BUDGET BASICS

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Expected Learning Outcomes

Three phases of budgeting for research projects:

1. Data Gathering
2. Data Input
   Build a Budget
3a. Data Transfer
   Internal Approval
   (People Soft & Webform)
3b. Data Transfer
   Sponsor Package
Good vs. Incorrect Budget

• At your table, compare the two budgets and budget justifications.
  – What is good about each?
  – What could be improved on each?
1. DATA GATHERING

• Roles & responsibilities

So, is twitter really as much fun as everyone says it is?

Well, yes it is...

...As long as you really follow those who you follow and your followers really follow you!

Huh? I don't quite follow?
Asking the Right Questions

• At your table, brainstorm budget questions related to your topic.
  – Who do you ask?
  – What are you asking?

• List on chart paper.
TOP TEN CONSIDERATIONS FOR A SUCCESSFUL BUDGET
Budget Considerations

- Thorough Review of Sponsor Guidelines and Requirements
- Know the Maximum Budget/Period of Performance as Identified by Sponsor
- Is Budget Cost Effective with Regard to Post Award Management
- Understanding F&A Rates
- Consider Personnel Effort Required
Budget Considerations

• Identify Travel Requirements
• Identify supplies/other/miscellaneous requirements
• Identify subcontractors/consultants/vendors
• Identify equipment requirements
• Research participant costs
2. DATA INPUT

Build a Budget

• How do you currently build a budget?
• UD Proposal Guide & other resources available on RO website
• Template Demo

http://www.udel.edu/research/preparing/proposalguide-1time.html
2. DATA INPUT, cont’d

Sponsor Specific Budget Considerations

• Cost share calculations
• Participant support
• F&A limitations
• Re-budgeting
• Tuition budgeting
• Salary limitations & caps
• NIH modular budget
2. DATA INPUT, cont’d

Cost Share Calculations

Cost Share as 20% of total budget
Total direct costs 1,000 paid by sponsor
1,000/ .8 =1,250
1,250 x .2 =250 UD commitment
Total project costs $1,250

Cost Share requirement of 20%
Total direct costs 1,000 paid by sponsor
1,000 x .2 =200 UD commitment
Total project costs $1,200
2. DATA INPUT, cont’d

Sponsor Specific Budget Considerations

• Participant support
• F&A limitations
• Re-budgeting
• Tuition budgeting
• NIH modular budget
Federal Salary Cap
What does it mean?

- Federal Consolidated Appropriations Act limits the rate at which salaries can be directly charged to sponsored projects.
- Maximum annual rate of pay at which an individual’s full time effort can be charged.
- Excludes associated fringe benefits and indirect costs (except DOD).
- Not intended to limit the actual salary paid by the institution.
Agencies with Salary Caps
FY2012

• National Institutes of Health
  – $179,700: Executive Level II of the Federal Executive Pay scale
  – Graduate students must be paid at a level not to exceed NRSA stipend levels

• Department of Defense (Benchmark Compensation Amount)
  – Applicable to contracts only
  – $693,951: All forms of remuneration for services, and related costs that would be considered fringe benefits

• Department of Labor – Employment & Training division
  – $179,700: Executive Level II
Salary Cap Implementation

• The effort valued above any salary cap must be tracked in the financial system by adding the award’s project to salary transactions paid by the University.

• The mechanism is the same as it is for recording cost-share, but this pay is not considered cost-share because it is an unallowable cost to the award.

• NIH’s salary limitation provision applies to subawards, but does not apply to consulting fees.
Internally Budgeting the Overage

Dr. Einstein has a 9 month faculty appointment and is committing 1 month of paid academic effort on this NIH project. Dr. Einstein's contracted salary amount is $160,000

1. Annualize salary $160,000/9 = $17,778 * 12 = $213,336
2. Determine 1 month of pay ($213,336 /12 = $17,778)
3. NIH caps @ $179,700 /12= $14,975
4. Determine cost share ($17,778 - $14,975 = $2,803)

At the time of proposal, departments should ensure that adequate non-sponsored funding is available to cover the balance when a faculty's salary is over the cap.

www.udel.edu/research/xls/salary_cap_worksheet.xlsx
Budgeting in PeopleSoft @ Proposal

Two Salary Lines to total 1 month ($17,778):

$16,642  SRPERS – Sponsor paid academic salary
$2,803  SRPERS – Salary over the cap (not listed on NIH application)

*Cost share link should be completed and approved via the webform.
3. DATA TRANSFER

• Internal Approval (PeopleSoft)
  • https://wafinprd.nss.udel.edu:4480/psp/FIPRD/?cmd=login&languageCd=ENG
  – Instruction Book
    http://www.udel.edu/research/training/peoplesoftgrants.html
  – Other considerations
    • Using multiple projects to better manage awards
3. DATA TRANSFER

• Sponsor Package
  – Application guide is your rule book!
  – Examples
    • SF424A Budget Form
3. DATA TRANSFER

• Sponsor Package
  – Examples
  • SF424 R&R Budget Form
3. DATA TRANSFER

• Sponsor Package
  – Examples
    • NIH Modular budget form
3. DATA TRANSFER

• Sponsor Package
  – Examples
    • NSF budget form
    • http://www.nsf.gov/pubs/2000/00form1030/00form1030.pdf
REVIEW QUIZ
You don’t know what you don’t know…..
Don’t be afraid to ask questions!

C&G Directory by Department:
http://www.udel.edu/research/about/directory.html