direct cost.

1. Indicate the estimated unit cost for each item to be purchased.
2. Provide the basis for the cost estimates (e.g., vendor quotes, catalog prices, invoices, past experience purchasing similar or like items, etc.). Attach any written vendor quotes, catalog pages, etc., supporting the proposed cost.

**D. TRAVEL Total $:**

1. Briefly justify the need for all proposed travel.
2. Indicate the estimated number of travelers, number of trips, dates, points of origin and destination.
3. For each trip, itemize the transportation and/or subsistence costs for each individual traveling.

Airfare should be lowest available coach fare (with few exceptions).

Use per diem rates for hotel, meals & incidentals from the GSA website http://www.gsa.gov/portal/content/104877

1. Specify the basis for computation of each type of travel expense (e.g., current airline ticket quotes, past trips of a similar nature, federal government or organizational travel policy, etc.).

The travel table in the budget worksheet can be pasted here.

Be sure this includes all costs F.1-7

**F. OTHER DIRECT COSTS Total $:**

1. Materials and Supplies
	1. Itemize materials and supplies estimates by type/nature of expense.

The material table in the budget worksheet can be pasted here.

1. Provide the basis for cost estimates or computations (e.g., vendor quotes, prior purchase of similar or like items, etc.).

“Engineering estimate” is not a valid justification.

1. Publication Costs
	1. Itemize publication cost estimates by type/nature of expense.

Recommended: Option 1 defaults to SBIR Data Rights. Therefore, no budget impact.

May be proposed if you selected Option 2 of the Digital Data Management Plan, meaning you plan on publishing research results and giving up SBIR Rights.

* 1. Provide the basis for cost estimates or computations (e.g., vendor quotes, prior purchase of similar or like items, etc.).
1. Consultant Services
	1. Identify the individual/firm proposed and the professional services to be provided.

Must be performed in the US.

* 1. Provide a brief justification for the use of the party selected.
	2. State the number of hours to be devoted to the project, and the hourly rate to be charged to this award. **(Note: Consultant documentation should include a signed letter from the consultant confirming his/her agreement to perform the labor hours proposed, at the payment rate listed, and should provide verification that this rate is consistent with, or more favorable than, recent billings for similar work, e.g., copies of paid invoices.)**

The justification for consultants is a bit rigorous. Consultant letter of commitment is required. Verification of rate can be deferred until notice of award, but this should be noted along with a reason. Rates over $150/hr will garner increased scrutiny.

1. ADP/Computer Services
	1. Briefly itemize and justify the need for funds to support computer services.

This is typically usage fees for computing services that an applicant cannot provide themselves.

* 1. Provide the basis for cost estimates or computations (e.g., vendor quotes, prior purchase of similar or like services, etc.).
1. Subawards/Consortium/Contractual Costs (Including Research Institutions and any Other Subcontractors)
	1. Describe the support and/or the services to be acquired.

STTR or SBIR major subawardee. Or other subcontractors

* 1. Provide a brief justification for the use of the research institution or other subcontractor selected.
	2. State the amounts of time to be devoted to the project, and the costs that will be charged to this award.
	3. For professional services contracts, state the number of hours to be devoted to the project, and the costs that will be charged to this award.
	4. A budget and budget support documentation, formatted in the same or similar manner as your own, must be obtained from the research institution or other subcontractors**.** Submit the research institution or other subcontractor documentation together with your written review comments confirming your determination of the reasonableness and acceptability of each element of the proposed budget.

All subawards require similar budget format and cost analysis as you the awardee. See attached for analysis. Add this note: In accordance with the FOA page 40, an evaluation of the subaward budget will be provided upon request and notification of grant award.

 Also, if the research institution is a DOE National Laboratory, DOE Order O 481.1C “WORK FOR OTHERS (NON-DEPARTMENT OF ENERGY FUNDED WORK)” Section 4.c. requires that a determination be made by and certified in writing by the laboratory’s cognizant DOE Contracting Officer indicating that the laboratory is in compliance with the cited order. Generally the DOE Contracting Officer will issue a letter containing their determination. This process can take several weeks. It is suggested that you contact the laboratory and begin the approval process as soon as possible.

Contact the contracts department at the National Lab to get this going ASAP.

1. Equipment or Facility Rental/User Fees
	1. Briefly itemize and justify the need for each item of equipment or facility to be rented or otherwise utilized.

This is a better alternative from DOE’s perspective than buying equipment. This does not include office rent, which is included in the indirect costs.

* 1. Indicate the estimated unit cost (rent or user fee) for each item of equipment or facility.
	2. Provide the basis for the cost estimates (e.g., vendor quotes, catalog prices, invoices, past experience with similar or like items or facilities, etc.). Attach any written vendor quotes, catalog pages, etc., supporting the proposed cost.
1. Other

List items by major type and provide justification for the proposed cost (e.g., vendor quotes, prior purchase of similar or like items, etc.).

This number should cover all your administrative expenses over the grant period

**H. INDIRECT COSTS Total $:**

1. State the rate(s) and base(s) proposed in your budget. The base should be described (for example, “Total Direct Costs”) and listed as a dollar amount.

Rate = xx% from the budget worksheet

Base = $xxx,xxx – the number to which the G&A is applied, from the budget worksheet.

Base Description: Total Cost Input or Modified base if no G&A is applied to subawardees/material.

* 1. Are the rate(s) and base(s) provided above approved by a Federal agency for the period of performance proposed for this award?
	2. If yes, identify the source of approval and provide a copy of the agreement.
	3. If no, state whether the amount requested is based on a rate(s) and base(s) which have been accepted for estimating purposes by DOE or another Federal agency for the period of performance for this award. If so, identify the agency, and office, and provide any correspondence indicating acceptance and/or contact information for the agency.

(Note: DOE will have to determine whether this is a sufficient basis for accepting your proposed rate(s) and base(s). More information may be required, possibly including the information requested under 2, below.)

1. If the rate(s) and base(s) proposed in your budget are not approved by a Federal Agency or accepted by a Federal Agency for estimating purposes, state the basis for the amount requested. Provide documentation supporting the computation of the rate(s) proposed. **(Please see the “Guidance for Indirect Rate Submission” for guidance.)**

Indirect Rate computations may be deferred until notice of award. Add this note: In accordance with the FOA page 45, a detailed indirect cost proposal will be submitted upon request and notification of grant award.

Or:

The budgeted indirect costs plus fringe benefits do not exceed 50% of direct salaries and wages, therefore it is our understanding no documentation is required.