

Spotlight on Sponsored Programs and Research: Developing a Grant Budget

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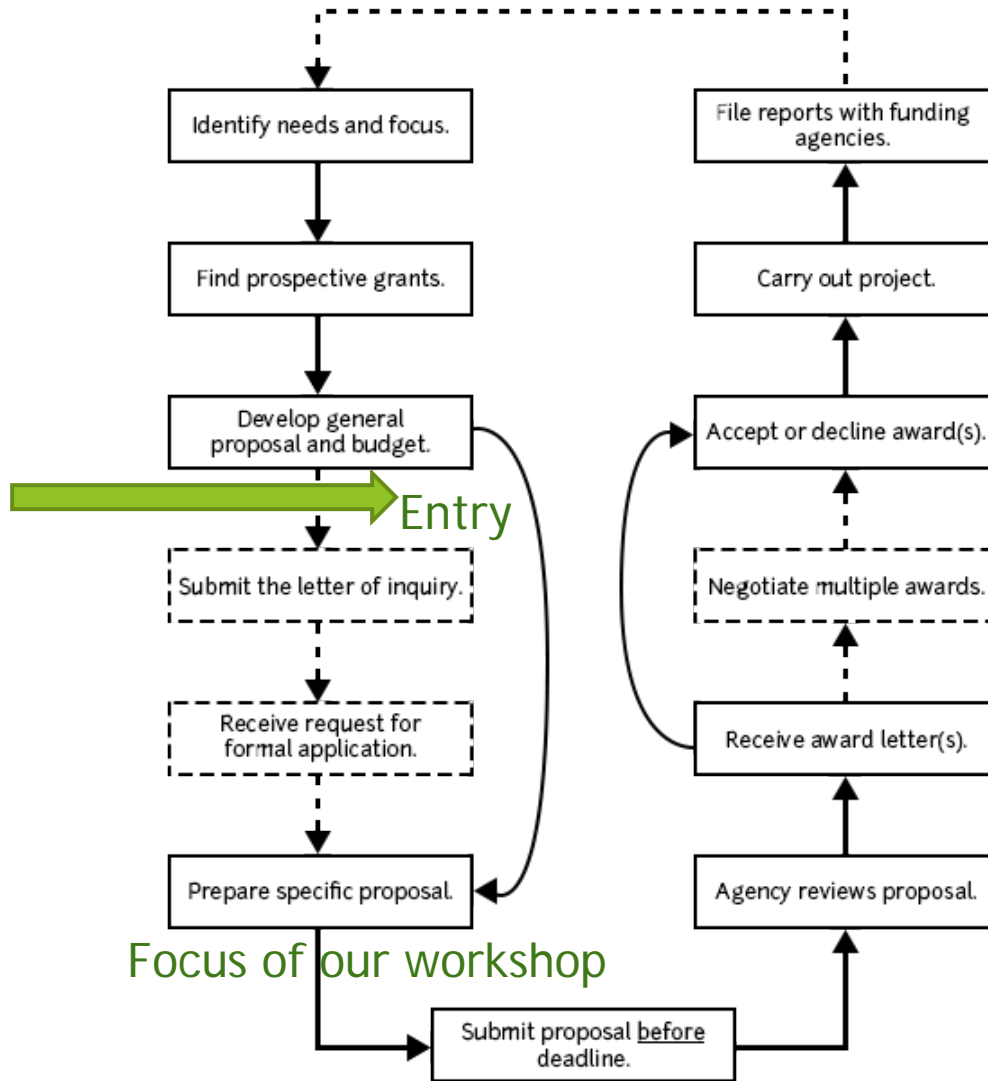
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Diagram 1. The Grant Writing Process



- - - - - Dashed lines indicate possible additional steps.

After you have determined your goals/aims, objectives and deliverables...next the budget

- ▶ Read the Proposal FIRST! Determine if RESEARCH is/will be involved
- ▶ The objectives and deliverables help to identify budgetary items, resources, personnel etc.
- ▶ A brief with refined identification of the goals/ objectives helps to write the budget narrative.
- ▶ Draft a rough budget alongside writing the proposal
 - ▶ Your time, other faculty, students, etc.
 - ▶ Expenses (travel, materials, consultants, equipment)
 - ▶ Indirect

Institutional Review Board

FIRST! Determine if RESEARCH is/Will be Involved

RESEARCH: A systematic investigation including:

- ▶ Research development, testing, and evaluation designed to develop or contribute to generalizable knowledge;
- ▶ Human subjects involving possible Interviews (audio/video), surveys, questionnaires, and a treatment/intervention.

THEN go to the IRB Website (www.coppin.edu/irb) to examine and plan for what to must be submitted for approval. Plan in one month for review and decision.

Projects Not Requiring IRB Review/Approval

- ▶ If research is not involved.
- ▶ If results will not be dispersed beyond the classroom or university setting.
- ▶ If used solely to oversee and improve an existing program.

Budgeting Basics

- ▶ Getting Started - Resources needed
- ▶ Types of Costs
 - ▶ Personnel
 - ▶ Expenses
 - ▶ Equipment/Capital Outlay
 - ▶ Participants
 - ▶ Subcontracts
 - ▶ Cost Share or Match
 - ▶ Indirect Costs
- ▶ Budget Narrative --The objectives and deliverables help to identify budgetary items, and match with the budget narrative
- ▶ Begin IRB process simultaneously and submit IRB Proposal (Budget is not required for IRB).

Your Goal

- ▶ To develop a budget that is
 - ▶ Reasonable
 - ▶ Appropriate
 - ▶ Allowable

Have the Source - Getting Started

- ▶ Find the budget section in the RFP
- ▶ Work from the RFP budget format (form)
- ▶ Read the full RFP for more guidance
- ▶ Travel fund from grant's guidelines
- ▶ Visit the funding agency and/or reach out to the program director to seek advice and garner clarifications
- ▶ Always budget whole dollars

Types of Costs

- ▶ Personnel
- ▶ Expenses
- ▶ Equipment/Capital Outlay
- ▶ Participants
- ▶ Subcontracts
- ▶ Match or Cost Share
- ▶ Indirect Cost

Personnel Costs

- ▶ Personnel may be the largest part of your budget
 - ▶ So estimate these costs early (after indirect)!
- ▶ Salaries and fringe benefits are calculated as separate costs on the forms.

Salaries

- ▶ The project year may not be the same as your salary year
- ▶ Add in any special payments or stipends.
- ▶ Factor in a 3% salary increase for multi-year grants (and consider step increases)
- ▶ Full-time employees typically work 2080 hours per year (40 hours/week x 52 weeks/year)

Undergraduate Research Assistants and Graduate Research Assistants

- ▶ How might they be part of your grant?
- ▶ What are general guidelines for Undergraduate Research Assistants
- ▶ Number of hours per week worked
- ▶ Number of weeks per semester worked
- ▶ Summer Undergraduate Research Assistantships
- ▶ Hourly pay
- ▶ Types of work activities

Fringe Benefits

▶ General Guidelines

- ▶ State Employees (w/pin)= 30% fringe rate
- ▶ Contractual Employees = 8% fringe rate
- ▶ **Fringe for Summer salary, since Faculty** will be off contract from June 15 – August 15, the fringe should be 8 % during the summer months as well.
 - ▶ Outside contractual services= reported under contractual services and there is no fringe rate required.

Personnel Considerations

- ▶ Have you included all required personnel?
- ▶ Two part-time positions may be less expensive than one full-time position.
- ▶ Consider the use of internal staff vs. external contractual services
- ▶ Provide (course) release time for project personnel.
- ▶ Make sure the salary classification is appropriate to the job.
- ▶ What happens when the funding ends?

Equipment or Capital Outlay

- ▶ Typically refers to equipment, but may include
 - ▶ Construction
 - ▶ Other
- ▶ Equipment
 - ▶ nonexpendable property over \$1,000
 - ▶ useful life of more than one year
- ▶ This includes software purchase with the same dollar value.

Equipment

- ▶ Equipment below \$1,000 threshold should be placed in the supplies or other direct cost budget line item (\$5,000 federal)
- ▶ Bidding or estimating costs
- ▶ What happens when the grant is over?
- ▶ Consider the cost of up-keep or maintenance for equipment. How will this be covered after grant funding is exhausted?

Equipment Considerations

- ▶ Limits on equipment
- ▶ You must provide a list with descriptions and per item costs
 - ▶ Include costs for shipping, installation, training, maintenance, additional supplies
- ▶ Purchase early and must be tracked
- ▶ Transfer of ownership
- ▶ Special Disposable requirements

Participant Costs

- ▶ Typical costs include:
 - ▶ Training (tuition, books, materials, fees)
 - ▶ Stipends or honoraria
 - ▶ Meals
 - ▶ Lodging
 - ▶ Travel
 - ▶ Miscellaneous (materials & supplies, insurance, training materials, etc.)

Participant Cost Considerations

- ▶ Calculate the cost per participant
 - ▶ There may be a limit on this cost
- ▶ Some costs may be disallowed
 - ▶ T-shirts/giveaways
 - ▶ Food

Expenses

- ▶ Typically includes:
 - ▶ Materials & supplies
 - ▶ Travel (must indicate international)
 - ▶ Contractual services (consultants, other)
 - ▶ Tuition Assistance
 - ▶ Other
- ▶ Optional to factor in increase-
 - ▶ Tuition - 5%
 - ▶ Travel - 10%

Travel

- ▶ Often treated separately
- ▶ Provide detailed calculation

- Airfare (domestic carrier)
- Mileage to/from the airport
- Tolls
- Airport parking
- Airport transfer
- Lodging (including taxes)
- Meal allowance
- Local transportation
- Baggage handling (misc.)
- Conference registration

Other Expenses

- ▶ Publications/Printing
- ▶ Postage
- ▶ Maintenance agreements
- ▶ Telephone
- ▶ Special fees
- ▶ Honoraria

Expense Considerations

- ▶ Think about hidden costs to the organization
- ▶ Make sure it is allowable

Contract Services

- ▶ Employee or contractor?
- ▶ Special Consultants
 - ▶ Maximum day rate?

Subcontracts or Sub-awards

You will must obtain 3 items:

- ▶ 1. Letter of Commitment - *with authorized signature*
- ▶ 2. Detailed Statement of Work
 - ▶ Deliverables
 - ▶ Timeline (consider your start/end dates)
- ▶ 3. Detailed Itemized Budget & Narrative
- ▶ 4. Post award monitoring

Cost Share or Match

- ▶ Is it required?
- ▶ Cash match
- ▶ In-Kind Contributions
 - ▶ Calculate as if in the budget
 - ▶ How much MORE will the program cost?
 - ▶ What have you not included?
 - ▶ How will match be tracked/documentated?

Cost Share or Match

- ▶ Reasonable, justifiable, and verifiable
- ▶ Cash or in-kind
- ▶ Cannot match federal grants with other federal funds
- ▶ Do not use the same match twice
- ▶ Third party in-kind must be tracked

Cost Share Considerations

- ▶ Must fund and track (must be allocable)
 - ▶ Legal commitment
 - ▶ Subject to audit
- ▶ Make sure costs are not part of the indirect calculation
- ▶ Watch grant budget dates and fiscal year budget dates
- ▶ *in kind services or allocations (which are included in some grants)*

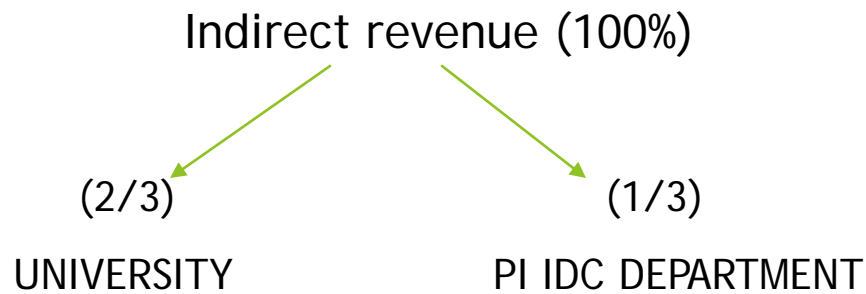
Indirect Costs

- ▶ Also called Facilities & Administrative costs (F&A) or overhead
- ▶ Costs borne by Coppin to support sponsored projects that cannot be clearly identified with a specific project
- ▶ Includes:
 - ▶ Infrastructure
 - ▶ Facilities
 - ▶ Administration (26% maximum)

Indirect Costs

- ▶ Federally approved indirect cost rate- Must provide copy of current agreement
- ▶ Recovering indirect costs can be significant
 - Estimate these costs first!
 - ▶ $\$250,000 / 1.49 = \$167,785$ Total Cost available
 - ▶ = \$82,215 Indirect Costs
 - ▶ 20% off campus
- ▶ Sometimes limited or disallowed by funders

Distribution of Indirect



- ▶ 66.67% goes to the University
- ▶ 33.33% IDC cost account of Department of Principal Investigator
- ▶ Indirect revenue is allocated monthly based on direct expenses
- ▶ Indirect cost account identification—discuss during first post award meeting

Indirect Cost Considerations

- ▶ Understand the costs that have been included in Coppins's calculation of the indirect cost rate
- ▶ These costs CANNOT be budgeted as direct costs
- ▶ Understand your policy about indirect

Budget Narrative

- ▶ Make your case that the budget is reasonable, appropriate, and adequate.
- ▶ Describe the policies that govern your budgetary decisions.
- ▶ Provide detail about items to be purchased.
- ▶ Indicate how costs were calculated.
 - ▶ Insert parts of the spreadsheet as tables.
- ▶ Make sure the budget narrative is consistent with the grant narrative.
- ▶ Include *Institutional Review Board Approval* statement

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