

Office of Sponsored Research and Programs

Introduction to Budget Development

Campbell University

OSRP Mission Statement

The mission of the Office of Sponsored Research and Programs (SRP) at Campbell University is to provide a range of pre-award services for externally funded projects. Services include identification of potential funding sources, direction of the grant application process, support for adherence to a variety of compliance activities, and provision of training and support.

Understanding

- Recognize budget terminology
- Understand the general budget categories
- Understand standard CU budget percentages and calculations
- Feel comfortable working with a budget spreadsheet.

1st Things 1st

A successful sponsored research initiative begins with taking a few simple actions:

- Contact SRP.
- Identify and list key dates
- Identify and list key percentages/
amounts

Starting Points



The word “budget” is defined as a plan specifying how resources, especially time or money, will be allocated or spent during a particular Period.

Actual Budget Preparation

If the granting agency provides a budget form, it is generally best to use it. Otherwise, you can generally organize your budget according to the following commonly used categories:

Personnel	Subcontracts
Fringe Benefits	Consultants
Travel	Evaluation
Equipment	Other Expenses
Supplies and Materials	Total Direct Costs
Participant Support	F&A Costs (Indirect Costs)

Budget Item: Personnel

The Personnel Associated with a project are the driving force for its success. Positions can be written into a grant as full-time or part-time employees.

- Academic Personnel
- Research Associates
- Hourly Personnel
- Graduate Students
- Interviewers
- Secretaries



Budget Items: Fringe Benefits

These are “non-wage” payments to employees. As they are mandatory for all personnel, they must be factored into all grants that have personnel.

- FICA;
- Retirement;
- Group Ins.-life;
- Group Ins.-health;
- Unemployment;
- Worker’s Compensation.



Itemized Personnel Costs

P.I. Salary

Time Release Calculation: $\$60,000 \times .25 = \$15,000.00$

Summer Month Calculation: $\$60,000 / 9 = \underline{\$6,667.00}$

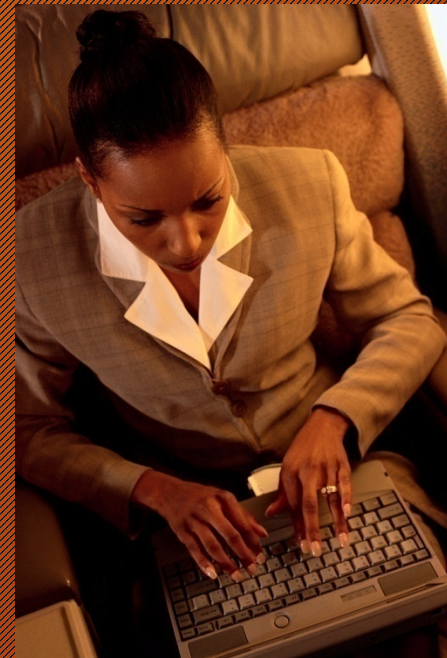
Year One Total Compensation: $= \$21,667.00^*$

	CU Salary	Release Time .	Summer Months	Year One	Year Two	Year Three
Principal Investigator	\$60,000 (9 mo. Contract)	25. %	1 (1/9 of salary)	\$21,667*	\$22,317	\$22,987
Prog. Manager	\$35,000	100%		\$35,000	\$36,050	\$37,132
Total Salary				\$56,667	\$58,367	\$60,119
Fringe Rate	(25.5%)			\$14,450	\$14,884	\$15,330
Total Personnel				\$71,117	\$73,251	\$75,448
Indirect Costs	(55.4%)			\$37,692	\$38,823	\$39,987

Budget Item: Travel

The Travel Expenses line is designated for travel related to the successful completion of a project.

- Field work
- Professional meetings
- Mileage
- Air transportation
- Registration fees
- Taxi/bus/Metro/train
- Per diem
- Hotel



Budget Item: Equipment

To be designated as equipment, an item must have:

- Direct application to the project being undertaken;
- A useable life greater than one year; and
- A cost in excess of \$5,000.



Budget Item: Materials and Supplies

This category includes *consumable* or *expendable* items, or minor equipment that utilizes those items.

- Office supplies
- Advertising / Marketing
- Test materials / Questionnaires
- Laboratory supplies
- Chemicals
- Instructional materials



Materials/Supplies: Cont.

	Year One	Year Two	Year Three
Equipment			
Computer	\$12,000		
Centrifuge	\$6,150		
Equipment Subtotal	\$18,150		
Supplies			
Office Supplies	\$1,000	\$1,000	\$1,000
Laptop Computer	\$1,800		
Disposable Lab Wear	\$2,000	\$2,200	\$2,400
Supplies Subtotal	\$4,800	\$3,200	\$3,400

Budget Item - Participant Support

Grants that involve student participants usually have the funds for their services listed separately from professionals on the grants, including:

- Stipends
- Travel
- Room/Meals
- Supplies

Budget Item - Sub-Contractor

If you chose to use an another institution or agency to provide some of the services for your project, they would be considered a sub-contractor on your grant.

Sub-contractors are required to provide a separate budget to be submitted with your primary budget.



Budget Item: Consultant Services

Consultants are not employees of the university, yet their expertise will prove valuable to the project.

Included are:

- Consultant Fees;
- Travel;
- Supplies for Consultants



Budget Item: Evaluation Services

Evaluators are necessary to gauge the effectiveness and efficiency of your project. Evaluators can be “Internal” or “External”

Included are:

- Service Fees; (hourly/ daily)
- Travel/Food/Lodging
- Generally 10% of the grant's cost



Budget Item: Other expenses

Other expenses are those items not covered under the previous categories, yet are still essential to the the project.

- Duplication services/Printing /Publication costs
- Photographic / graphic services
- Service contracts
- Sub-agreements /Sub-awards
- Space Rental
- Equipment rental, maintenance and repair
- Scholarships
- Facility alterations & renovations *



Division of Budget

- Direct costs - Costs which can be clearly identified and directly accounted for as line items in support of a sponsored project.
- Indirect costs - Costs associated with a sponsored project that indirectly impact the success of the project and are tied into other University services. For CU, this cost is represented as 59% of the total amount of *Personnel* costs in the budget.

Allowable Cost Test

- REASONABLE
- ALLOCABLE
 - a) solely for the work of the project ;
 - b) benefits the project and institution equally
- GIVEN CONSISTENT TREATMENT
- NECESSARY (for the project)
- COMPLIANT
- INCURRED DURING THE PROJECT PERIOD



Cost Sharing/In-Kind/Matching

These terms refer to resources provided for the project *by the University*. Some grants have cost sharing, in-kind, or matching as a requirement of the grant.

The University's contribution can come in the form of:

- Cash contributions.
- Release time for faculty or staff.
- Goods, services or space.

Budget Justification/Narrative

Budget Justification and Budget Narrative are somewhat interchangeable terms for a brief description of all items contained within the budget. Below is a sample budget narrative for the previously discussed Principal Investigator's release time:

The Principal Investigator for the project will lend 25% ($\$60,000/.25=\$15,000$) of their time in support of the project during the academic year (9 months), and one month of service ($\$60,000/9=\$1,667$) over the summer. The PI will be responsible to insure that research goals are met with scientific integrity, within the budget, and in compliance with CU and NSF policy.

Budget Justification/Narrative

Simple Budget Narrative Rules:

- Let the Budget Narrative's order of items reflect the Budget's order.
- Use specific numbers, not general terms such as "several" or "less than."
- Let a co-worker read your Budget Narrative/Justification. If it does not make sense to them, it may not to the reviewer.

Final Thoughts

- If you have expressed in your proposal narrative you are going to do something, make sure your budget reflects the cost of doing it.
- Do not request funding for staff, equipment, supplies, or services that you did not express a need for in your proposal.
- The more realistic your budget is, the better it makes your proposal look. Funding sources know when you are inflating costs.

Sponsored Research and Programs

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