

Create a Budget for your Research Grant

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Workshop Overview

- Reviewing and explaining the budget categories.
- Writing the budget justification.
- Discussing general considerations.

What is the process?

- Details will depend on the granting agency or foundation, but the things to consider and the process will be very similar from grant to grant.
- Consider what agency allows, as well as how grant spending works at Morgan State.

First things first...

- Find the instructions.
- Read the instructions.
- Read the instructions again.
- Follow the instructions.

Two Guiding Principles - #1

1. What will you need for your project? Think it through carefully.

- What DO you have (e.g., in kind)?
- **What DON'T you have?**

Two Guiding Principles - #2

2. Be realistic.

- How much time will you, colleagues and staff really spend on the project?
- How much will the described work really cost?

Your budget should reflect the scope of work you describe.

- **Don't ask for the maximum \$\$ allowed if you don't need it. A padded budget is obvious and annoys the reviewers.**
- **On the other hand, don't only ask for \$50,000 if you have proposed a \$250,000 project.**
- All costs should be *allocable, necessary* and *reasonable*.

Personnel Costs

Salary, wages and fringe benefits required for investigators, staff and students *at Morgan State University*.

- These costs *often are* the majority of your requested funds.
- Personnel costs for investigators, etc., from other universities are not included in this category. They require a sub-award with the other university. More on this later.

Personnel Costs, continued

What information do you need to start?

Faculty and staff

- Base salary (ask individuals to check Websis → Employee → Jobs Summary)
- Is each person paid on an academic-year (9.5- or 10-month, release time or summer salary) or calendar-year (12-month, release time) basis?

Student Research Assistants

Considerations:

- Student classification (undergraduate or graduate)
- # hours allowed to work (academic vs. summer; citizen/resident vs. international)
- Rules/regulations (Title III, etc.)

Pay Rate Guidelines (not formally set by MSU; be consistent within your department/discipline):

- Undergraduate students –\$15/hr to \$25/hr
- Graduate/PhD students - \$15/hr to \$30/hr
- <https://uhr.umd.edu/ecc/salary-structure/>

Fringe @ MSU (as of 1.25)

		42%	9% + \$12,000	9%	0%
Faculty	9.5 or 10 months Academic Year	X			
Faculty	9.5 or 10 months Summer			X	
Faculty	Administrative Deans, Chairs, etc. Calendar Year (12 months)	X			
Staff	Regular Calendar Year (12 months)	X			
Staff*	Contractual Calendar Year # months varies		X	X	
Students[§]	Academic Year/Summer # months varies			X	X

*For **contractual staff**, allocate the "9% + \$12,000" fringe benefits if their contract is both (1) 6 months or longer and (2) for 30 or more hrs/wk. Otherwise, allocate 9% fringe.

[§]For **students**, allocate 9%; the student may elect to have no fringe (0%) withheld, but it's better to budget for it.

Calculating Personnel Costs: Academic Year/Release Time Example

- 9.5-month faculty, \$70,000 salary
- 25% effort (1 of 4 classes for both fall and spring semesters)
 - $9.5 \times .25 = 2.375$ academic months
- $\$70,000 \times .25 = \$17,500$
- Fringe = $\$17,500 \times .42 = \$7,350$
- Total = $\$17,500 + \$7,350 = \$24,850$

Calculating Personnel Costs: Summer Salary Example

- 9.5-month faculty, \$70,000 salary
- Summer = 2.5 months, or approximately 52-53 days (can do partial)
- $2.5/9.5 = 26.3\%$
- Salary = $\$70,000 \times .263 = \$18,410$
- Fringe = $\$18,410 \times .09 = \$1,657$
- Total = $\$18,410 + \$1,657 = \$20,067$

Consultants

- For grant budget purposes, consultants are usually considered those individuals who charge a daily rate or fee for services requiring specialized knowledge.
- Colleagues and collaborators employed by other universities or organizations, who will obtain part of their salary from effort on your grant, are **NOT** placed in the consultant category - they are par tof **subawards (unless the individual's university allows them to do consultancies)**.

Consultants

- Ask the consultant to provide you with their rate(s) in writing (email is ok, letter of commitment also good).
- Estimate how many days or hours you will need the **consultant's services.**
- **“Cost per day” X “# of days” = total consultant cost**

Equipment

- *For grant purposes, only items costing \$5,000 or more, AND having a useful life of more than one year, are considered equipment.*

What **IS** considered equipment?

- ▶ A microscope system costing \$12,000.
- ▶ An ultra-low lab freezer costing \$9,000.

You must provide quotes for equipment items.

What is **NOT** considered equipment?

- ▶ A laptop computer costing \$1,000.
- ▶ Six laptops costing \$1,000 each (total \$6,000).
- ▶ A Kenmore refrigerator/freezer costing \$800.

***So where do we put these “equipment-like” items that cost less than \$5,000?
In “supplies.”***

Supplies: Items costing less than \$5,000

- Estimate how much of each supply you will need.
- Get actual costs (use list cost) from vendors.
- Itemize costs, then add up total costs.

Examples of supplies include:

- Scientific supplies: glassware, chemicals, antibodies, pipets, gels, power supplies
- Office supplies: must be project specific, e.g., lockable file cabinet for human subjects data, study binders, lab notebooks
- Computers and accessories costing less than \$5,000
- Books and periodicals (specify)

Travel

1. Travel includes all costs. You can pick an actual conference relevant to your field that you plan on attending to help you itemize and justify the budget. Consider including students.
 - Conference registration, airfare, hotel, per diem (meals, tips), mileage, parking, other ground transport, etc.
 - Get actual costs for travel to the specific city. See link to GSA rates **for hotels and per diems for individual “high cost” cities.**
2. Local Travel: Mileage, parking and per diems associated with local travel to offsite research locations (sites discussed in the research plan).
3. International Travel: Check your specific grant for any limitations.

<https://www.morgan.edu/comptroller/university-travel>

Other Direct Costs

Everything not included in other categories

- Materials and Supplies (discussed previously)
- Equipment service and service contracts (e.g., microscope repair and maintenance)
- Software, software upgrades
- Communications (project-related): postage, package delivery
- Publication costs (e.g., reprints, page charges, color charges)
- Poster preparation costs (printing)
- Space rental
- Incentives for human subjects/study participants

Budget Justification

The Budget Justification follows the itemized budget; it is a text narrative.

Costs need to be justified in the order they appear on the actual budget page.

- Personnel
- Consultants
- Equipment
- Supplies
- Other Direct Costs

*For each section, indicate the total amount requested.
This helps the reader/reviewer.*

Personnel Cost Justification

All individuals *from MSU* who will work on the project

Two categories of personnel:

1. Key Personnel: start with the PI

- Name
- Role on the project, e.g., PI, Co-PI, Investigator
- Effort in calendar, academic and/or summer months
- Duties and responsibilities in a few sentences

2. Other Personnel: usually staff and students

- Provide same information as for key personnel

Consultant Cost Justification

- Name and affiliation
- Duties and Responsibilities (a few sentences)
- Note the total Consultant Costs at the bottom of the section

Equipment Justification

List each piece of equipment separately

- Include vendor, cost, and reference quote number if available - quotes are useful to include
- Explain its use and why you need it

Note the Total Equipment Costs at end of section

Supplies Justification

For each category of supply, describe what it will be used for. List the cost for each category.

Example

- *Glassware, chemicals, gels, power supplies* (\$1,200): These items will be used in Western blot assays described in the research plan, Specific Aim 2
- *Office Supplies* (\$400): Includes study binders for human subjects data storage and laboratory notebooks for students and investigators
- *Dell Latitude laptop computer* (\$1,100): used for human subjects data input, storage and analysis at study sites and the MSU campus

Travel Justification (example)

E. TRAVEL

\$742.50 is requested for the PI to travel to the Annual Meeting of The American Society of Nutrition to be held in Orlando, FL in November, 2020.

• Roundtrip airfare (Southwest) BWI-Orlando	\$155.00
• Lodging (3 nights): \$127/night X 2 nights	\$381.00
• Per diem/M&IE (2 full days): \$59/day X 2 days	\$118.00
• Per diem/M&IE (first and last day): \$44.25 X 2 days	<u>\$ 88.50</u>
	\$742.50

Subaward Justification (example)

2. Subawards/Consortium/Contractual Costs

A subcontract will be established with East University, a domestic State institution of higher education.

William Lehman, Ph.D., Co-Investigator (effort = 1.2 calendar months). Dr. Lehman is an Assistant Professor (Research) at the East Carolina Medical Center. Dr. Lehman, an expert in clinical statistics, will act as a consultant and will provide guidance on collection and statistical analyses of the physiological data. He will assist in manuscripts that are within his area of expertise.

The estimated total subcontract costs for the 1-year project are as follows:

Salary and benefits for Dr. Lehman:

- $\$85,000$ (base salary) \times (1.2 calendar months/12 months) = $\$8,500$
- $\$8,500 \times .32$ fringe benefit rate East U = $\$2,720$
- $\$8,500 + \$2,720 = \$11,220$

Indirect Cost Rate for East University: 62% Modified Total Direct Costs

- $.62 \times \$11,220 = \$6,956$

Total Sub-Contract Costs: $\$11,220 + \$6,956 = \$18,176$

Indirect Costs

- **Morgan State's research indirect (facilities and administration) cost rate for research is 51%.**
- The rate may vary for activities other than research (e.g., training is 8%) or if the funding opportunity announcement FOA specifies a different indirect rate (which often happens with private foundations).
- Most of the time, the indirect rate is calculated on a base that is a percentage of Modified Total Direct Costs. Items NOT included in this MTDC base are, for example:
 - Equipment
 - Subaward costs over \$25,000 in the first year
- Read the FOA carefully for specifics that vary from the norm.

Online Resources @ Morgan State

- ▶ Morgan State Office of Research Administration, which includes:
 - ▶ Fringe Benefits Rate
 - ▶ Negotiation Indirect Costs Rate Agreement
 - ▶ Grant Application Information (UEI, etc.)

<http://www.morgan.edu/ora>