



THE UNIVERSITY OF ALABAMA®

WHERE LEGENDS ARE MADE

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
 - <https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200>
- 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



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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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