**FAQs – Consultant Services**

**Q1.** How are consultant services defined?

**A1.** The Funding Opportunity Announcement (FOA) defines consultants this way:

*A consultant is generally an individual who is not using any institutional or organizational facilities and is acting as a direct agent. The individual usually bills by the hour, submitting invoices. Invoices occasionally include additional direct expenses incurred. Consultants are normally subject matter experts and are not directly supervised by the awardee.*

**Q2**. I’ve named a consultant as a Key Person in the Project Narrative? Where do they go in the budget?

**A2**. Even though a consultant has been declared a Key Person in the Project Narrative, their budget goes into Section F.3 under Other Direct Costs in the budget form. Since they are not employees of the firm they should not be in Section A (Senior/Key Person) of the budget.

**Q3**. How do I calculate consultant costs?

**A3.** The consultant should provide or quote an hourly rate and any travel or materials needed. It’s up to you to negotiate the hours and other costs.

**Q4**. What will I need to justify the consultant on the budget justification form?

**A4.** You should estimate the total number of hours, the consultant’s hourly rate, and any travel costs to derive total estimated costs. The consultant may be asked during negotiations to provide verification that this rate is consistent with, or more favorable than, recent billings for similar work, e.g., copies of paid invoices. Informally, consultants with hourly rates less than $150 may not require this extra scrutiny.

**Q5**. Do consultants need a letter of commitment (LOC)?

**A5.** Yes.

**Q6**. Can I use a consultant from outside the U.S.?

**A6.** No.

**Q7**. Are Technical and Business Assistance (TABA) vendors considered consultants, even if they may not meet the precise definition (such as attorneys)?

**A7.** Yes. All TABA service providers should be designated as a consultant in the budget.

**Q8**. Are consultants considered part of the small business research costs when calculating the SBIR/STTR Workshare Level of Effort?

**A8.** No, according to the FOA:

*The research or analytical effort is defined as the total requested funding minus*

*the cost of any work performed by a consultant, a DOE National Laboratory contractor, and any*

*other subcontractor, including TABA.*