

Grants Management Lunch and Learn Series

*How to Justify Costs Clearly, Defensibly,
and Persuasively*

On behalf of the State of New Jersey
Department of the Treasury, Grants Management Office
May 12, 2026

Learning Goals

By the end of this session, participants will be able to:

- Understand why project design drives the budget
- Identify weak vs. strong cost justifications
- Write clear, concise, and persuasive budget justifications
- Anticipate and address funder concerns or review questions



Common Budget Categories

- Personnel (salaries, wages)
- Fringe benefits
- Consultants/contractors
- Equipment
- Supplies
- Travel
- Subawards
- Participant support (stipends, incentives)
- Other direct costs
- Indirect costs (overhead)



Budgeting Basics

- Review the sponsor's guidelines.
- What is allowed to be charged to this project?
- Anticipate all project expenses.
- Know your limits—look for cost share requirements and F&A exceptions
- Always round to whole dollars
- Request a reasonable amount of money to do the work, not more, not less



Start with Activities, Not Numbers

- List core activities first (what will happen, how often, for whom)
- Identify staffing, materials, space, and time required
- Then calculate costs based on real inputs

Translating Activities into Costs

For each activity, ask:

- Who is doing the work? (staff/consultants)
 - Too much staff – Overbuilt program
 - Too little staff – unrealistic implementation
 - Just right – workload matches hours
- What is needed? (supplies/equipment)
- How often? (frequency/duration)
- Where? (space/transportation)



Hidden Costs People Forget

- Outreach and marketing
- Translation and interpretation
- Data collection and evaluation
- Technology and software
- Administrative support
- Transportation



Addressing Reviewer Questions Proactively

- Include brief calculations (e.g. hourly rate x hours)
- Justify staffing levels and time allocation
- Explain any high or unusual costs clearly
- Ensure consistency across budget and narrative



Why Project Design Drives the Budget

- A budget is the financial blueprint of your program design
- Activities determine what resources are needed
- Poor defined projects lead to unclear or weak budgets
- Strong design create a logical, defensible budget

What Reviewers Look For

- Clear connection between budget and narrative
 - Telling a story with your numbers
- Reasonable and realistic costs
- No unexplained line items
- Consistency across documents



Anticipating Sponsor Questions

- Is this cost necessary?
- Is the amount reasonable?
- Is it clearly explained?
- Does it align with outcomes?



Common Budget Mistakes

- Vague descriptions
- Costs not tied to activities
- Math inconsistencies
- Over- or under-estimating costs
- Copy-past language across line items



Hidden Costs Checklists

- ✓ Outreach and marketing
- ✓ Translation and interpretation
- ✓ Data and evaluation
- ✓ Technology and software
- ✓ Administrative support
- ✓ Transportation



When Design is Misaligned

- Costs do not match describe activities
- Missing elements (example: no outreach budget for recruitment-heavy programs)
- Overstaffing or understaffing relative to scope

Reviewer Reaction: This does not add up.



Signals of Strong Alignment

- Each line item can be traced to a specific activity
- Staffing levels match workload
- Quantities and calculations are visible or implied
- Budget and narrative tell the same story



Quick Alignment Check

Can yourself:

- Can I link every cost to an activity?
- If I remove this activity, would this cost disappear?
- Can a reviewer understand this instantly?



Writing Clear, Concise, and Persuasive Justifications

- Be specific: define roles, activities, and outputs
- Be concise: avoid unnecessary words and jargon
- Be persuasive: show why the cost is essential
- Always connect costs to activity to outcome

Formula: What + How it Supports Goals



Writing Strong Budget Justifications

- Be specific about who, what, why, and how much
- Link each costs to a program activity
- Use plain, direct language
- Keep it concise but complete



Defending Under Pressure Reviewer Pushback

Example Comment:

“This staffing level seems high for the proposed activities.”

How would you respond?

How to Defend a Budget Under Scrutiny

- Benchmark against industry standards
- Use past program data
- Show cost/participant
- Explain tradeoffs (quality vs. scale)



Budget Justification Formula

- WHAT → item
- HOW MUCH → calculation
- WHY → link to activity
- IMPACT → outcome supported



Budget Justification Formula Example

“A Program Coordinator (0.5 FTE) will manage weekly workshops (*WHAT*), costing \$25,000 annually (*HOW MUCH*), ensuring consistency delivery and participant engagement (*WHY*), which supports program completion goals (*IMPACT*).”



Reviewer Lens Activity

Staff will support program implementation.

What's missing?

What questions would you ask?



Spot the Difference

Funds will be allocated to support the costs of supplies for program activities. (\$2,000)

Program supplies (\$10/participant x 200 participants) will be purchased to support hands-on training session. (\$2,000)



Key Takeaways

- Strong budgets start with strong program design
- Every cost must be justified and aligned
- Clarity and specificity matter
- Anticipate reviewer comments



What Will You Do Differently?

- One thing you will stop doing?
- One thing you will start doing?
- One thing you will improve?



Lunch and Learn Series

**Next Offering:
“When to Say No To A Grant”**

June 9, 2026

12:00 p.m. – 1:00 p.m.



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