**TEMPLATE: BUDGET JUSTIFICATION TEMPLATE (DETAILED R&R BUDGET FORM); SF424 (R&R) – Version H**

*Last revised 12/14/2023*

*This document is designed to serve as an abbreviated template. It does NOT replace the detailed information available within the relevant funding opportunity announcement, the funding agency’s forms, instructions, or review criteria.* **For any questions, please refer directly to the FOA or the current** [**NIH Application Guide**](https://grants.nih.gov/grants/how-to-apply-application-guide.html)**.**

**How to use this template:**

Required subheadings are indicated in **bold, black text**. Please **delete all notes, instructions, and examples** (indicated by blue text) prior to finalizing and uploading your text.

**Content Instructions**

* Use the Budget Justification to provide the additional information requested in each budget category identified and any other information the applicant wishes to submit to support the budget request. If you have a quote(s), you may include it here (information in the quote may be not used to supplement information provided in page-limited sections of the application, such as the Research Strategy).
* The following budget categories must be justified, where applicable: equipment, travel, participant/trainee support, data management and sharing, and other direct cost categories.
* In addition to the justifications described in the above sections, also include a justification for any significant increases or decreases from the initial budget period. Justify budgets with more than a standard escalation from the initial to the future year(s) of support.
* To request funds toward Dara Management and Sharing (DMS) costs, investigators should include:
  + A line item in the budget form
  + A section in the Budget Justification labeled “Data Management and Sharing Justification” (see template below for more instructions).
  + Investigators whose research projects are also subject to the Genomic Data Sharing (GDS) Policy should also include requested costs for genomic data management and sharing (see [NOT-OD-22-198](https://grants.nih.gov/grants/guide/notice-files/NOT-OD-22-198.html)).
  + See guidelines for [Budgeting for Data Management & Sharing](https://sharing.nih.gov/data-management-and-sharing-policy/planning-and-budgeting-for-data-management-and-sharing/budgeting-for-data-management-sharing#after).
* Also use the Budget Justification to explain any exclusions applied to the F&A base calculation.
* If your application includes a subaward/consortium budget, a separate Budget Justification must be submitted as part of the Subaward Budget Attachment.
* Special Instructions for Applications Proposing the Use of Human Fetal Tissue: If the use of human fetal tissue obtained from elective abortions (HFT) (as defined in the [NIH Grants Policy Statement](https://grants.nih.gov/grants/policy/nihgps/HTML5/section_4/4.1.14_human_fetal_tissue_research.htm#Human3)) is included in the proposed application, provide a detailed justification, including the quantity, type(s), and source(s) of the HFT and the stage of fetal development. This information must be included if costs for the HFT are assigned to the grant or if the HFT is acquired under the grant at no costs. The HFT justification must be clearly labeled in the budget justification attachment.
* Additional Instructions for Career Development: Use the Budget Justification to provide a detailed description and justification for specific items within the Research Development Support costs (e.g., all equipment, supplies, and other personnel that will be used to help achieve the career development and research objectives of this award).
* If you are using a Modular Budget, **do not** use this template. Instead use the Budget Justification (Modular Budget Form) Template.

**Review Criteria and/or Questions to Consider**

The cost principles address four tests to determine the allowability of costs. The tests are as follows:

**Reasonableness (Including Necessity)**. A cost may be considered reasonable if the nature of the goods or services acquired or applied and the associated dollar amount reflect the action that a prudent person would have taken under the circumstances prevailing when the decision to incur the cost was made. The cost principles elaborate on this concept and address considerations such as whether the cost is of a type generally necessary for the organization's operations or the grant's performance, whether the recipient complied with its established organizational policies in incurring the cost or charge, and whether the individuals responsible for the expenditure acted with due prudence in carrying out their responsibilities to the Federal government and the public at large as well as to the organization.

**Allocability.** A cost is allocable to a specific grant, function, department, or other component, known as a cost objective, if the goods or services involved are chargeable or assignable to that cost objective in accordance with the relative benefits received or other equitable relationship. A cost is allocable to a grant if it is incurred solely in order to advance work under the grant; it benefits both the grant and other work of the institution, including other grant-supported projects; or it is necessary to the overall operation of the organization and is deemed to be assignable, at least in part, to the grant. A cost is allocable as a direct cost to a grant if it is incurred solely in order to advance work under the grant or meets the criteria for closely related projects determination (see [Cost Considerations-Allocation of Costs and Closely Related Work](https://grants.nih.gov/grants/policy/nihgps/HTML5/section_7/7.6_allocation_of_costs_and_closely_related_work.htm)).

**Consistency.** Recipients must be consistent in assigning costs to cost objectives. Costs may be charged as either direct costs or indirect (F&A) costs, depending on their identifiable benefit to a particular project or program, but all costs must be treated consistently for all work of the organization under similar circumstances, regardless of the source of funding.

**Conformance.** This test of allowability-conformance with limitations and exclusions as contained in the terms and conditions of award, including those in the cost principles, varies by the type of activity, the type of recipient, and other characteristics of individual awards. [Cost Considerations-Allowability of Costs/Activities](https://grants.nih.gov/grants/policy/nihgps/HTML5/section_7/7.9_allowability_of_costs_activities.htm) provides information common to most NIH grants and, where appropriate, specifies some of the distinctions if there is a different treatment based on the type of grant or recipient. [IIB](https://grants.nih.gov/grants/policy/nihgps/html5/part_ii_subpart_b.htm) (Part II, subpart B of the NIH Grants Policy Statement) contains additional information on allowability of costs for particular types of grants, recipients, and activities.

These four tests apply regardless of whether the particular category of costs is one specified in the cost principles or one governed by other terms and conditions of an award. These tests also apply regardless of treatment as a direct cost or an F&A cost. The fact that a proposed cost is awarded as requested by an applicant does not indicate a determination of allowability. For more information about NIH’s Cost Principles, see [NIH Grants Policy Statement: 7.2 The Cost Principles](https://grants.nih.gov/grants/policy/nihgps/HTML5/section_7/7.2_the_cost_principles.htm).

* Are the costs justified by the aims and methods proposed?
* Are the person months listed for each senior/key personnel in sync with the monetary figures and research proposed?
* Do cost estimates suggest the PI understands the scope of their work? Is there significant over- or under-estimating?

**Suggested outline**

We have provided a suggested outline on the third page of this document. If you would like, you can enter your text directly below each subsection header. Replace any highlighted text with text specific to your project. This document is already formatted appropriately (0.5 inch margins, Arial font, 11 point text). Just delete the first two pages and you are on your way to a complete draft! (Explanatory comments are in blue and should be deleted.)

**BUDGET JUSTIFICATION**

1. **Senior/Key Personnel:**

**name, PhD – Principal Investigator (xx person months)**

justification here

**name, MD – Co-Investigator (xx person months)**

justification here

**Other Significant Contributors:** (those who contribute to the scientific direction of the project but do not have measurable effort in person months)

**name, MD – role (xx person months)**

justification here

1. **Other Personnel:** (usually includes postdocs, graduate students, research technicians, biostatisticians, clinical research coordinators, etc.)

**name, RN (xx person months)**

justification here

**name, PhD (xx person months)**

justification here

1. **Equipment:** (“moveable” equipment greater than $5,000 AND expected service life > 1 year - anything under $5,000 should be listed under “Materials and Supplies”)
2. **Travel:**
   1. **Domestic:**
   2. **Foreign:**
3. **Participant/Trainee Support Costs:** (Not applicable for most NIH proposals)
4. **Other Direct Costs:**
   1. **Materials and Supplies** (Indicate general categories, such as glassware, chemicals, animal costs, etc., including an amount for each category. Categories with amounts less than $1,000 are not required to be itemized.)
   2. **Publication Costs** (The proposal budget may request funds for the costs of documenting, preparing, publishing, or otherwise making available to others the findings and products of the work conducted under the award.)
   3. **Consultant Services**

(Identify the following items, as applicable:

* each consultant, the services they will perform, total number of days, travel costs, and the total estimated costs;
* the names and organizational affiliations of all consultants, other than those involved in consortium/contractual arrangements;
* consulting physicians in connection with patient care; and
* persons who are confirmed to serve on external monitoring boards or advisory committees to the project. Describe the services to be performed.)
  1. **ADP/Computer Services**
  2. **Subawards/Consortium/Contractual Costs**
  3. **Equipment or Facility Rental/User Fees**
  4. **Alterations and Renovations:** N/A
  5. **8-17 Other:** Add descriptions for any “other” direct costs not requested above (e.g., patient care costs with separate inpatient and outpatient costs and tuition remission). If applicable, include a section called: **Data Management and Sharing Justification.** If a Data Management and Sharing Plan is required in the proposed application (see instructions for the "Other Plan(s)" attachment on the PHS 398 Research Plan Form and the PHS 398 Career Development Award Supplemental Form, as applicable), include a brief justification of the proposed activities that will incur costs. The Data Management and Sharing justification must be clearly labeled as "Data Management and Sharing Justification" within the budget justification attachment followed by the estimated dollar amount (total direct costs). Provide a brief summary of the type and amount of scientific data to be preserved and shared and the name of the established repository(ies) where the data will be preserved and shared. Indicate general cost categories such as curating data and developing supporting documentation, local data management activities, preserving and sharing data through established repositories, etc., including an amount for each category and a brief explanation. Specify in the justification if no costs will be incurred for Data Management and Sharing, if applicable. The recommended length of the Data Management and Sharing justification should be no more than half a page. For more information, see [Budgeting for Data Management & Sharing](https://sharing.nih.gov/data-management-and-sharing-policy/planning-and-budgeting-for-data-management-and-sharing/budgeting-for-data-management-sharing) on the NIH Scientific Data Sharing website and additional details to help [Develop Your Budget](https://grants.nih.gov/grants/how-to-apply-application-guide/format-and-write/develop-your-budget.htm).

Reasonable, allowable costs may be included in NIH budget requests for:

* Curating data
* Developing supporting documentation
* Formatting data according to accepted community standards or for transmission to and storage at a selected repository for long-term preservation and access
* De-identifying data
* Preparing metadata to foster discoverability, interpretation, and reuse
* Local data management considerations, such as unique and specialized information infrastructure necessary to provide local management and preservation (for example, before deposit into an established repository).
* Preserving and sharing data through established repositories, such as data-deposit fees.
* If the Data Management & Sharing (DMS) plan proposes deposition to multiple repositories, costs associated with each proposed repository may be included.
  + Note that all allowable costs submitted in budget requests must be incurred during the performance period, even for scientific data and metadata preserved and shared beyond the award period. For instance, if a DMS plan proposes preserving and sharing scientific data for 10 years in an established repository with a deposition fee, the cost for the entire 10-year period must be paid before the end of the period of performance.