

Select the Annotate option, then use the tools to highlight the words on the list.

Word Search

WORD LIST:

ALLOCABLE	EFFORT	NICRA	TRAVEL
ALLOWABLE	EQUIPMENT	PERSONNEL	YES
BUDGET	FRINGE	REASONABLE	
DEPEND	INDIRECT	RESEARCH	
DIRECT	MTDC	SUPPLIES	

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Budgets, Budgets, Budgets

Part 1

The Fundamentals of Sponsored Project Administration at CSU

Colorado State University

2



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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>

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Cost Allowability



Allowable

Necessary & reasonable
 Conform to cost principles & program terms/conditions
 Permitted by law
 Consistently treated as a direct or indirect cost
 Adequately documented



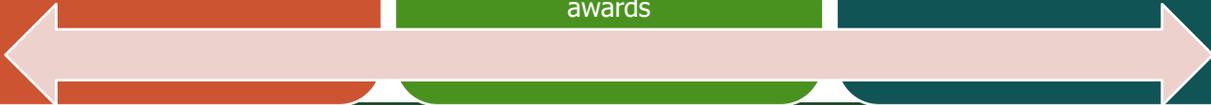
Allocable

Chargeable & assignable to cost categories
 Incurred solely to advance the work under the sponsored agreement
 Necessary to the overall operation of the agreement
 Not charged to other Federal awards



Reasonable

"A cost is reasonable, if, in its nature and amount, it does not exceed that which would be normally incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost." 2 CFR § 200.404



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What is “Allowed”?



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Advertising - Is it an Allowable Cost?

It depends

Yes

- Recruitment of grant personnel
- Procurement of goods and services for award performance
- Disposal of surplus materials (unless reimbursed for disposal costs)
- Program-specific outreach
- Those allowed by the program/sponsor

No

- Costs to solely promote the non-Federal entity
- Excessive costs of help wanted advertising (color, size, etc.)
- Costs of promotional items and memorabilia
- Advertising costs not specified in 2 CFR §200.421

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Administrative Salaries – Allowable?



It depends

Yes

- Normally considered as an indirect cost
- As direct costs if:
 - integral to project/activity
 - individuals can be specifically identified with the project/activity
 - explicitly included in budget or have prior written approval
 - not recovered as F&A

No

- If conditions in the "Yes" column are not met

Tablets – Are they allowable?

It depends

Yes

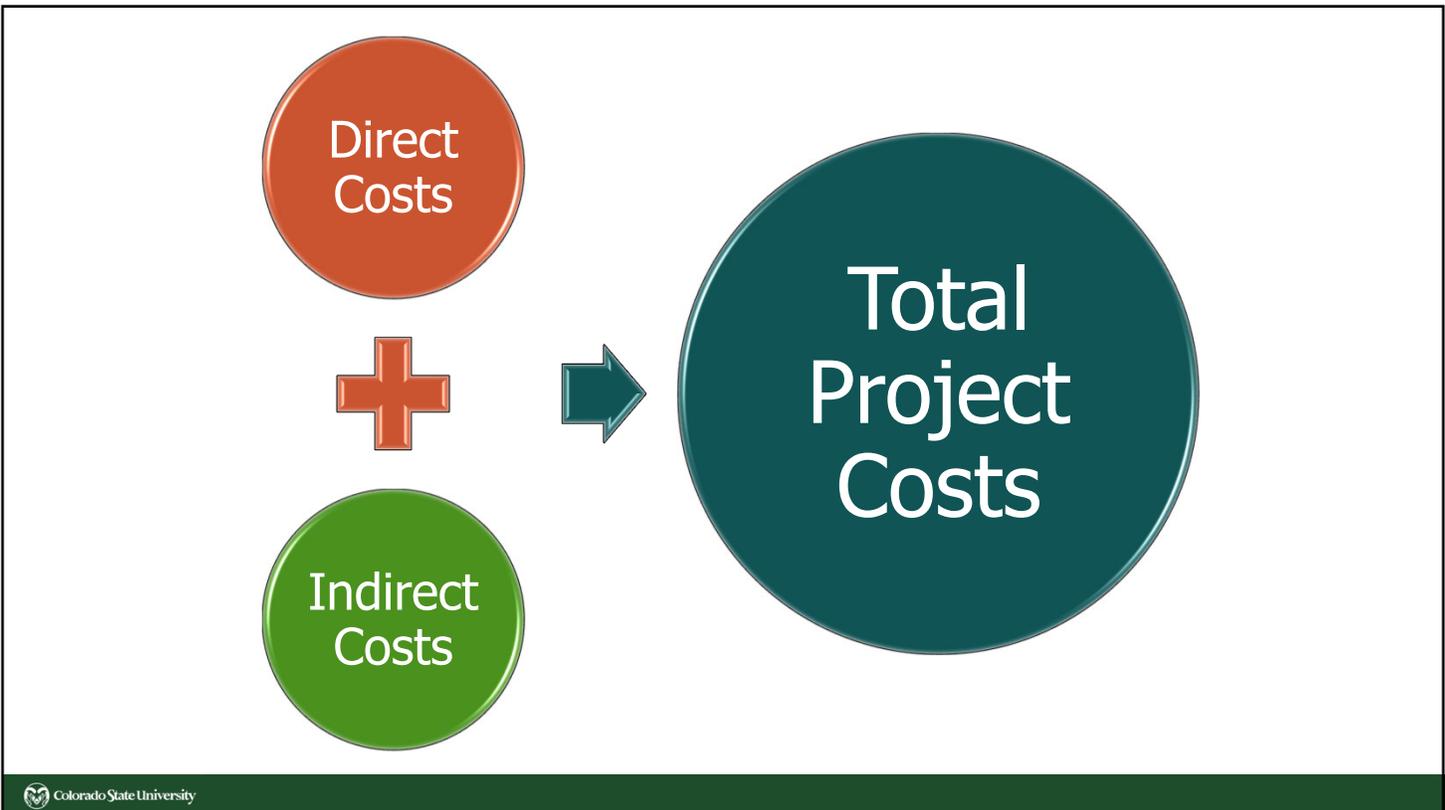
- Normally considered an indirect cost
- As direct costs if:
 - integral to project/activity
 - explicitly included in the budget or have prior written approval
 - not recovered as F&A

No

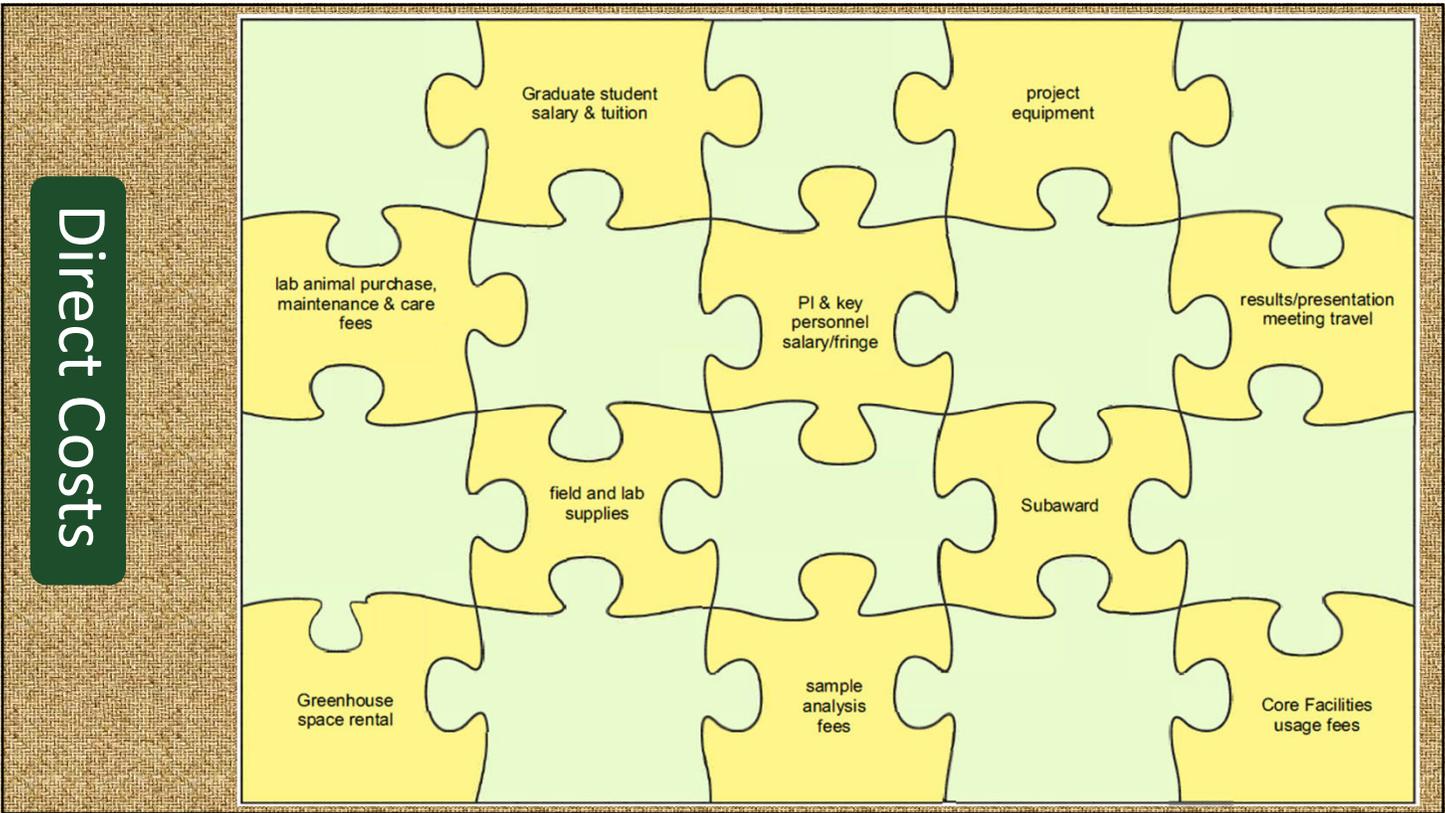
- If conditions in the "Yes" column are not met



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Office of the Executive Director and University Controller
Business and Financial Services
Fort Collins, CO 80523-6003
Phone: (970)491-6494
Fax: (970)491-2253

Date: **June 20, 2023**

To: Deans, Directors, Department Heads and Administrative Assistants

From: Jacque Clark, Cost Accounting Manager, Business and Financial Services

Subject: Proposed Fringe Benefit Rates for Fiscal Year 2024

The University Fringe Benefit Rates for fiscal year 2024 have been approved by the Federal Government. For fiscal years 2024 and beyond, the estimated average rate increase is 1% per year, except for Student Hourly, of which the estimated average increase is 0.1%.

Fringe Class	FY 2024 Approved Rates
Faculty/Administrative Professional/ 2nd Year Post Docs & Interns	28.0%
State Classified	50.5%
Student Hourly	1.2%
Non-Student Hourly	31.6%
Graduate Assistants	7.5%
1st Year Post Docs & Interns/ Temp 1st Year Faculty & Admin Pro*	13.8%
Leave benefits rate for CEMML & CNHP	23.0%

*These include first year temporary Faculty and Administrative Professionals, continuing temporary Faculty and Administrative Professionals at less than 50% time.

For questions regarding the Fringe Benefit Rates, please contact Cheri Richardson at 491-7362 or Jacque Clark at 491-2899.

Attachments: Benefits Chart
Rates by Percentages

Fringe Benefits



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Person-Months vs. Effort

A **person-month** is a metric used to express the amount of time devoted to a project.



Effort is the proportion of time spent on an activity, expressed as a percentage of total time.

Example 1:
A postdoctoral candidate with a 12-month appointment is devoting 20% effort to a project.
Calculate person months

Example 2:
An investigator has a 9-month academic appointment and is devoting 1 Person Month to a project.
Calculate effort



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Person-Months & Effort Tools

Enter Person Months Contributed Below (n.nn)

Percent Effort by Budget Period Length						
Summer 3-month	6-month	Academic 9-month	10-month	11-month	Calendar 12-month	
3.00	100.00%	50.00%	33.33%	30.00%	27.27%	25.00%

Update Reset Print

<https://www.research.colostate.edu/osp/kr/>

Percent Effort to Calendar Months

Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months
1%	0.12	21%	2.50	41%	4.92	61%	7.32	81%	9.72
2%	0.24	22%	2.64	42%	5.04	62%	7.44	82%	9.84
3%	0.36	23%	2.76	43%	5.16	63%	7.56	83%	9.96
4%	0.48	24%	2.88	44%	5.28	64%	7.68	84%	10.08
5%	0.60	25%	3.00	45%	5.40	65%	7.80	85%	10.20
6%	0.72	26%	3.12	46%	5.52	66%	7.92	86%	10.32
7%	0.84	27%	3.24	47%	5.64	67%	8.04	87%	10.44
8%	0.96	28%	3.36	48%	5.76	68%	8.16	88%	10.56
9%	1.08	29%	3.48	49%	5.88	69%	8.28	89%	10.68
10%	1.20	30%	3.60	50%	6.00	70%	8.40	90%	10.80
11%	1.32	31%	3.72	51%	6.12	71%	8.52	91%	10.92
12%	1.44	32%	3.84	52%	6.24	72%	8.64	92%	11.04
13%	1.56	33%	3.96	53%	6.36	73%	8.76	93%	11.16
14%	1.68	34%	4.08	54%	6.48	74%	8.88	94%	11.28
15%	1.80	35%	4.20	55%	6.60	75%	9.00	95%	11.40
16%	1.92	36%	4.32	56%	6.72	76%	9.12	96%	11.52
17%	2.04	37%	4.44	57%	6.84	77%	9.24	97%	11.64
18%	2.16	38%	4.56	58%	6.96	78%	9.36	98%	11.76
19%	2.28	39%	4.68	59%	7.08	79%	9.48	99%	11.88
20%	2.40	40%	4.80	60%	7.20	80%	9.60	100%	12.00

Person Months = % Effort x term of appointment

Twelve Month Calendar Year

Calendar Months to Percent Effort

Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort
0.1	1%	2.1	18%	4.1	34%	6.1	51%	8.1	68%
0.2	2%	2.2	19%	4.2	35%	6.2	52%	8.2	69%
0.3	3%	2.3	19%	4.3	36%	6.3	53%	8.3	69%
0.4	4%	2.4	20%	4.4	37%	6.4	53%	8.4	70%
0.5	4%	2.5	21%	4.5	38%	6.5	54%	8.5	71%
0.6	5%	2.6	22%	4.6	39%	6.6	55%	8.6	72%
0.7	6%	2.7	23%	4.7	39%	6.7	56%	8.7	73%
0.8	7%	2.8	24%	4.8	40%	6.8	57%	8.8	73%
0.9	8%	2.9	24%	4.9	41%	6.9	58%	8.9	74%
1	9%	3	25%	5	42%	7	58%	9	75%
1.1	9%	3.1	26%	5.1	43%	7.1	59%	9.1	76%
1.2	10%	3.2	27%	5.2	44%	7.2	60%	9.2	77%
1.3	11%	3.3	28%	5.3	44%	7.3	61%	9.3	78%
1.4	12%	3.4	29%	5.4	45%	7.4	62%	9.4	78%
1.5	13%	3.5	29%	5.5	46%	7.5	63%	9.5	79%
1.6	14%	3.6	30%	5.6	47%	7.6	63%	9.6	80%
1.7	14%	3.7	31%	5.7	48%	7.7	64%	9.7	81%
1.8	15%	3.8	32%	5.8	49%	7.8	65%	9.8	82%
1.9	16%	3.9	33%	5.9	49%	7.9	66%	9.9	83%
2	17%	4	34%	6	50%	8	67%	10	83%

% Effort = Person Months ÷ term of appointment

*Courtesy of UCSD

PI or any Senior/Key personnel must have at least 1% Minimum Effort.





Best Practices: Personnel



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Equipment

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Equipment

- Defined as... "tangible personal property having a **useful life of more than 1 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 § 200.1)



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Is this Equipment or Supplies?

- \$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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Travel Costs

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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).
<https://www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act>

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Other Direct Costs



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Other Direct Costs – Let's Chat!

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



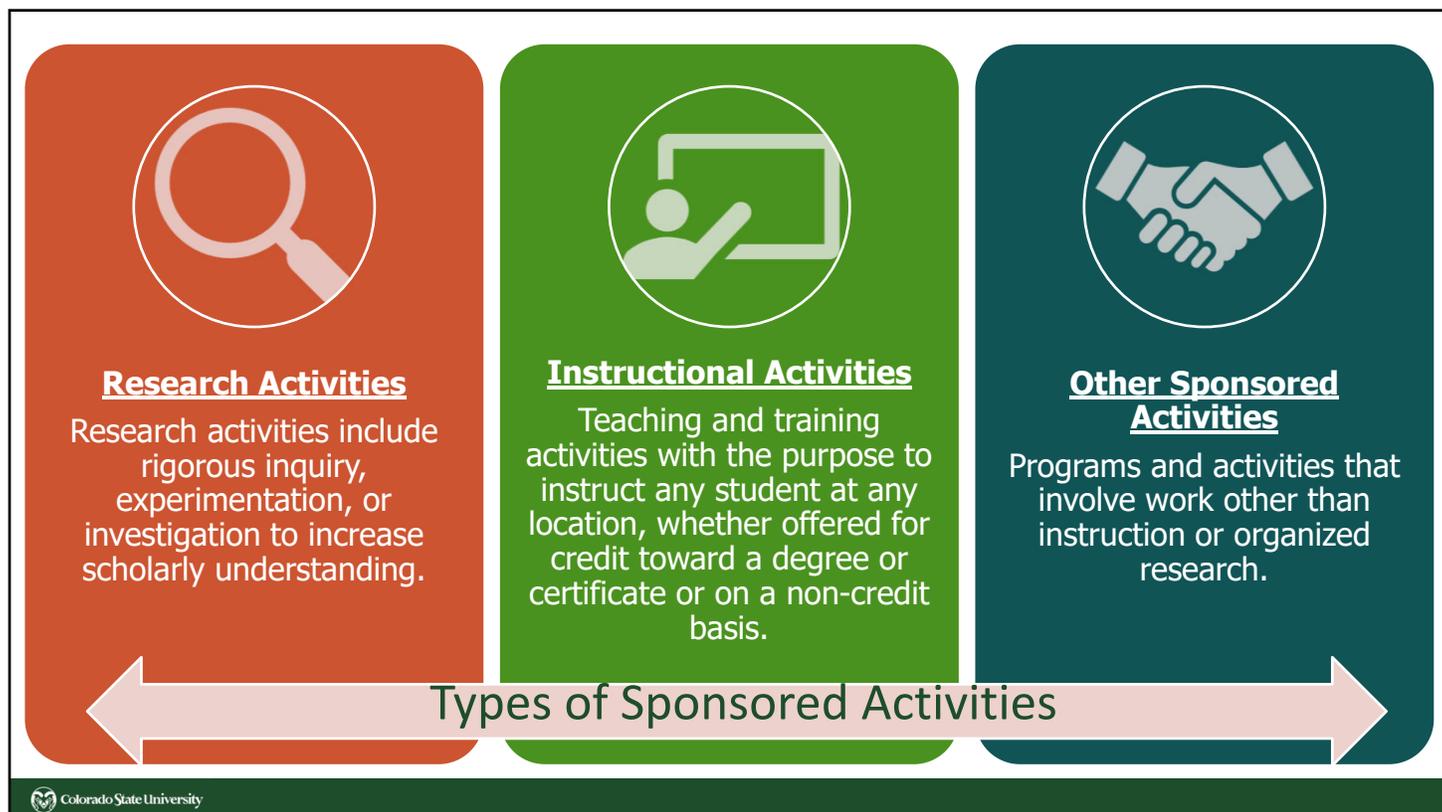
26



Indirect Costs (2 CFR § 200.414)



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COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 846000545
 ORGANIZATION:
 Colorado State University
 Business and Financial Services
 202 Johnson Hall
 Fort Collins, CO 80523

Date: 06/16/2023
 FILING REF.: The preceding
 agreement was dated
 08/29/2022

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)	
EFFECTIVE PERIOD		FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
FINAL	07/01/2019	06/30/2022	52.00	On-Campus	Organized Research	
PRED.	07/01/2022	06/30/2023	53.00	On-Campus	Organized Research	
PRED.	07/01/2023	06/30/2024	53.50	On-Campus	Organized Research	
PRED.	07/01/2024	06/30/2026	54.00	On-Campus	Organized Research	
PRED.	07/01/2019	06/30/2026	26.00	Off-Campus	Organized Research	
FINAL	07/01/2019	06/30/2022	56.00	On-Campus	Instruction	
PRED.	07/01/2022	06/30/2026	49.00	On-Campus	Instruction	
PRED.	07/01/2019	06/30/2026	26.00	Off-Campus	Instruction	
FINAL	07/01/2019	06/30/2022	34.00	Off-Campus	Other Sponsored Activities	
PRED.	07/01/2022	06/30/2026	35.00	On-Campus	Other Sponsored Activities	
FINAL	07/01/2019	06/30/2022	26.00	Off-Campus	Other Sponsored Activities	
PRED.	07/01/2022	06/30/2026	24.00	Off-Campus	Other Sponsored Activities	
FINAL	07/01/2019	06/30/2022	8.00	Off-Campus	(A)	
PRED.	07/01/2022	06/30/2026	9.00	Off-Campus	(A)	
PROV.	07/01/2026	Until Amended		(B)		

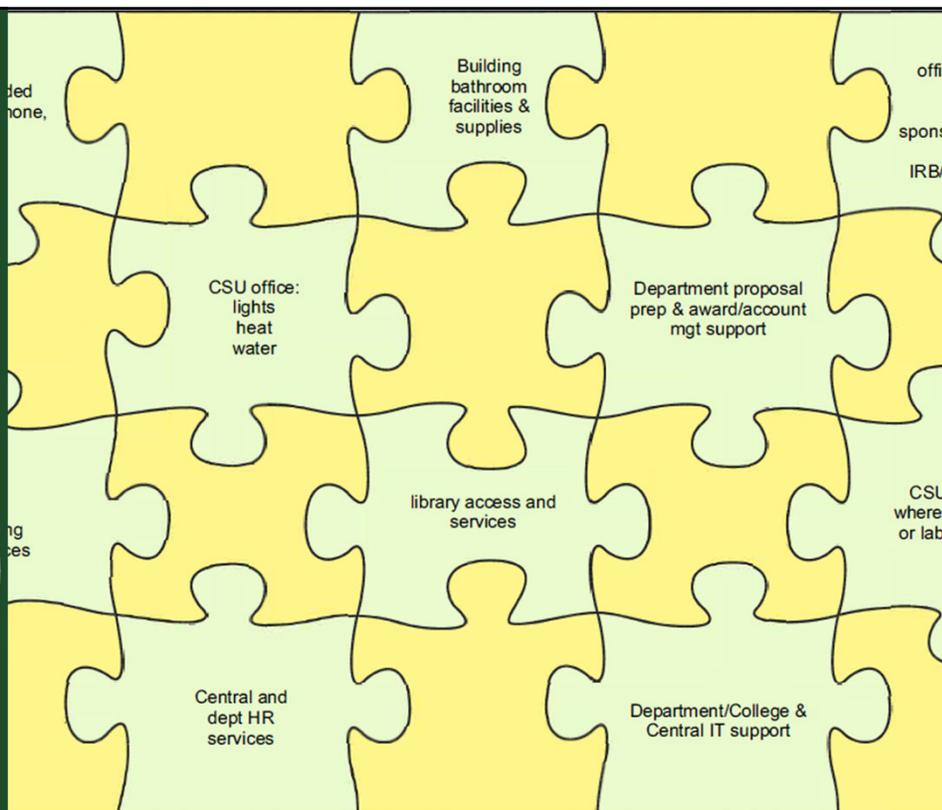
*BASE

Negotiated Indirect Cost Rate Agreement (NICRA)



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Indirect Cost? Thumbs-up or Thumbs-down



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Give it a **Check if it qualifies as **INDIRECT!****

Give it an **X if it does not qualify as **INDIRECT!****




1. Electricity costs to run an MRI machine	2. Administrative assistant salary for helping to arrange travel for project participants	3. Participant support costs for travel to a conference	4. Costs for iPads to conduct surveys
5. Cost for time on an MRI machine to test project subjects	6. Principal Investigator salary to conduct a project	7. GRA salary to work on a project	8. Fringe benefits for a postdoctoral candidate on a project
9. Reams of paper for printing surveys	10. Photocopying costs for surveys	11. Mailing costs for surveys	12. Costs for chemicals needed on a project
13. Travel costs for PI to attend a conference	14. Maintenance costs for grant-funded MRI machine	15. Installation costs for grant-funded MRI machine	16. Rental fees for space to conduct instructional project
	17. Gift cards for incentivizing human participants		

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Off-Campus



DEFINITION OF OFF-CAMPUS

The off-campus rate will apply for all activities: a) Performed in facilities not owned by the institution and where these facility costs are not included in the F&A pools; or b) Where rent is directly allocated/charged to the project(s). Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

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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.



BASE

Total Direct Costs
(TDC)
vs.
Modified (MTDC)

Use only when called out in announcement

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



Salaries	\$100,000
Benefits	\$25,000
Equipment	\$10,000
Supplies	\$2,000
Subaward	\$40,000
Other	\$5,000
Total Direct Costs	\$182,000

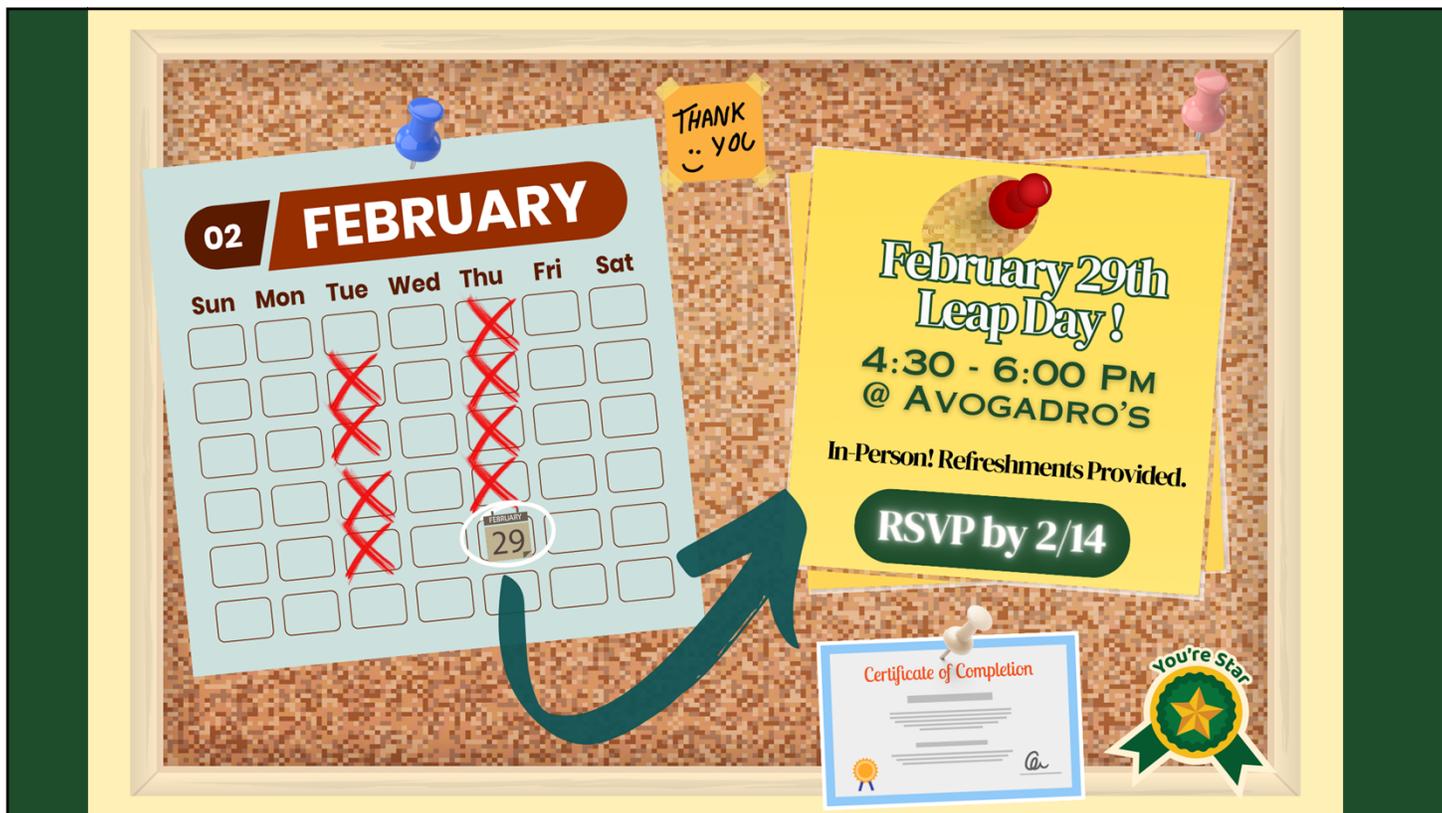
\$182,000
 - \$10,000 equipment
 - (\$40k-25k) of sub
 = \$

MTDC base ?

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While I've got your attention

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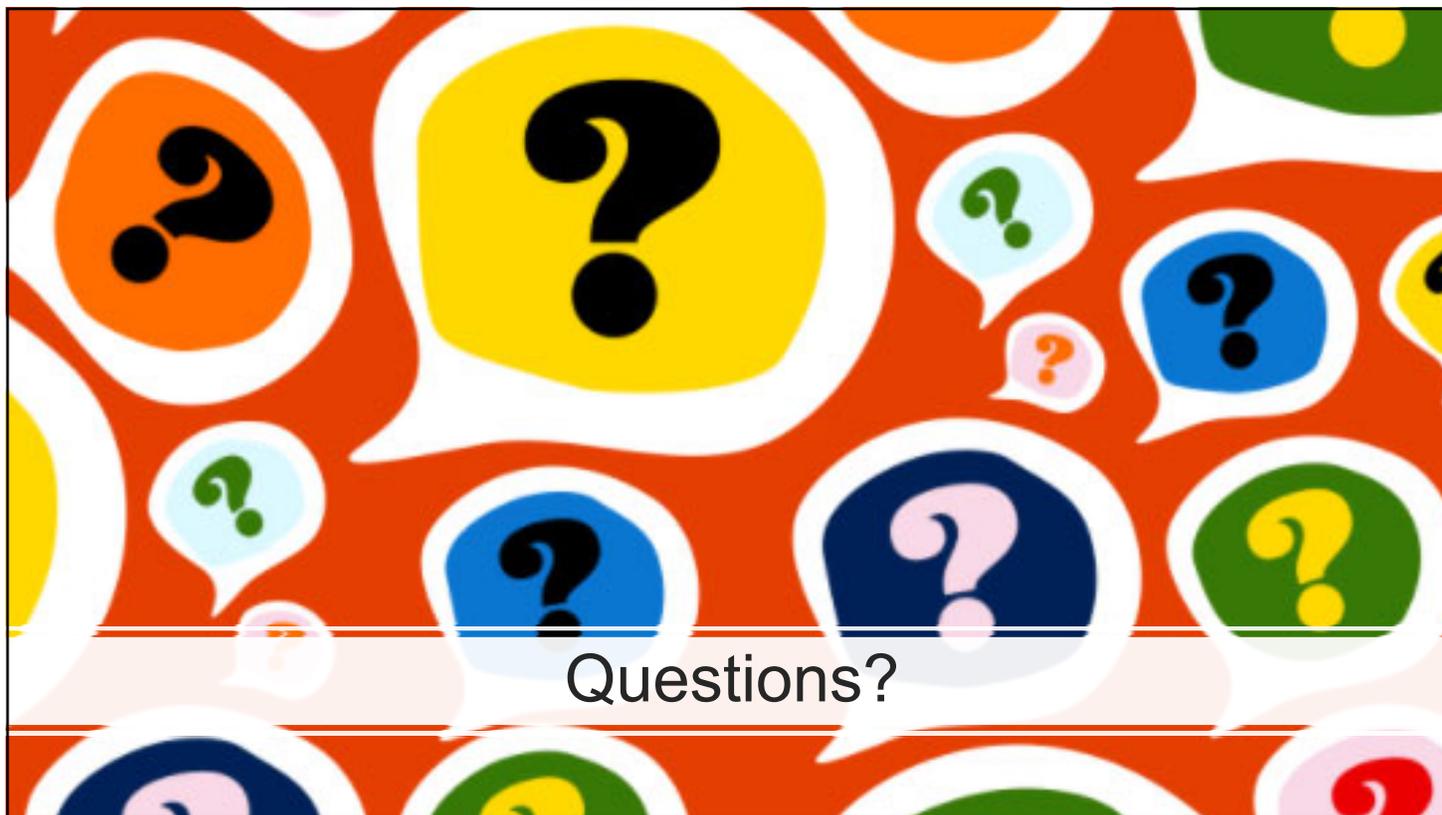
Office Hours

Join us on Fridays in February for Office Hours:

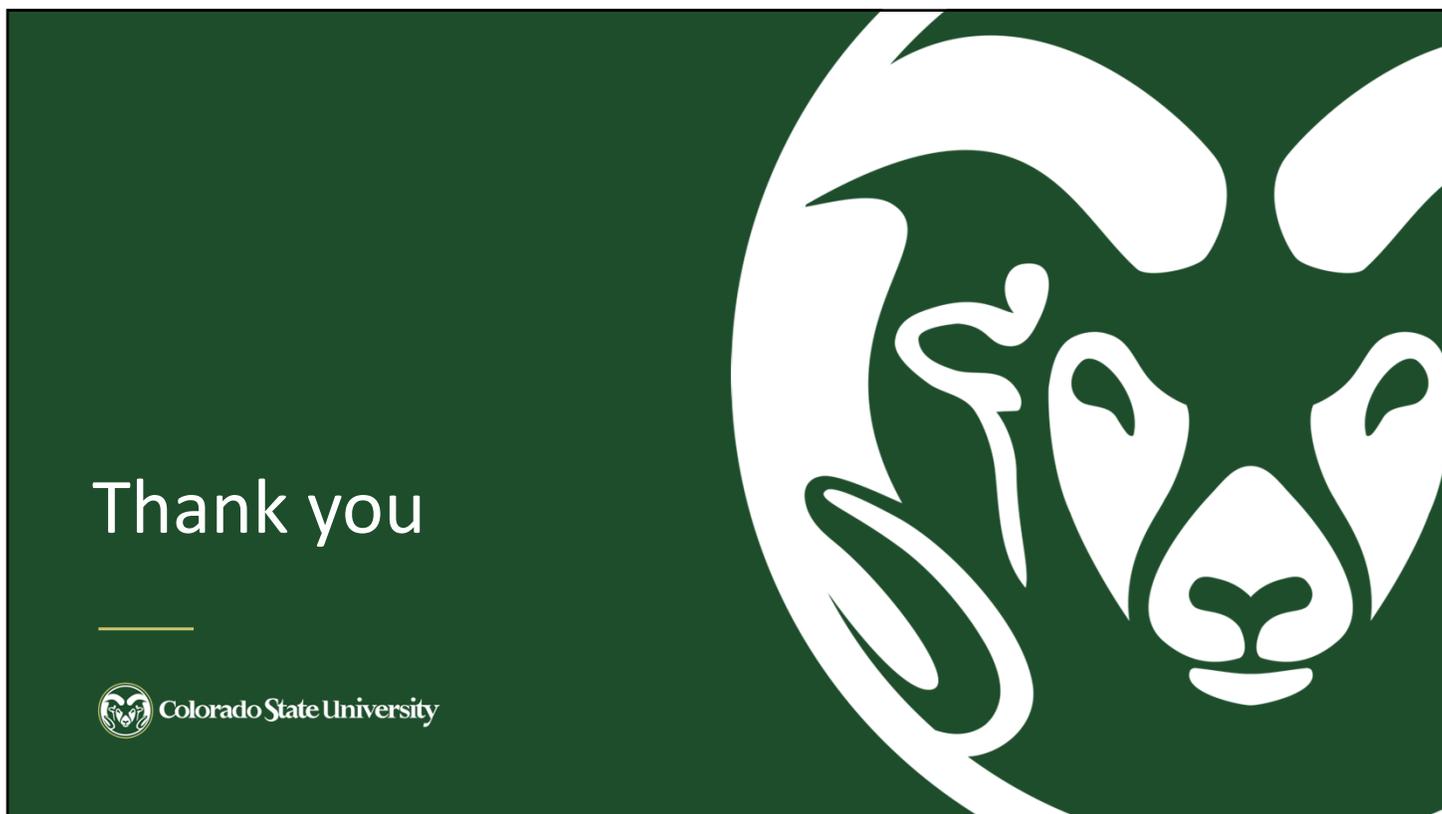
- Friday, February 9th; 10:00 - 11:00 am
- Friday, February 16th; 10:00 - 11:00 am
- Friday, February 23rd; 10:00 - 11:00 am



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Resources

Crafting Fully Compliant Budgets

<https://www.research.colostate.edu/osp/training/>

OSP Website

<https://www.research.colostate.edu/osp/>

CSU Financial Rules & Procedures

http://busfin.colostate.edu/Resources/Fin_Rules_Procs.aspx

Uniform Guidance – Cost Principles

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E>

Kuali Research

<https://aar.is.colostate.edu/>

Person Months Conversion Chart

<https://www.research.colostate.edu/osp/kr/>