

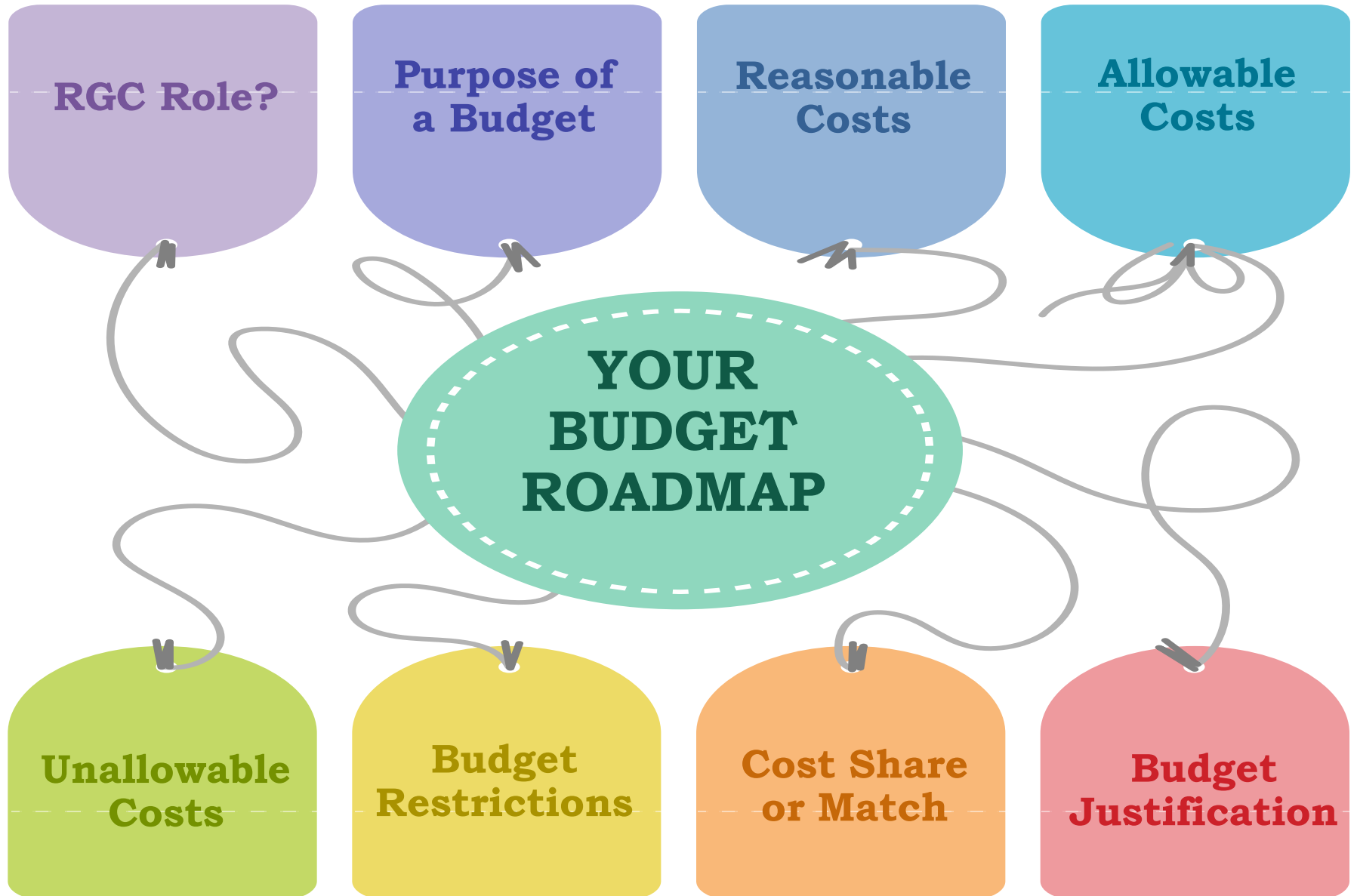


**Research, Grants
and Contracts**



PREPARING A RESEARCH BUDGET

What You Need to Know



RGC's ROLE?

- Authorized Organizational Representative AND Signing Official for both NKU and NKURF
- Assist in proposal preparation and submission, act as a liaison between NKU and it's PI's and the funding agencies

PURPOSE OF A PROPOSAL BUDGET

To Estimate Project Costs

- Itemized list of what the requested funds will go to each year of the project.
- Most funders will set a maximum budget request.
- A project budget is fluid and expected to be modified as a research project progresses.

PURPOSE OF A PROPOSAL BUDGET

Estimate of project costs

- RGC staff provide support in estimating the following costs – mileage reimbursement rates, tuition costs, faculty salaries, individual fringe costs, travel, etc.
- Draft of costs should be submitted with Intent to Submit so RGC can provide a structured budget draft for your review of project costs.

PURPOSE OF A PROPOSAL BUDGET

Map of project resource needs

- PI's should make a map of the most important needs on the budget and make those items a priority to stay under budget limits.
- Some projects will have a scope of work over multiple years, but the funder will only request a budget for the first year.

EXCEL BUDGET

Project Title:		YEAR 1	YEAR 2	YEAR 3
PI:				
		Project Dates:		
A. SENIOR PERSONNEL	Comments			
1. EXAMPLE - No Name	EXAMPLE - 9 Month Admin Faculty - Approx. 12.5% effort per AY			
		Total Senior Personnel	\$0.00	\$0.00
B. OTHER PERSONNEL	Comments (list #, hrly rate, hrs/wk, wks)			
1. EXAMPLE - No Name #2	EXAMPLE - 9 Month Teaching Faculty - 8 weeks summer effort			
		Total Other Personnel	\$0.00	\$0.00
		TOTAL SALARIES AND WAGES (A + B)	\$0.00	\$0.00
C. FRINGE BENEFITS	Comments			
1. EXAMPLE - No Name	Release salary x 20% (TIAA Cref, FICA, Eye, Dental) + Actual HC Costs x % Effort			
2. EXAMPLE - No Name #2	Summer salary x 7.65% (FICA)			
		Total Fringe Benefits	\$0.00	\$0.00
		TOTAL SALARIES, WAGES AND FRINGE BENEFITS (A + B + C)	\$0.00	\$0.00
D. EQUIPMENT (List item and Dollar amount for each item exceeding \$5,000)	Comments			
		Total Equipment	\$0.00	\$0.00
E. TRAVEL	Comments			
		Total Other Direct Costs	\$0.00	\$0.00
F. PARTICIPANT/TRAINEE SUPPORT COSTS				
		Total Participant/Trainee Support Costs	\$0.00	\$0.00
G. OTHER DIRECT COSTS				
		Total Other Direct Costs	\$0.00	\$0.00
H. TOTAL DIRECT COSTS (A THROUGH G)		\$0.00	\$0.00	\$0.00
I. TOTAL INDIRECT COSTS (37% OF DIRECT COSTS)		\$0.00	\$0.00	\$0.00
J. TOTAL DIRECT AND INDIRECT COSTS		\$0.00	\$0.00	\$0.00
		TOTAL DIRECT COST	\$0.00	
		TOTAL INDIRECT COST (37% OF DIRECT COSTS)	\$0.00	
		TOTAL PROJECT COST (TOTAL DIRECT COSTS + TOTAL INDIRECT COSTS)	\$0.00	

REASONABLE COSTS

Withstand public scrutiny

- An amount of an expenditure that doesn't exceed the amount a person using good judgement and common sense would have spent under the circumstances to purchase the items
- The “prudent person” standard – the “prudent person” gets to decide based on the time and place what the “reasonable” approach is. Example – the cost of a bottle of water may be very different in the middle of a desert than in the middle of a city, though both purchases could be considered “reasonable” to a prudent person

REASONABLE COSTS

Cost is appropriate, ordinary, and necessary

- NECESSARY is the key here. Questions that could be asked are:
 - Do I really need to make this purchase for the award?
 - Is this the least amount I could spend and still meet my needs for the efficient and effective performance of the award?
 - Can I reasonably expect to use the amount of the product or services I am purchasing?
 - Did I pay a “*fair*” price for the items?
 - Would I feel comfortable defending this purchase to a taxpayer, my grandmother, or the Federal agency?

ALLOWABLE COSTS

- Refers to items of cost, that in general, are costs that can be funded with federal grant dollars as long as the cost fits within a framework of responsible stewardship of public funds.
- OMB Uniform Guidance (2 C.F.R. Part 200) – establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities.

ALLOWABLE COSTS

- Consistent Treatment
 - All costs incurred for the same purpose and in like circumstances must be treated uniformly either as direct costs or as indirect (facilities and administrative or F&A) costs. Since certain costs, such as administrative salaries and office supplies, are normally treated as F&A costs, these costs cannot be charged directly to federal Awards unless the circumstances of an Award are clearly different from the normal operations of the applicant.

ALLOWABLE COSTS

- Conform to NKU and agency limitations and exclusions
 - Does the funder allow F&A? If so, can we charge our normal DHHS rate or is there a limit on what is allowed? Is the F&A included in the maximum budget request, or can it be requested in addition?
- For example – US Dept of Ed typically will cap the IDC at 8%.

UNALLOWABLE COSTS

- Refers to a cost that cannot be charged to the grant award or included in the F&A cost rate – sometimes will be referred to as “non-reimbursable” costs
- Some funders will limit certain categories

UNALLOWABLE COSTS

- Outlined in OMB Uniform Guidance (2 C.F.R. Part 200), but some examples include:
 - Alcoholic beverages
 - Entertainment
 - First-class air travel
 - Lobbying
 - Gifts, prizes and awards
 - Goods or services for personal use
 - Faculty and staff salary in excess of base rates paid by the institution

BUDGET RESTRICTIONS

- Faculty effort limited to 2.5 months in the summer
- AY effort has to come in the form of a course release for faculty
- Actual salaries must be used when calculating effort
- Student employees are limited in the number of hours in AY (25 hours) and Summer (35 hours)
 - International Students have a max of 20 hours during AY

BUDGET RESTRICTIONS

- F&A limitations
 - Is the budget maximum inclusive of the F&A amount?
- Executive Level II salary cap
- Travel costs
 - Domestic/International use GSA rates
 - Local KY travel uses NKU's travel policy

BUDGET RESTRICTIONS

OFFICE OF RESEARCH, GRANTS & CONTRACTS

All research project sponsors and auditors are increasing reviews of proposed travel costs to insure costs are within established GSA amounts (plus allowable taxes/fees). Therefore, the travel data listed below include example destinations to utilize with proposals in which a travel destination has not yet been confirmed. The examples shown include a 3, 4 or 5 day trip per location.

***Based on FY 2022 GSA Rates and State Department Rates: FOR PLANNING PURPOSES ONLY**

Domestic Travel with Example Destinations							
Days of Travel	Destination	Transportation	Lodging		Per Diem		Total Per Person
			Nightly	Total	Daily	Total	
3	Washington, DC	\$319	\$322	\$644	\$79	\$237	\$1,200
4	Washington, DC	\$328	\$322	\$966	\$79	\$316	\$1,610
5	Washington, DC	\$337	\$322	\$1,288	\$79	\$395	\$2,020
3	San Francisco, CA	\$937	\$338	\$676	\$79	\$237	\$1,850
4	San Francisco, CA	\$970	\$338	\$1,014	\$79	\$316	\$2,300
5	San Francisco, CA	\$1,003	\$338	\$1,352	\$79	\$395	\$2,750
3	Chicago, IL	\$423	\$270	\$540	\$79	\$237	\$1,200
4	Chicago, IL	\$424	\$270	\$810	\$79	\$316	\$1,550
5	Chicago, IL	\$425	\$270	\$1,080	\$79	\$395	\$1,900

Foreign Travel with Example Destinations							
Days of Travel	Destination	Transportation	Lodging		Per Diem		Total Per Person
			Nightly	Total	Daily	Total	
3	Madrid, Spain	\$1,020	\$294	\$588	\$114	\$342	\$1,950
4	Madrid, Spain	\$1,062	\$294	\$882	\$114	\$456	\$2,400
5	Madrid, Spain	\$1,084	\$294	\$1,176	\$114	\$570	\$2,830
3	Singapore	\$2,028	\$380	\$720	\$134	\$402	\$3,150
4	Singapore	\$2,034	\$380	\$1,080	\$134	\$536	\$3,650
5	Singapore	\$2,040	\$380	\$1,440	\$134	\$670	\$4,150

*Transportation: Includes economy airfare + average taxi/shuttle/parking costs

**Lodging: Includes published GSA base rate + an approximate 25% increase for taxes, resort fees, etc.

***Per Diem: Includes published GSA rate only

Other: Conference Registration Fees should be included under "Other Direct Costs" unless specifically requested by the sponsor/solicitation to be included in the Travel category

COST SHARE OR MATCH

Project costs not paid for by sponsor agency

- 3 types: mandatory, voluntary, and voluntary uncommitted
 - Mandatory – Required by Sponsor
 - Voluntary – Not required, but included in budget
 - Voluntary uncommitted – Not required, not in budget

COST SHARE OR MATCH

Required vs. voluntary

- Once cost-share is included within a budget it becomes binding and is required by the recipient, and will be tracked internally by the comptroller's office.
- Voluntary cost share is typically **not allowed** by the sponsor or NKU. In some cases, the sponsor may indicate that voluntary cost share commitments may be considered during the review of the proposal. (case by case basis)

COST SHARE OR MATCH

Overmatching

- Providing more cost share or match than what is required is not allowed. Budgets should be built to meet the match requirement but not exceed the ratio of match funds to federal funds that is required by the funder.

COST SHARE OR MATCH

In-Kind Contributions

- This is the computed value of any services and/or resources provided by a university or a third party in support of a sponsored project. Third-party in-kind contributions may be in the form of real property, equipment, supplies, or other goods and services directly benefiting and specifically designated for NKU's project or program. [2 CFR 200.306](#) dictates the terms by which in-kind contributions are valued for the purpose of fulfilling cost sharing obligations.

COST SHARE OR MATCH

- **Sources of Cost Sharing**
 - Salaries and Wages
 - Other Direct Costs (ex. Travel funds provided by department)
 - Unrecovered Indirect Costs (F&A)
 - Typically can use this when the funder has restricted the F&A rate.
 - Other Non-Federal Funds
 - External Partners

COST SHARE OR MATCH

Additional Reminders:

- Cost sharing should be proposed only when mandated by sponsoring agency.
- Committed cost share that is quantified in a federal proposal is auditable.
- Cost sharing must occur during the period of performance.
- Costs contributed as cost share must be considered “allowable” by the sponsor.

COST SHARE OR MATCH

Additional Reminders:

- Costs must be allocable to the project.
- Sponsor must approve the use of unrecovered indirect costs.
- Lab space should not be shown as a contribution.
- Cost Share Form is required to be routed with your GMS proposal file for Chair and Dean approval.

BUDGET JUSTIFICATION

What is it?

- Narrative version of the budget
- Much like a recipe – requires all of the details and steps
- Helps to “sell” your project to the sponsor and validate expenses

BUDGET JUSTIFICATION

Helpful tips:

- Organize the budget justification listing items in the same order and format as the sponsor's budget categories.
- Only include budgeted items. Some sponsors like NSF will disqualify a proposal if contributed items are listed. Do not list cost-shared items unless cost-sharing is mandated by the sponsor.
- Budget narrative must match the budget in terms of dollar amounts and language – double check everything.

BUDGET JUSTIFICATION

Helpful tips:

- Explain why items are essential in relation to the aims and methodology of the project as well as meeting the goals of the project.
- Explain the line items. Do not merely restate the proposed expenditure.
- Be aware of page limitations!
- Provide detail sufficient to justify the rationale for acquiring the item under the proposed project.

BUDGET JUSTIFICATION

BUDGET JUSTIFICATION

Northern Kentucky University is on a 9-month academic and 3-month summer calendar schedule.

Senior Personnel: \$XX,XXX

Principal Investigator. The commitment of the PI (Dr. XXXXXX) is for XXXX **summer or academic** months per year. Based on salary of \$XX,XXX, the project salary is \$XX,XXX per year. Total PI salary requested for project is \$XX,XXX.

Other Personnel: \$XX,XXX

Graduate Assistant. Costs include support for XX graduate research assistant(s) who will dedicate a total of XX hours per week for XX months each year. The salary requested for one graduate assistant is \$x,xxx per month (xx hours/week) for a total of \$xx,xxx per year.

Undergraduate Assistant/Student Worker. Two undergraduate research assistants will dedicate XX hours per week for 3 summer months each year. The hourly salary requested for undergraduate research assistant is \$xx/hour. Total salary request for undergraduate research assistant is \$XX,XXX (\$xx/hour x xx hours/week x 12 weeks/year x # of years).

Fringe Benefits: \$XX,XXX

Fringe rates for the university are based on an average actual rate. The rate for faculty contract (academic) salary is approximately XX%. The rate for faculty non-contract (i.e. "summer") salary is 7.65% of the requested salary. The rate for graduate assistantships is 7.65% of the requested wages. The rate for undergraduate assistantship is 7.65% of the requested wages. (PI: \$X,XXX; Graduate assistants: \$X,XXX; Undergraduate: \$XXXX).

Equipment: \$XX,XXX

Cost include the acquisition of <enter detailed name and description of the equipment>

Travel: \$47,000 (example GSA rates shown)

Domestic: Travel is requested for the PI and the graduate assistants to attend conferences in the United States related to project to disseminate research findings. The cost for a typical conference in the U.S. (for example, a 3-day conference in Chicago, IL) is approximately \$1,200/person: airfare (\$422), lodging (\$550 for 2 days, \$275/night), and per diem (\$228 for 3 days, \$76/day). Estimated 4 one-person trips per year, for a total of 20 trips during the project period. Total domestic travel is \$24,000 (\$1,200/trip x 4 trips x 5 years) for the total project.

Foreign: Foreign travel is requested to support the travel needs for the PI and graduate students to attend international conferences outside the United States related to project to disseminate research findings. The cost for a typical international conference (for example, 3-day conference in Madrid, Spain) is \$2,300/person: airfare (\$1,352), lodging (\$570 for 2 days, \$285/night), and per diem (\$378 for 3 days, \$126/day). Estimated 2 one-person trips per year, for a total of 10 trips during the project period. Total foreign travel is \$23,000 (\$2,300/trip x 2 trips x 5 years).

BUDGET JUSTIFICATION EXAMPLE

Participant Support Costs: \$XX,XXX

Enter breakdown of costs per participant for stipends, travel, subsistence, and/or other, and the reason these costs are needed.

Other Direct Costs: \$XX,XXX

Materials and Supplies. Costs include required and necessary supplies and materials to carry out the tasks of the project at cost of \$X,XXX per year or \$XX,XXXX for the project period. (\$x,xxx/year x 5 years).

Publication Costs. Costs include fees for publication in years X-X at approximately \$X,XXX per year. The total cost of publication is \$XX,XXX (\$X,XXX/year x X years) for the project period.

Other Costs – Tuition Remission. Costs include required tuition for related graduate assistants on the project. Based on a course load of 18 credits per year (9 credits per semester) estimated tuition rate is \$X,XXX in Year 1, with an X% increase in each subsequent year. Total tuition for the project is \$XX,XXX. *Tuition costs are excluded from the F&A base.*

Total Direct Costs: \$XXX,XXX

Indirect Costs: \$XXX,XXX

Northern Kentucky University has an approved, federally-negotiated facilities and administrative cost rate for on-campus research of 37.0% on Modified Total Direct Costs (MTDC), excluding **graduate tuition costs, participant support costs, and equipment**. MTDC base is \$XXX,XXX.

Total Funding Request: \$XXX,XXX

If you have any questions or need additional information about anything shared within this presentation, please contact the RGC office.

RGC@nku.edu



