Spotlight on Sponsored Programs and Research: Developing a Grant Budget

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Focus of our workshop

Diagram 1. The Grant Writing Process

1. **Entry**
2. **Submit proposal before deadline.**
3. **Agency reviews proposal.**
4. **Receive award letter(s).**
5. **Negotiate multiple awards.**
6. **Accept or decline award(s).**
7. **Carry out project.**
8. **File reports with funding agencies.**
9. **Develop general proposal and budget.**
10. **Identify needs and focus.**
11. **Find prospective grants.**
12. **Submit the letter of inquiry.**
13. **Receive request for formal application.**
14. **Prepare specific proposal.**
15. **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](http://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/documented?
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

Indirect revenue (100%)

(2/3) UNIVERSITY
(1/3) PI IDC DEPARTMENT

- 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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