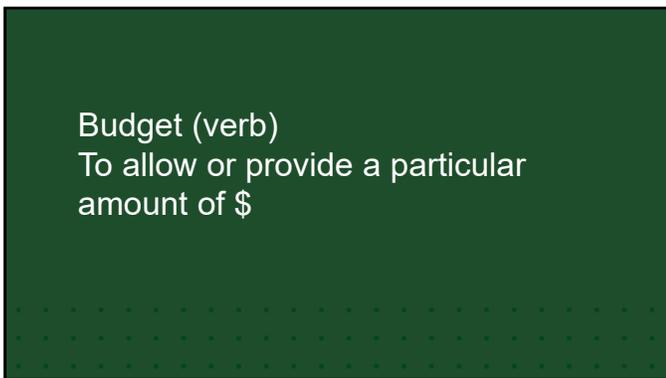
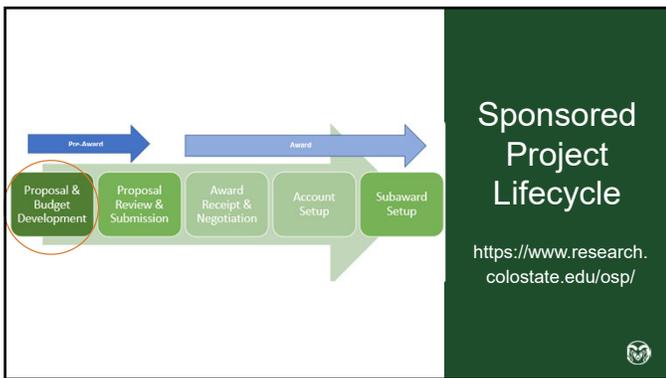




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2



3

Budgeting 101

"We do not expect your budget to predict perfectly how you will spend your money five years down the road. However, we do expect a reasonable approximation of what you intend to spend. Be thorough enough to convince the reviewers that you have a good sense of the overall costs." –NIH

<https://grants.nih.gov/grants/how-to-apply-application-guide/format-and-write/develop-your-budget.htm>



4

CSU Sponsored Programs Terminology

Authorized Organizational Representative (AOR): Individual who is authorized to sign on behalf of a proposing organization.

Business & Financial Services (BFS): CSU department that sets guidance and provides oversight for CSU business and financial services including accounts payable, accounts receivable, cost accounting, Kuali Financial System operations, property management, loan services, tax services, and travel).

Federal Demonstration Partnership (FDP): A cooperative initiative between member Federal agencies and institutions of higher education that receive federal funding.

5

Financial Procedure Instructions (FPI): Documents outlining CSU's financial rules and procedures for accounting; expenditures & revenues; contracts; capital construction & property; travel; and record retention.

Indirect Costs (aka F&A or Overhead): Costs recovered on sponsored awards to cover institutional facilities and administrative costs related to research.

Kuali Research Proposal Development (KR PD): Kuali Research module used to construct and routing proposal / budget information for review, approval, and submission.

Office of Sponsored Programs (OSP): Central CSU administrative unit that authorizes and submits proposals on behalf of CSU and receives/negotiates awards.

6

Research Administrator (RA): General term for CSU personnel who assist investigators with pre- and post-award services. May also be referred to as a Department Research Administrator (DRA), Unit Administrator, or OSP S/RA.

Research Coordinator / Research Project Manager (RPM): CSU personnel responsible for the day-to-day operations for one or more research projects. Generally found in Colleges/Departments/Units.

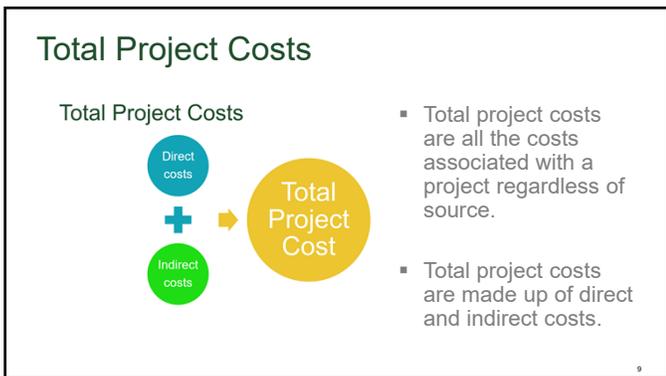
Sponsor (aka Sponsoring / Funding Agency): The agency, entity, or organization that provides funding for a project.

Unit Administrator: General term for CSU personnel in a department, college, or unit who assist investigators with pre- and post-award services. May also be referred to as a Department Research Administrator (DRA).

7



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9

Direct Costs

Direct costs are costs that can be identified specifically with a particular final cost objective and can be directly assigned to activities with a high degree of accuracy. (2 CFR § 200.413)



10



Personnel Costs

11

11

Institutional Base Salary (IBS)

Institutional Base Salary (IBS) is the annual compensation paid by an organization for an employee's appointment, whether that individual's time is spent on research, teaching, administration, patient care, or other activities. The IBS does not include bonuses, one-time payments, incentive pay, or income an individual earns outside of their organization.

Example: 20% effort x \$200,000 IBS = \$40,000



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Person Months

A person-month is a metric used to express the amount of time devoted to a project and is based on appointment type, usually calendar year (CY), academic year (AY) and summer (SM).

A postdoctoral candidate with a 12-month appointment is devoting 20% effort to a project. Calculate person months.



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1% Minimum Effort

CSU policy that an individual listed as a PI or Senior/Key Personnel on an award is expected to contribute to the scientific development or execution of the project in a substantive and measurable way. Failure to document at least one percent effort for Key Personnel may indicate to the sponsor that the individual did not provide the necessary contribution(s) or work on the project. The 1% can be captured in the project budget or in non-reportable cost-share.



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Salary Limitations

- NIH Salary Cap
 - January 3, 2022: \$203,700
 - Your institution must pay beyond the cap with non-grant funds

- NSF two-month rule
 - Compensation for senior project personnel requested is generally limited to no more than two months of their regular salary in any one year. This limit includes salary compensation received from all NSF-funded grants.
 - If anticipated, compensation in excess of two months must be disclosed in the proposal budget and well justified in the budget justification.



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Charging Administrative & Clerical Salaries as Direct Costs

Uniform Guidance states that salaries of administrative and clerical staff should normally be treated as indirect ("F&A") costs (2 CFR § 200.413). Direct charging of these cost may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project activity.
- Individuals involved can be specifically identified with the project or activity.
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency
- The costs are not also recovered as indirect costs.

Colorado State University

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ORGANIZATION: Colorado State University Business and Financial Services
ASSESSMENT DATE: 6/8/2021

SECTION 1: FRINGE BENEFIT RATES**

TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
FIXED	7/1/2021	6/30/2022	26.70	All (A)	Fac. & Prof. (1)
FIXED	7/1/2021	6/30/2022	48.20	All (A)	State Classified
FIXED	7/1/2021	6/30/2022	0.20	All (A)	Student Hourly
FIXED	7/1/2021	6/30/2022	25.99	All (A)	Temporary (2)
FIXED	7/1/2021	6/30/2022	10.00	All (A)	All Graduate Students
FIXED	7/1/2021	6/30/2022	13.00	All (A)	1st Yr Post Doc (3) / Other Temp (4)
FIXED	7/1/2021	6/30/2022	23.50	(B)	All Employees (5)
PROV.	7/1/2022	6/30/2025		(C)	

** DESCRIPTION OF FRINGE BENEFIT RATE BASE:
 (A) Salaries and wages including vacation, holiday, sick leave pay and other paid absences.
 (B) The total of salaries and wages plus appropriate fringe benefits excluding vacation, holiday, sick leave pay and other paid absences.
 (C) Use same rates and conditions as those cited for fiscal year ending June 30, 2021.
 (1) Faculty, administrative professionals and second-year plus post doc and interns
 (2) Temporary non-student hourly
 (3) First-year post doc and interns
 (4) Temporary first-year faculty, administrative professionals, including continuing temporary faculty and administrative professionals at less than 50% time.
 (5) Leave benefit rate for Center for Environmental Management of Military Lands (CEML) & Colorado National Heritage Program (CNHP)

Fringe Benefits

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Equipment

Defined as... "tangible personnel property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000." (2 CFR § 200.33)

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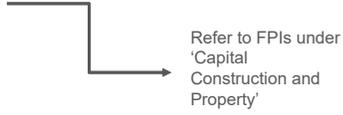
Equipment Fabrication

- Costs for equipment fabrication or construction may also be budgeted under 'Equipment'
- Components and salaries of technician labor costs for assembling components allowable
- Total combined price of the end-product should be equal to or greater than \$5,000
- Useful life of more than 1 year
- Consult FPI 4-7

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Post Award Equipment Considerations

- Acquisition
- Loan/Return/Renew
- Inventory
- Disposal



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Equipment? Answer in the chat!

- \$8,000 for laptops (4 laptops @ \$2,000 each)
- \$5,000 software purchase
- \$5,000 printer purchase
- \$4,000 microscope purchase
- \$6,000 lab tech salary / fringe + \$20K in supplies for fabrication

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Fly America Act

For international air travel, federal requirements state that American carriers be used when a traveler is flying between the U.S. (including U.S. territories and possessions) and another country or between other countries to the maximum extent possible. There are some instances in which travelers can use foreign air carriers if there is an Open Skies Agreement in place. When budgeting for travel, estimate airfare based on U.S. air carriers and remember that convenience and/or expense are not considered appropriate reasons for not using U.S. carriers.

For more on the Fly America Act and Open Skies Agreements, visit GSA.gov. <https://www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act>

GSA.gov

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Dependent Travel

Generally, travel costs for dependents are unallowable on a federal award, except when the duration of travel is six months or more (2 CFR § 200.474). Consult sponsor guidance, include costs in the budget, and justify costs in the budget narrative for sponsor prior approval.

GSA.gov

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Participant Support Costs

Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects (2 CFR § 200.75).

Categories

- Stipends
- Travel
- Subsistence
- Other

University of Kansas

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Not Participant Support – Let’s Chat!

- _____
- _____
- _____
- _____
- _____
- _____

University of Kansas

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Best Practices: Participant Support

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Charging Computing Devices as Direct Costs

Charging computing devices as a direct cost on a federal award is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award (2 CFR § 200.453 (c)). Before budgeting for a computing device ensure:

- Device is necessary for the performance of the project
- Allowable by the sponsor and program
- Need has been included and justified in the budget and b. justification
- Cost estimate is reasonable, can be reasonably allocated
- Your organization allows for computers/electronic devices to be directly charged to an award

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Dependent Care

2 CFR § 200.474 (c) (1) (Subpart E): ...Temporary dependent care above and beyond regular dependent care that directly results from travel to conferences is allowable provided that:

- The costs are a direct result of the individual's travel for the Federal award
- The costs are consistent with the non-Federal entity's documented travel policy for all entity travel
- The costs are only temporary during the travel period

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Subawards / Subcontracts

- Agreements by which some scientific or programmatic aspects of an award are contracted out to another organization or institution
- The Pass Thru Entity (PTE) has an obligation to make a case-by-case determination if outside entity is a subrecipient or contractor
- Use Federal Demonstration Partnership (FDP) template for FDP-entities

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Subrecipient or Contractor?

Subrecipient

- Performance measured in relation to whether objectives were met
- Has programmatic decision making
- Performs substantive programmatic work
- May have PIs, Co-PIs
- May publish on results
- May have to provide cost sharing
- May be involved in design of project

Contractor

- Obtains goods or provides services which generally create a procurement relationship
- Usually provides goods or services within normal business operations
- Generally, operates in a competitive environment
- Generally, does not participate in the design of the project
- Provides tools essential to services

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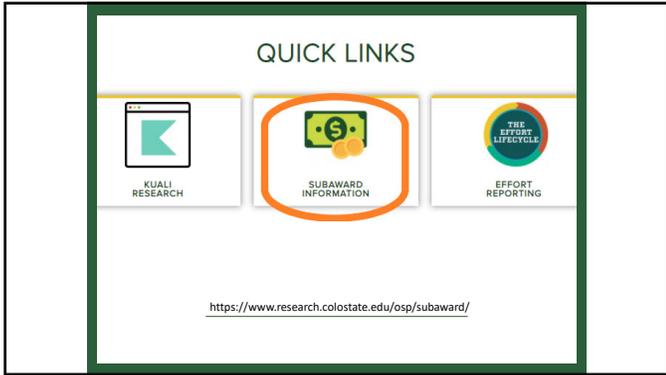
Subrecipient or Contractor?

Dr. Adams, CSU, is submitting a proposal to the National Science Foundation to support a project aimed at unearthing dinosaur fossils in Alaska. Dr. Adams wants to include Dr. Leakey on the project.

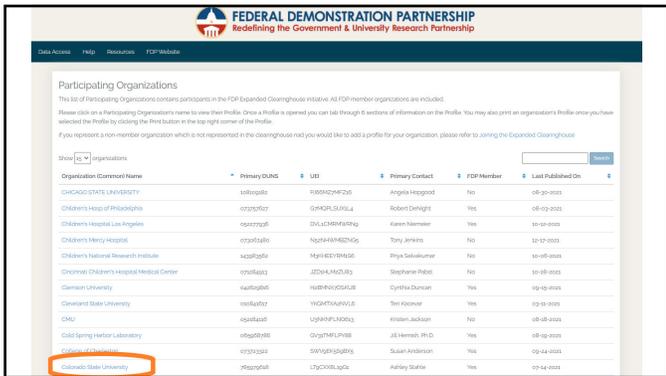
Dr. Leakey is a professor of Paleoanthropology at the University of London. After fossils are exposed, Dr. Leakey and her team provide services to map the fossils as they are laying ground prior to excavation.

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Tuition (& Differential Tuition)

- Per credit cost that all graduate students are charged
- Rates established each AY (August – May)
- CSU practice is to charge resident tuition to sponsored projects
- Verify tuition (and differential tuition) per unit
- Tuition charges should follow effort
- KR PD budgeting tool includes 8% tuition inflation
- Tuition charges exempt from indirect costs

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Other 'Other Direct Costs' – Let's Chat!

- _____
- _____
- _____
- _____
- _____
- _____



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Multi-Year Budgets

- Include standard inflation factors as allowed by the sponsor
- Budget for publication / dissemination charges in later years
- Budget for large, anticipated increases such as salary adjustments due to promotion or tenure
- Consider needs and timing and if carryforward is allowed



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Indirect Costs



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Indirect Costs

Indirect costs are costs that are incurred for common or joint objectives and therefore cannot be readily identified with a particular project. (2 CFR § 200.414)



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SECTION I: INDIRECT COST RATES					
RATE TYPES:	FIXED	FINAL	PROV. (PROVISIONAL)	FRED. (PREDETERMINED)	
EFFECTIVE PERIOD					
TYPE	FROM	TO	RATE(S)	LOCATION	APPLICABLE TO
FRED.	07/01/2014	06/30/2015	48.70	On-Campus	Organized Research
FRED.	07/01/2015	06/30/2016	50.00	On-Campus	Organized Research
FRED.	07/01/2016	06/30/2017	51.00	On-Campus	Organized Research
FRED.	07/01/2017	06/30/2019	52.00	On-Campus	Organized Research
FRED.	07/01/2014	06/30/2019	26.00	Off-Campus	Organized Research
FRED.	07/01/2014	06/30/2019	56.00	On-Campus	Instruction
FRED.	07/01/2014	06/30/2019	26.00	Off-Campus	Instruction
FRED.	07/01/2014	06/30/2019	34.00	On-Campus	Other Sponsored Activities
FRED.	07/01/2014	06/30/2019	26.00	Off-Campus	Other Sponsored Activities
FRED.	07/01/2014	06/30/2019	8.00	Off-Campus	(A)
PROV.	07/01/2019	Until Amended		(B)	

Negotiated Indirect Cost Rate Agreement (NICRA)

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Types of Sponsored Activities

Research Activities

Research activities include rigorous inquiry, experimentation, or investigation to increase scholarly understanding.



Instructional Activities

Teaching and training activities with the purpose to instruct any student at any location, whether offered for credit toward a degree or certificate or on a non-credit basis.



Other Sponsored Activities

Programs and activities that involve work other than instruction or organized research.

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Off-Campus

DEFINITION OF OFF-CAMPUS
 For projects which include activities conducted at both on- and off-campus sites, the following criteria will determine costs to be allocated as off-campus: Must extend over a period of more than 120 consecutive days (or the duration of the project, if less than 120 days) at the off-campus site.

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Modified Total Direct Cost (MTDC) Base – Let’s Chat!

***BASE**
 Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

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Modified Total Direct Cost (MTDC) Base Calculation – Calculate it!

Salaries	\$100,000
Benefits	\$25,000
Equipment	\$10,000
Supplies	\$2,000
Subaward(s)	\$40,000
Other	\$5,000
Total Direct Costs	\$182,000
MTDC base	?

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F&A Considerations

F&A cost recovery is reimbursement for actual costs incurred by the institution in support of sponsored projects

A significant portion of F&A costs are not recovered

F&A rates go up when there is an investment in new research facilities

F&A rates go down when research expenditures increase at a faster pace than infrastructure costs

Over-cost sharing drives down the F&A rate

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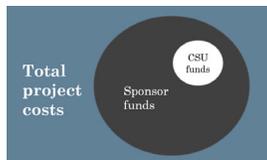


Win – Win Bonus Material

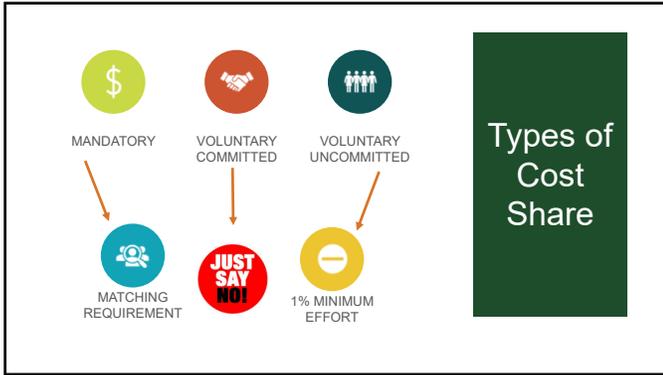
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Cost Sharing

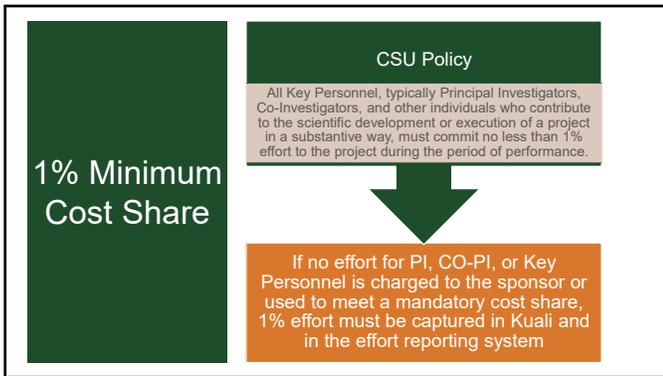
...represents that portion of total project costs related to a sponsored project that is not provided by the sponsor. (2 CFR § 200.306)



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Cost Sharing 101

- Voluntary cost share is discouraged at CSU
- Voluntary cost share should not impact peer review
- Voluntary cost share identified in a proposal / award is a commitment
- Unallowable is unallowable (e.g., salary over cap not cost share)
- F&A can often be calculated on cost-share amount
- Unrecovered indirect costs may be able to be used to meet a cost share obligation given sponsor approval

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F&A on Sponsor Request vs Unrecovered IDC

Item	Agency Request	Cost Share
Salaries	\$100,000	\$20,000
Benefits	\$25,000	\$5,000
Equipment	\$10,000	\$0
Supplies	\$2,000	\$0
Subawards	\$40,000	\$0
Other	\$5,000	\$0
Total Direct Costs	\$182,000	\$25,000
8% Total Direct Costs	\$14,560	\$2,000
Unrecovered IDC (52% MTDC)	\$81,640 - \$14,560	\$67,080

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Modular Budgets

- For requests up to \$250K direct costs / year, request funds in \$25K increments
- No detailed budget justification required
- Personnel, Consortium, & Additional Narrative justifications only

	YEAR 1	YEAR 2	YEAR 3
# MODULES REQUESTED	4	3	3
TOTAL DIRECT COSTS	\$100,000	\$75,000	\$75,000

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Budget Justifications

Everything that appears in the budget and justification should appear in the proposed scope of work and vice versa. The budget justification should:

- Follow funding agency guidelines
- Explain why each item requested is necessary to accomplish the proposed scope of work
- Be organized in the order of the sponsor's budget template, using sponsor headings.
- Make clear that all requests and cost share commitments are reasonable and consistent with sponsor and organizational policies.

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Resources

- Crafting Fully Compliant Budgets
<https://www.research.colostate.edu/osp/training/>
- Cost Sharing 101
<https://www.research.colostate.edu/osp/training/>
- CSU Cost Sharing Policy
<http://policylibrary.colostate.edu/policy.aspx?id=448>
- CSU Financial Rules & Procedures
http://busfin.colostate.edu/Resources/Fin_Rules_Procs.aspx

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Resources

- Federal Demonstration Partnership (FDP)
<http://thefdp.org/default/>
- OSP Guidance
<https://www.research.colostate.edu/osp/guidance/>
- OSP Forms
<https://www.research.colostate.edu/osp/forms/>
- Person Months Conversion Chart
https://blink.ucsd.edu/_files/ocga/forms/Effort%20Percent_Person-%20Months%20Conversion%20Tables.pdf

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