

Sample Budget Justification

Line A: Senior Personnel

Jane Smith (Chief Technical Officer, SOC Code: 11-9041; “Architectural and Engineering Managers”) will serve as the Principal Investigator, overseeing and directing the project efforts. She will also personally direct the catalysis development work in task 2 and assist with the optimization efforts in tasks 3 and 4. Dr. Smith will commit 4 person-months (693 hours) to the project at a salary of \$10000/month.

John Doe (Senior Engineer, SOC Code: 17-2041; “Chemical Engineers”) will direct the process design work in task 1 and will contribute to tasks 2, 3, and 4. He will commit 3 person months (520 hours) to the project at a salary of \$9000/month. This salary is above the median BLS level for the listed SOC code but less than the 75th percentile. The salary is justified by Mr. Doe’s extensive experience in the listed catalysis tasks and specialized post-doctoral training in the field (see bio sketch).

Line B: Other Personnel

Two Technicians (SOC Code: 17-3026; “Industrial Engineering Technologists and Technicians”) will each commit 3 person-months (520 hours) of effort to tasks 1, 3 and 4. They will receive a salary of \$4000 per month.

One computer programmer (to-be hired; SOC Code: 15-1251; “Computer Programmers”) will commit 3 person-months of effort (693 hours) to tasks 1 and 4. They will receive a salary of \$8000 per month.

Line C: Fringe Benefits

The applicant organization has no record of prior year financial data, so a survey of similar firms yields an estimate for fringe benefits of 20% of total budgeted salaries and wages. Major fringe benefit items are paid time off and employee health insurance. The total requested amount for fringe benefits and other indirect costs (line C + line I) is within the SBIR/STTR-approved “safe rate” of 50% of budgeted salaries and wages on line A + line B.

Line E: Travel

As required by the solicitation, we have budgeted \$2000 per person (for two attendees) for the required SBIR/STTR Phase I Awardee Workshop. Total cost for this activity is \$4000.

We have also budgeted one trip for two days for Dr. Smith and Mr. Doe to travel for in-person research planning meetings at the subawardee American Megaversity. The cost includes airfare (\$350/per person), lodging (\$250/person), and per diem (\$150 per person) for a two-day trip. Total cost for this trip is \$1500.

All budgeted travel is required for the successful execution of the Phase I R&D effort.

Line G.1: Materials and Supplies

A total of \$10000 has been budgeted for materials and supplies. This breaks down as follows:

- \$5800 is budgeted for a key chemical reagent, high-purity glycolic acid. Pricing documentation supporting a cost for 20 units (500 gram quantity) is included in the “other supplementary documents” section of the proposal;
- \$1300 is budgeted for a 3” cobalt sputtering target;
- \$700 is budgeted for purchase of a preamplifier board (model XXX);
- \$1200 is budgeted for miscellaneous glassware;
- and \$1000 is budgeted for other commodity chemicals.

Line G.3: Consultant Services

Two consultants have agreed to participate in this effort.

Diane Chan will consult with the team as part of the design studies in task 1. She will commit 100 hours at a rate of \$85/hour.

Geoffrey Ruston will commit 200 hours at a consultant rate of \$50/hour. His role will be to assist with data analysis of the experimental results of the optimization studies (task 3 and 4).

Signed consultant letters from both consultants are included as part of the other supplementary documents section of this proposal.

Line G.5: Subawards

One subaward will be issued to American Megaversity in the amount of \$49,000. A full subaward budget and justification is provided, detailing the role of the subaward institution and the associated costs. A letter of commitment from an authorized representative of the subawardee is also included in the other supplementary documents section of the proposal.

Line G.6: Other Direct Costs

A total of \$2000 has been budgeted to pay for machining services (estimated 20 hours of work at \$100 based on past vendor quotes).

Line I: Indirect Costs

Indirect costs are budgeted, in the amount of 15% of the total budgeted direct costs. Because the company has no established track record of indirect cost rates, this is an estimate based on a survey of similar companies at a similar stage.

The total requested amount for fringe benefits and other indirect costs (line C + line I) is within the SBIR/STTR-approved “safe rate” of 50% of budgeted salaries and wages on line A + line B.

Line K: Small Business Fee

A fee/profit has been requested, calculated as 7% of the total other direct and indirect costs (\$256,450). The requested fee is \$17,952.

The total requested budget is \$274,402.