Using the NASA SBIR/STTR EHB for Budget Development

When you create a proposal in the system, you will have the following screen available to edit the proposal package. This screen will let you select any of the components to begin immediately creating/finalizing that piece of the package.

Selecting “Proposal Budget” will open up a new context menu with the following options:
If you are creating the budget for the first time, you will need to select the applicable components of your proposal. The standard components (Direct Labor, Overhead, G&A, and Profit Rate/Cost Sharing) are required by default, and you cannot unselect them.

Clicking on any of the items in the additional components will cause a green check box to appear in the middle of that item. Once selected, information must be added for that item in all the required areas.
marked with a *. If information is not entered for one of the selected components, you will not be able to submit your budget.

Once you have selected the applicable additional components, you will notice the navigation menu on the left-side now lists the selected items. Clicking on one of these items will take you directly to the input screen for that item.
The first required input is “Direct Labor”. Under Direct Labor, at a minimum, you must have information for the Principal Investigator. Since the Principal Investigator (PI) is named in another portion of the proposal package, you do not need to provide their name here.
When putting in their information, the first context menu is “Labor Category”. This has a number of selectable items, including various types of Engineers, Technicians, and Business support titles. Essentially, this is the background of the PI. Fill in the selections for their role, education, and experience appropriately.
Next, you will need to put in a fringe rate if there is one, or select no if you do not have a fringe rate. Typically, fringe rates will be the cost to employ a person (vacation policy, sick leave, health care costs, etc.). Usually, these are called “fringe benefits”. Anything that is a fringe benefit is a cost driver for your fringe rate.

Though your rates are unique to your business, these two sites (https://www.accountingcoach.com/blog/what-is-a-fringe-benefit-rate) and (https://mil.wa.gov/uploads/pdf/public-assistance/fringe-benefit-instructions.pdf) provide some good initial information on how to calculate your rate.

The employee hours will be the total number of hours that person is dedicating to the effort during the period of performance (6 mos SBIR Phase I; 13 mos STTR Phase I; 24 mos SBIR/STTR Phase II). The employee rate is the hourly rate you will be paying that person. Note, this is just their basic pay rate and should not be a “loaded” rate (meaning a rate with your fringe/overhead/G&A on top). Finally, put in your fringe rate that you calculated. The system will automatically calculate the Total Cost.

If you have a separate fringe/overhead rate, then you will select “No” on the question “Are the labor rates detailed above fully loaded?”. A fully-loaded rate is an hourly wage rate that includes your overhead, fringe, and G&A rates.

In the box, you will need to provide data on how you calculated the costs for your labor, including wage and fringe. You only have 200 characters for this entry.
If you have any additional personnel, you will need to click the button for “Add Another Role”. This will allow you to input additional people that will be paid through the proposed effort. When adding additional personnel, you either designate them as key personnel or not key personnel. The largest difference between these choices is if you are using a particular person's experience and accolades (besides the PI) to convince reviewers that you have the available talent and expertise to perform on the Phase I effort.

* Provide any additional information and cost support data related to the nature of the direct labor detailed above. Labor charges that do not compare favorably to state averages at [http://www.bls.gov](http://www.bls.gov) require additional documentation supporting the proposed salaries.

Wage rate is commiserate with experience level of employee. Fringe benefit rate has been calculated to included employer sponsored health-care (covering 80% of costs), PTO policy of 2 weeks per annum.
If you select that they are key personnel, you will need to put in their name.

* What's his or her name?

Full N…

* What's this person's role?

Don't worry, if you have any subcontractors, we will get to them later.

Role *

If you select that they are key personnel, you will need to put in their name.

* Great, let's get their information. Are they key personnel? 🎉

Yes  No

* What's this person's role?

Don't worry, if you have any subcontractors, we will get to them later.

Role *

If they are not key personnel, then you will only have to fill in what their role is. The other entry boxes are the same as found in the PI section.
Do note, that your explanatory material for labor costs is shared between all personnel entries. Make sure the information you put in this field extends across the proposal, and is not designated towards one individual.

Perform these same steps for any personnel that will be a part of the proposed effort.

The next required section is Overhead. This is the cost to run your business that are not attributed to direct labor or direct material. Oft times, you will hear these describe as Indirect Costs.

Though your rates are unique to your business, these two sites
(https://www.patriotsoftware.com/accounting/training/blog/understanding-overhead-expenses/) and
(https://blog.projectionhub.com/3-steps-to-calculate-your-overhead-expenses/) provide some good initial information on how to calculate your rate.
Once you have calculated that rate, you will need to put it in as a percentage. You may also put in a fixed overhead cost. If you select “Cost ($)” you will simply put in a total dollar value rather than a percentage to be leveraged.

Though completing it is not required, you will probably want to provide some direction on how your overhead rate or cost was arrived at. This section can either be very detailed or vague. It is up to you on how much information you want to put in there for calculating your cost drivers. Do not though, that the more information you put here, the less questions NASA will have on whether your inputs are reasonable.
The next required section is your G&A. General and Administration Costs are typically those costs that are required to maintain your business practices. Differentiating between G&A and overhead costs can be tricky, and many businesses will only set an overhead rate that is all encompassing.

Though your rates are unique to your business, this site (https://www.zekiah.com/insights/business-management/developing-rates-government-contracts-part-2) provides some good initial information on how to calculate your rate.

Like overhead before it, you can also supply an answer for how you calculated your G&A rates.
The final required section is “Profit Rate/Cost Sharing”. In this required section, you must put if you are providing cost sharing (you can input 0) and your profit rate (again, you can input 0). If you make selections in either of these, you will want to provide details on how you arrived at those figures. This is particularly important for cost sharing. Also, please note, when doing cost sharing, this amount is subtracted from your requested budget. In the example above, you will notice that we are currently overbudget. Entering a cost share of $17,500 will bring us below the threshold, as we are saying that amount is being extended by the company to complete the proposed effort.

The following are optional components that can be added to the budget. As stated earlier in this document, if you selected one of these items it now becomes a required entry in your budget.
Subcontractors/Consultants is where you would put information in for any organizations you are working with that are being paid for their participation through the proposed budget. Besides the organization name, you will need to add contact information for someone with representation authority at the organization. Typically this will be the individual who is authorized to sign contracts for the organization.
<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>Do you have a letter of commitment from the subcontractor/consultant?</td>
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<td>Should the G&amp;A rate for this proposal's budget include the cost for this subcontractor/consultant?</td>
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<tr>
<td>Are you able to provide detailed budget information for this subcontractor/consultant?</td>
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</tbody>
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Being able to have a letter of commitment from the organization is typically a requirement for most SBIR/STTR submissions. If you do have a letter, you would select the option for “Yes” and upload the file here.

If you don’t have a letter of commitment, you would select “No” and then must provide an explanation of how the agreement was arranged and reached, and how the organization is holding themselves to the agreed upon budget and statement of work.
If the organization sent you a detailed budget, you would need to fill in the required information. This information is almost a direct copy of the information you put in for the required components. All of the selections and options should be rather identical.
* Are you able to provide detailed budget information for this subcontractor/consultant?

Yes  No

* Total Cost

$_________________________

* Do you provide the authority to the Government to contact this Budget Contact?

Yes  No
Materials, Supplies, and Equipment all carry the same sections and required information. You should provide an entry for each piece of material/supply/equipment that you are requesting, and the entries are detailed as to what the item is, where it is coming from, what the cost is, and how it will be used during the proposed effort.
If you have a quote, agreement, or documentation from the vendor, you will want to upload it here.

NOTE: The maximum file size permitted is 2 MB. The allowed file format(s): .xls, .doc, .docx, .pdf, .xlsx.
If you do not have documentation for this, then you will want to provide information on how you sourced this item.

If you have any travel for this proposed effort, then you will want to input every instance of travel. You will need to provide locations, number of people travelling, number of days travelled, and all costs. You must also input information about why the trip is necessary, how you sourced the estimated costs, and the justification for the trip (essentially how not going on the trip would cause the proposed effort to fail).
The Review provides a view of the costs that you put in for all the categories. Clicking the action button will allow you to immediately navigate to that section and edit the content.
If you select an additional component, and then decide you do not need that component in the budget, you will want to remove it. To do that, select the “Add Additional Components” button towards the top of the page. Here, you will see all the items you selected.

**Do any of these additional components apply to your proposed research? Select**

*Note: Once saved, the selected components will be added to the proposal budget*

Simply clicking the green check box will unselect the item. This will remove it from the requirements. You will see the item removed from the “Proposal Budget” sidebar menu.
<table>
<thead>
<tr>
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<tr>
<td>Direct Labor</td>
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<td>Overhead</td>
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<td>G&amp;A</td>
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<tr>
<td>ODC-Materials</td>
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<td>ODC-Supplies</td>
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<td>ODC-Equipment</td>
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<td>ODC-Travel</td>
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<tr>
<td>ODC-Summary</td>
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<tr>
<td>Profit Rate / Cost Sharing</td>
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<td>Review</td>
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