

BUDGET JUSTIFICATION

DEFINITION AND PURPOSE

The Budget Justification indicates how and why a proposed cost helps to meet the project aims. A budget that is adequately and appropriately justified is the best way to ensure a productive cost analysis by the sponsor.

The Harvard T.H. Chan School of Public, Sponsored Programs Administration (SPA) office requires a Budget Justification with each proposal even if the sponsor does not require one.

The order of cost categories in the Budget Justification should follow the listing in the budget.

CHECKLIST FOR WRITING BUDGET JUSTIFICATIONS

Personnel

- Is each individual identified by name and position?
- Are time commitments in person months stated for each position?
- Are the total charges for each person listed along with an explanation of how the costs were calculated?
- Do the time commitments and charges appear to be reasonable?
- Did you clearly describe each individual's role and responsibilities on the project?

Fringe Benefits

- Are fringe benefits for each category of employee listed on the budget identified, as appropriate?
- If required by the sponsor, did you list what is included in the fringe rate calculation?
- Are the total charges for each person listed along with an explanation?
- If the rates change during the project, are all of the appropriate rates listed?
- Do the fringe benefits and charges appear reasonable?
- Is the standard language about vacation accrual used (needed if exempt or nonexempt employees are budgeted)?

Other Significant Contributors

- Is each individual identified by name and position?
- Did you clearly describe each individual's role and responsibilities on the project?
- Did you indicate that the Other Significant Contributors has no measurable effort?

Travel

- Is each trip listed along with the destination, method of travel, estimated mileage, cost per mile, duration?
- Are per-diem rates listed for meals and lodging?
- How are costs for the travel calculated (i.e. current rates for hotel, airfare, etc. or per diem rates, etc.)?
- What is the purpose of the trip and is it directly relevant to the successful completion of the project? (*i.e., conference: To disseminate findings or present?*)
- Are the travel charges reasonable?
- Are international and domestic trips clearly identified?
- How many people are traveling and who are those people?
- Could provost criteria apply to any international high risk region? If so, did you let SPA know to review it further?
- If foreign travel is included, did you work with the [Harvard Travel Services](#) and/or [Global Support Services](#)?

Equipment

- Is each item of equipment listed?
- Is there a description of how it will be used in the project?
- For each item of equipment, are the number of units, cost per unit and total cost specified?
- Is each item of equipment necessary for the successful completion of the project?
- Are the charges for each item reasonable?
- Are you proposing the purchase of “general purpose equipment,” e.g. freezer? If so, can you certify that the equipment would be used primarily for the project?

Supplies

- Are supplies itemized by type of material or nature of expense?
- For general office, business supplies or other specific supply categories, is the total charge listed along with the basis for the charge (i.e., the number of units, cost per unit)? Are they specific to the project?
- Are the charges necessary for the successful completion of the project?
- Are the charges reasonable?
- Are disallowed costs excluded?
- Contingency and miscellaneous charges may not be included!

Other (Direct Expenses)

- For each charge, are the number of units, cost per unit and total cost specified?
- Are the charges necessary for the successful completion of the project?
- Is each item necessary for the successful completion of the project?
- Where applicable, is a methodology included for tracking how expenses are charged and ensuring expenses are specific to this project?

Contractual (Subawards)

- Is the total cost of subawards in all years listed?
- Are the subrecipients listed by name of institution, and does it include a brief description of what this institution will be doing on the project?

Indirect Costs

- Is standard language included?
- Did you indicate the rate used (or if no IDC, why)?
- Did you indicate how the indirect costs were calculated and what type of base was used (TDC, MTDC)?