

Developing a Proposal Budget

Winthrop University
Office of Grants and Sponsored Research Development

Learning Objectives

- To understand the role of a budget
- To understand the principles that guide a budget
- To understand the major categories of the budget
- To learn how to calculate a budget
- To learn how to complete a budget justification

Proposal Budget

What it is

A realistic estimate of the funds required to achieve project goals

Connection of project expenses to scope of work

Financial infrastructure for the aims of project

What it does

Funds the program or project

Conforms to sponsor, University, and State of SC guidelines

Guides the workplan flow and timing

Budget Categories

Direct Costs

- Specifically Identifiable
- Reasonable
- Allowable
- Allocable
- Consistently Applied
- Verifiable
- Federal awards (2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/content-detail.html>)

Indirect Costs

- Facilities and Administrative Costs
- Overhead costs that cannot be identified specifically with a program or project (e.g., admin personnel, utilities, etc.)
- 62% of Salaries, Wages, and Fringe Benefits (on-campus)
- Check FOA to make sure sponsor allows

Direct Cost Categories

SALARIES & WAGES

- Faculty
- Staff
- Students: grad, UG
- Usually one of the largest expenses on the budget

FRINGE BENEFITS

- Health insurance, retirement, SSN, FUTA
- Rate depends on employee classification
- <https://www.winthrop.edu/grants/budget-preparation-employer-contributions.aspx>

Indirect Cost Rate Agreement

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 57-6001204
ORGANIZATION:
Winthrop University
Sponsored Programs & Research
Rock Hill, SC 29733

DATE:04/22/2022
FILING REF.: The preceding
agreement was dated
03/02/2018

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: Facilities And Administrative Cost Rates

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2018	06/30/2022	60.00	On Campus	All Programs
PRED.	07/01/2018	06/30/2022	26.00	Off Campus	All Programs
PRED.	07/01/2022	06/30/2026	62.00	On Campus	All Programs
PRED.	07/01/2022	06/30/2026	26.00	Off Campus	All Programs
PROV.	07/01/2026	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2026.

Direct Cost Categories

SUPPLIES

- Estimate cost, taxes, freight
- Justify need
- Office supplies are generally not allowed

TRAVEL

- Airfare
- Lodging
- Per diem
- Taxi
- Mileage
- Registration

Direct Cost Categories

EQUIPMENT

- For federal awards, cost \geq \$5,000 and estimated useful life > 1 year
- Non-federal sponsor requirements should be followed

MISCELLANEOUS

- Participant fees
- Publication costs
- Postage
- Advertising
- Computing fees

Direct Cost Categories

CONSULTANT FEES

- Individual providing service
- Paid at an hrly rate
- Not a WU employee; is not supervised
- Agreement provides for rate, period of performance, invoicing, deliverables (i.e., product, report, timing)

SUBAWARD

- Research performed by key personnel at another institution
- Makes substantial contribution to scope of work
- Makes programmatic decisions
- Uses own facilities and resources
- FOA rules apply

Cost-Sharing

Definition

- Portion of the program or project that the sponsor does not fund
- Contributed to the project by department, school or college, or other party.
- Cash and in-kind contributions (e.g., equipment, supplies, personnel costs, or other tangible resources)

Mandatory

- Required amount that the recipient must contribute
- Commitment of the University
- Must be identified and quantified in the proposal

Voluntary

- Not required by sponsor

Budget Justification

Gives a clear, concise, detailed rationale for what, how, when, and why the funds requested are to be used

Demonstrates an understanding of the estimated costs of performing the project efficiently in the given time frame

Shows the year the requested funds will be spent

Includes calculations and sometimes tables

Flows with the Research Strategy or Narrative

Budget Preparation

Putting It All Together

Read and re-read the RFP. Read the RFP again!

Note the total costs allowed by the sponsor

Note expenses that are not allowed

Determine the period of performance

Determine who will be working on the grant: roles, % effort/PM, appropriate FB rate

Determine what equipment, supplies, and other costs (postage, publication fees, participant fees, printing, advertising, etc.) are needed to complete the project

Determine travel needs to conferences, program meetings, or for data collection

Determine whether outside collaborators will be engaged

Check with GSRD personnel costs

Check the website for IDC and FB rates, travel reqs

<https://www.winthrop.edu/grants/>

Gather quotes from vendors for supplies and travel

Obtain subaward forms early!

Calculate a draft of the budget and write the budget justification

Start with personnel costs (+COLA) and then calculate IDC

Add these together and calculate the difference from the total costs allowed

Adjust other direct costs as personnel costs and IDC are finalized

Revise the budget justification as the budget is adjusted

Review the Research Plan or Narrative to make sure that the budget makes sense for the scope of work

Re-read the RFP to make sure that there are no disallowed costs

Make sure that the budget total is at or below the stated balance

Review and revise budget and justification

Re-read RFP

Finalize budget

Calculating the Budget

SCENARIO

Notice of Funding Opportunity - total award amount will be \$105,000 each year for three years

- Personnel
 - Dr. Redd, PI, will work for 12.5% on the grant for all three years (Teaching Faculty, 9-month Academic Year)
 - Dr. Blu, Co-Investigator, will work for 20% on the grant for all years (Faculty Administrator, Calendar Year)
 - Study Facilitator at 40% for the first year and 35% for years two and three
 - Student Worker for the summer at 40 hours per week for six weeks all three years
- Supplies cannot exceed \$1,000 per year.
- Travel to the Sponsor's Annual conference is required and should be included in the requested funds

Calculating the Budget – Personnel (Year 1)

Personnel	Role	Annual Salary	FB Rate	Appt Year	% Effort	Person Month	Salary	FB	Total Personnel Expenses
Dr. W. Redd	PI	75,000	36.50%	9-mo Academic	12.5%	1.13 (12.5% x 9 mo)	9,375 (\$75,000x12.5%)	3,422 (\$9,375 x 36.5%)	\$12,797
Dr. Z. Blu	Co-I	68,000	37.50%	Calendar	20%	2.40 (20% x 12)	13,600 (\$68,000 x 20%)	5,100 (\$13,600 x 37.5%)	\$18,700
O. Violet	Study Fac	50,000	39.50%	Calendar	40%	4.80 (40% x 12)	20,000 (\$50,000 x 40%)	7,900 (\$20,000 x 39.5%)	\$27,900
TBA	UG Stdnt	\$12/hour	2.00%	Summer	100%	1.50 (\$12/hr x 40hrs/wk x 6wks)	2,880 (\$2,880 x 2%)	58 (\$2,880 x 2%)	\$2,938
Total Personnel							\$45,855	\$16,480	\$62,335

Calculating the Budget – Indirect Costs

Total Personnel	\$62,335
IDC Rate = 62% of salaries, wages, and fringe benefits	
Total IDC ($\$62,335 \times 62\%$)	<u>\$38,648</u>
Total Personnel + IDC	\$100,983
Total Award Amount	<u>\$105,000</u>
Balance available for Non-personnel Direct Costs ($\$105,000 - \$100,983$)	\$4,017

BUDGET JUSTIFICATION

Personnel

Salaries and Wages

Dr. W. Redd, Principal Investigator, is the lead scientist and is responsible for the overall management of the grant. She will perform (list all responsibilities)

We request the following annual salary:

Year 1: 12.5% effort (1.13 PM) -- \$9,375

Year 2: 12.5% effort (1.13 PM) -- \$9,656

Year 3: 12.5% effort (1.13 PM) – \$9,946

Dr. Z. Blu, Co-Investigator, is responsible for the...(list all responsibilities/tasks)

We request the following annual salary:

Year 1: 20% effort (2.4 PM) -- \$13,600

Year 2: 20% effort (2.4 PM) – \$14,008

Year 3: 20% effort (2.4 PM) – \$14,428

O. Violet, M.S., Study Facilitator, is responsible for...(list all responsibilities/tasks)

We request the following annual salary:

Year 1: 40% effort (4.8 PM) -- \$20,000

Year 2: 35% effort (4.2 PM) -- \$18,025

Year 3: 35% effort (4.2 PM) – \$18,556

TBA, Undergraduate Student Research Assistant, is responsible for...(list all responsibilities/tasks). We anticipate paying this student 40 hours per week for 6 weeks during the summer.

Year 1: 100% effort (1.5 PM) – \$2,880

Year 2: 100% effort (1.5 PM) -- \$2,966

Year 3: 100% effort (1.5 PM) -- \$3,055

Fringe Benefits

The fringe benefits rates applied to salaries and wages are as follows
PI - 36.5%; Co-Investigator – 37.5%; Study Facilitator – 39.5%; and
Undergraduate Research Assistant – 2%.

We request the following in fringe benefits expenses:

Year 1: \$16,479

Year 2: \$15,957

Year 3: \$16,435

BUDGET JUSTIFICATION

Supplies

These consumable supplies are requested for use during the execution of field studies, interviews, and focus groups scheduled to take place in the labs, classrooms, and other designated places as needed. These expenses include exam forms, exam books, and name tags for focus group participants....

We are requesting

Year 1: \$517

Year 2: \$1,000

Year 3: \$0

Travel

Travel funds are requested for the travel of the PI and Co-Investigator to attend the sponsor's annual five-day conference in Washington, D.C in April. These funds include:

Registration of \$300/person x 2 people = \$600

Airfare - \$540/round trip x 2 people = \$1,080

Hotel – 5 nights @ \$150/night x 2 people = \$1,500

Per diem - \$32/day for 5 days x 2 people = \$320

Total estimated travel costs = \$3,500

We are requesting \$3,500 each year for Years 1-3.

BUDGET JUSTIFICATION

Miscellaneous

Other expenses including printing, postage, print and social media advertising, etc. are needed to (describe what and how they support/contribute to the accomplishments of goals/objective).

Expense	Year 1	Year 2	Year 3
Printing flyers, booklets (# of copies x \$ per copy)	\$0	\$488	\$50
Postage (# of stamps x \$/stamp)	0	450	0
Print Media Advertising -describe where they will be placed and the timing (# of ads x \$/ad)	0	506	180
Social Media Advertising -describe how you will use engagement tools (# of ads x \$/ad)	0	560	130
Refreshments (Be extremely descriptive of why you need to add food and beverages. This is really scrutinized!)	0	305	0
TOTAL	\$0	\$2,309	\$360

Winthrop University																											
Sponsor: Project Title																											
July 1, 2022 - June 30, 2025																											
Year 1: 07/01/2022 - 06/30/2023										Year 2: 07/01/2023 - 06/30/2024								Year 3: 07/01/2024 - 06/30/2025									
Personnel	Role	Annual Salary	Fringe Benefits Rate	Appt Year	Percent Effort	Person Month	Salary	FB	Total Personnel Expenses	Annual Salary	Fringe Benefits Rate	Appt Year	Percent Effort	Person Month	Salary	FB	Total Personnel Expenses	Annual Salary	Fringe Benefits Rate	Appt Year	Percent Effort	Person Month	Salary	FB	Total Personnel Expenses	GRANT TOTAL	
Dr. W. Redd	PI	75,000	36.50%	9-mo Academic	12.5%	1.13	9,375	3,422	12,797	77,250	36.50%	9-mo Academic	12.5%	1.13	9,656	3,525	13,181	79,568	36.50%	9-mo Academic	12.5%	1.13	9,946	3,630	13,576		
Dr. Z Blu	Co-Investigator	68,000	37.50%	Calendar	20%	2.40	13,600	5,100	18,700	70,040	37.50%	Calendar	20%	2.40	14,008	5,253	19,261	72,141	37.50%	Calendar	20%	2.40	14,428	5,411	19,839		
O. Violet	Study Facilitator	50,000	39.50%	Calendar	40%	4.80	20,000	7,900	27,900	51,500	39.50%	Calendar	35%	4.20	18,025	7,120	25,145	53,045	39.50%	Calendar	35%	4.20	18,566	7,333	25,899		
TBA	UG Student	\$12/hour	2.00%	Summer	100%	1.50	2,880	58	2,938	\$12.36/hour	2.00%	Summer	100%	1.50	2,966	59	3,026	\$12.73/hour	2.00%	Summer	100%	1.50	3,055	61	3,116		
Total Personnel							45,855	16,479	62,335						44,656	15,957	60,612						45,995	16,435	62,431	185,377	
Supplies									517								1,000							0	1,517		
Travel									3,500									3,500							3,500	10,500	
Miscellaneous									932									2,309							360	2,669	
Total Direct Costs									66,352								67,421							66,292	200,065		
Indirect Costs (60% of Sal/W & FB)									38,648								37,579							38,708	114,935		
Total Costs									105,000								105,000							105,000	315,000		

Remember...

- ❑ DO NOT be intimidated by your budget
- ❑ Read and re-read your FOA for guidance
- ❑ Always budget in dollars (no cents)
- ❑ DO NOT add fluff! Sponsors can see it from a mile away.
- ❑ DO NOT ask for more than the sponsor states in the funding opportunity

Next Steps

- Contact GSRD when you start to think about writing a proposal (x2460)
- Send FOA to GSRD when you identify one you would like to pursue
- Schedule a meeting to discuss the preliminary aspects of the proposal (e.g., dates, personnel, collaborators, budget, etc.)

GOOD
LUCK!!!

