BUDGET 101

Overview
What is a Budget?

• Describes the financial resources necessary to implement the activities outlined in the proposal
  – Must be realistic
  – Must correspond directly to project activities
FOA

• Funding Opportunity Announcement
  – Outlines the Budget Requirements
    • Line-item
    • Budget justification/narrative
Budget Justification

• Also called Budget Narrative
  – Detailed explanation of charges
  – Includes each individual category
  – Must match budget

• Format determined by sponsor guidelines
Budget Rules & Regulations

• Governed by Guidelines
  – The Federal Government
  – The Funding Agency
  – The Applicant Institution
Code of Federal Regulations (CFR)

• 2 CFR Part 200
  – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

• Federal Acquisition Regulations (FAR) Part 52
  – Only applicable to contracts
    – https://www.acquisition.gov/content/part-52-solicitation-provisions-and-contract-clauses
Direct Costs

• Costs directly associated with the project
  • Personnel (salaries and fringe benefits)
  • Materials and supplies
  • Equipment
  • Travel
  • Publication costs
  • Participant support/incentives
  • Consultants/subrecipients
  • Tuition
  • Printing and copying
  • Human/animal subject costs
Indirect Costs (IDC)

• Costs that cannot be associated directly with the project
  – Also called ‘Facilities and Administrative Costs’ (F&A) or ‘Overhead Costs’
    • Facilities
      – Operations
      – Management
      – Building & equipment depreciation
    • Administration
      – University-wide (pre-post award admin)
Cost-Share

• Arrangement of support
  – Also referred to as ‘Match’
  – Only allowed if mandatory
  – Must be tracked & reported
  – Negatively impacts the University’s IDC rate

• Types of support
  – Equipment or Supplies
  – Salary for exempt, non-exempt or student
Other Key Terms

• In-Kind
  – Non-currency

• Total Direct Costs (TDC)
  – Combined direct costs of the project

• Modified Total Direct Costs (MTDC)
  – Base amount that IDC are calculated
    • Excludes: tuition, space rentals, subcontract costs in excess of $25,000
Stipend

• UA stipend amounts for GRAs
  – Most FOAs do not have a set stipend amount for students
  – Graduate School sets UA requirements
  • Full Assistantships:
    – $1,556/mo
    – Tuition: $10,780
    – Insurance: $1,747
  • Hourly pay:
    – $15 - $18 per hour
Basic Cost Principles

• Allowable
• Allocable
• Reasonable
• Consistently Treated
Allowable

• Allowed by Uniform Guidance or FOA
  – Directly benefits the Project
  – Sponsor guideline does not restrict
  – Institution does not restrict

• Examples
  – Salary & Fringe
  – Supplies
  – Equipment
  – Travel
(Not) Allowable

• Typical Excluded Expenses
  – Memberships to social clubs
  – Alcohol
  – Bad debt
  – First class airfare
  – Indirect costs charged as direct costs
  – Transportation to and from work in an institution-owned vehicle
  – Entertainment costs
  – Other costs not allowed by the sponsor
Allocable

• Incurred for the specific project
  – May be associated with more than one award
    • Can only charge the percent that will be used
    • Must describe & support method of allocation

• Example
  – Shared Equipment
Reasonable

• Not in excess
  – What a prudent person would incur
    • What would you be willing to pay under the same circumstance?
  – Comparable market prices

• Example
  – $2,000 laptop is generally not reasonable
Consistently Treated

• Routinely budgeted as DC or IDC
• Consistent with policies
Budget Development

- Office of Social Work Research (OSWR)
  - Budget and Budget Justification
  - Checklists & Outlines
  - Submission
    - Creates proposal and begins submission package in Cayuse
    - Checks everything and works with OSP for submission

- Office of Sponsored Programs (OSP)
  - Final step before submission
  - Deadlines are becoming more strict
Stipends - Fellowships

• Stipend allowance is available to help defray living expenses
  – Different amounts per agency and level
  – Current NIH Stipend Amounts
    • Predoctoral: $2,153/mo
    • Postdoctoral: $4,480/mo
Fellowships – Tuition & Fees

• Allowed for predoctoral trainees
  – NIH allows 60% of actual tuition up to $16,000/yr
  – American Cancer Society (ACS) does not allow for tuition costs
Stipends - UA

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Institutional Allowance & Research

• Helps support costs of training
  – Research supplies
  – Equipment
  – Travel to scientific meetings
  – Health insurance
  – Administrative costs

• Paid directly

• ACS does not allow for these costs
Typical Costs – Full List

- Salaries & Stipends
- Fringe Benefits
- Tuition
- Travel
- Participant Support
- Supplies

- Equipment
- Consultants/Professional Services
- Subagreements
- Other Direct Costs
- Indirect Costs
Award Management

• Congrats! You’ve received a Notice of Award (NOA) – Now what?
  – Accountable based on NOA requirements
  – Read NOA thoroughly!
  – Respond to requests promptly and notify OSWR
Research Compliance

• Complete Institutional Review Board (IRB) Protocol (if applicable)
  – Research involving human participants
  – Can take several months
  – Funds delayed until IRB approved
  – Renewed annually for multi-year projects

• OSWR can assist in the process
Managing & Reporting

- PI is responsible for any expense and should monitor financial status
  - Financial reporting is completed by C&G Accounting
  - OSWR tracking

- PI is responsible for progress reports
  - List of accomplishments to date
  - Annual, bi-annual, quarterly (see NOA)
  - Different forms (see NOA)
Changes to Award

• Period of performance
• Change in budget
  – Additions
  – Moving funds
Closeout

- Required at the end of project period
- Final progress and financial reports
Best Practices

• Submit timely reports
  – Funds can be withdrawn for noncompliance

• Track spending
  – Allowable
  – Allocable
  – Reasonable
  – consistently treated
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