

Budget Justification Guidelines:

Category Definitions

Below are category definitions for common budget justification items you may need to include in your justification. Tailor to meet sponsor specific requirements, as appropriate. If you have questions about the information below, clarify the information with your Contract & Grant Specialist.

PERSONNEL

For all personnel working on the project (PIs, Co-PIs, Graduate Students, Undergraduate Students, Post Docs, etc.), include a brief description of their role in the project and the amount of effort in person months committed. Include the annual rate of the salary increase.

NOTE: Undergraduate Students- If it is anticipated that the student will be enrolled less than half time or if they will work in the summer, fringe benefits (at the miscellaneous wage rate) should be budgeted and the rate should be stated. Graduate students can only work 20 hours per week per University policy. For the most recent undergraduate rates, check with your department administrator.

There are two classifications of Post Docs at UD: Post Doctoral Researchers and Post Doctoral Fellows. A *Post Doctoral Fellow* designation is used for individuals primarily doing research as independent learners and are not assigned to projects as employees. A Post Doctoral Fellow is viewed as a non-employee by the IRS. A *Post Doctoral Researcher* designation is used for researchers who are here primarily assigned to projects as employees for a limited period of time after obtaining their doctorate degrees. Post Doctoral Researchers receive fringe benefits (faculty/professional rate) and Post Doctoral Fellows receive no fringe benefits. For more information on the difference between these two designations, go to <http://www.udel.edu/research/preparing/proposalguide.html>, Proposal Guide FAQ No. 6.

Administrative Salaries (see § 200.413): These costs should normally be treated as indirect (F&A) costs. Direct charging these may be appropriate if all of the following conditions are met:

1. Administrative/clerical services are integral to a project or activity
2. Individual(s) involved can be specifically identified with the project or activity
3. Costs are explicitly included in the budget or have the *prior written approval* of the Federal awarding agency
4. The Costs are not also recovered as indirect costs

FRINGE

Fringe benefits should be charged in accordance with UD's negotiated rate. The most current rate can be found on the Research Office website site: <http://www.udel.edu/research/pdf/UD-FY19-Fringe-Benefit-Rate-Agreement.pdf>.

EQUIPMENT (See § 200.439(b)(2)) –

This category includes items of special purpose equipment equal to or greater than \$5,000 and **having a useful life of one year**. In this section, include details such as the type of equipment, cost, and a brief narrative on the intended use of the equipment. If multiple pieces of equipment are included, list the corresponding cost of each unit. Special purpose equipment are allowable as direct costs with *prior written approval* of the Federal awarding agency or pass-through entity.

NOTE: F&A is not calculated on equipment costs. Software is not considered to be equipment (even if over \$5,000) and should be listed in Materials and Supplies.

Equipment Fabrication: Fabricated equipment means materials purchased for the purpose of building, constructing or assembling a piece of equipment that will be identified as equipment with the final cost being at least \$5,000 or more and **have a useful life of one year when completed**. Include the same information above for fabricated equipment. F&A is not calculated on equipment fabrication.

Computer Nodes: Computer nodes are considered equipment if the nodes are purchased and added to an existing computer cluster to give PIs access to the cluster. Clusters are existing pieces of equipment and when nodes are purchased, we are adding items to existing pieces of equipment that are more than \$2,000 (in most cases). Adding nodes to a computer cluster gives PIs the ability to access massive amounts of space and horsepower on the cluster. If a PI needs access to an existing cluster to complete their work due to a need to access large amounts of space and horsepower, the nodes should be budgeted as equipment.

Note: If a PI would like to use the existing cluster without purchasing nodes, this would not be equipment; this should be budgeted as 'Other' or 'Service'. In addition, if a PI intends to purchase nodes to use in their office (not part of the cluster), this should be budgeted as supplies (in most cases) since the PI would be purchasing a large computer (unless it was over \$5,000).

TRAVEL

Include all travel paid directly by the sponsor, including both foreign and/or domestic travel. It's best to provide the following information: destination (if known), purpose of the travel, number of travelers, airfare, ground transportation, lodging, and meals/per diem (use GSA Rates: <http://www.gsa.gov/portal/content/104877>). If traveling by vehicle include the number of miles and the current GSA mileage rate (use GSA Rates: <http://www.gsa.gov/portal/content/100715>).

Note: If travel is in excess of 6 months, dependent care costs can be requested with **prior approval**.

Foreign travel includes a destination that requires a passport. If international travel occurs on a Federal award, Fly America must be followed. For more information see: <http://www.udel.edu/research/pdf/fly-america-act.pdf>. Complete the Fly America [Checklist](#) at the time the expense is made.

PARTICIPANT SUPPORT COSTS

Participant support costs are payments provided to a study participant or to a workshop attendee. These are payments FROM the grant to an individual or vendor on behalf of the individual (but not employees). These costs are expressed as non-salary expenses for items such as stipends or subsistence allowances, travel allowances, and registration fees in connection with meetings, conferences, symposia, or training projects. **These costs are allowable with the prior approval of the awarding agency.**

In the justification, include the number of participants and cost per item (ex: stipend, travel/subsistence allowance, etc.)

NOTE: F&A is not calculated on participant support costs. More information can be found at:

<http://www.udel.edu/research/pdf/PartSupCosts.pdf>

Most Commonly Used OTHER DIRECT COSTS (ODC)

List an explanation for each ODC with an explanation of the cost and the dollar amount. Common ODC include:

1. Materials and Supplies – May include items such as software, educational or field supplies, and laboratory supplies such as chemicals, reagents, and glassware. Include a brief justification of why the material/supply is needed.
2. Publication Costs – May include costs associated with the publishing of an article in a scientific/technical journal or other type of field/program publication, brochures, or program materials. If applicable, include student poster presentation costs.
3. Consultants - A consultant is an individual (work-for-hire) with proven professional or technical competence, which is provided to the organization. The consultant cannot be affiliated with UD. Include the name of the consultant, his/her organization, a statement of work, and a breakdown of the amount being charged to the project (ex: number of days of service, rate of pay, travel, per diem, etc.).

NOTE: F&A is calculated on consultants.

4. Computational Devices: Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. Charging computing devices as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.
5. Subawards (Also called Consortium or Contractual Costs) – A Subaward performs substantive programmatic work under a grant or contract and bears responsibility for programmatic decision making and measurable performance requirements. A justification for the subaward should include the same level of detail as your budget justification per itemized cost category.

NOTE: F&A is only calculated on the first \$25,000 of a subaward’s total budget. If you have multiple subawards in your budget, F&A will be calculated on the first \$25,000 of each subaward.

Fixed Amount Subawards (See §200.332) – With *prior written approval* from the Federal Agency, pass through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold (\$150,000), providing that the Subawards meet the requirement for fixed amount awards (See §200.201).

6. *Tuition* – Tuition will be charged to all grants and contracts at a rate of 20% of the total graduate tuition per the Graduate Tuition Policy found here: <http://www.udel.edu/research/preparing/graduatetuitionpolicy.html>. Exceptions to this Policy may be granted by the PI’s dean when the total funding available to the PI(s) for the project is less than \$75,000 per year or in cases wherein the funding organization has a written policy

precluding charging of graduate tuition to awards, and should be documented in the proposal approval routing form Current tuition rates can be found at: http://www.udel.edu/finaid/grad_rates.html. Include annual percent increase in the justification.

Note: F&A is not calculated on tuition costs.

OTHER DIRECT COSTS (ODC)

Additional ODC item examples include:

7. Equipment Rental/Facility Rentals/User Fees -
 - a. *Equipment Rental* – When there is a need to rent equipment for use on the project, provide the type of equipment to be rented, the purpose or use on the project, the length of time needed, and the rental rate.
 - b. *Facility Rental* – When it is necessary to rent office or other facilities spaces for project implementation, and the space(s) are located off-site from the organization’s main facility space not owned by the recipient organization, the cost of the rent may be charged against the award if the space is used specifically for the project. Include the monthly rental and/or pro-rated rate. For laboratory facilities, provide a letter signed by an Authorizing Representative of the rented space attesting their agreement to allow the project to operate in the space.
 - c. *Land-Use Charges* – When there is a charge for using land owned by others for project purposes, provide the charge per acre (or other rate charged), number of acres, and total cost.
 - d. *User Fees* – Include the type of service being charged (ex: MRI, DBI, or NMR fees), how it relates to the project, and an explanation and breakdown of the costs.
 - i . If DBI facility costs are budgeted as a direct cost, a justification for these costs should be included. There is a separate justification for DBI experiment use and DBI computer work only. See the justification template for the minimum suggested DBI facility language.
8. **Memberships, subscriptions and professional activity costs (See §200.454)** — Costs of an entity’s (UD’s) membership in business, technical, professional organizations/periodicals are allowable. Costs of (individual) memberships in civic or community organizations are allowable with **prior approval** by the Federal awarding agency or pass through entity. Membership must be allocable and programmatically related to the project.
10. Other – For other costs not specifically listed above. Identify and provide details of the costs involved. Some of the more common items included in this category are:
 - a. *Communication Costs* – Include mailings, postage, survey supplies, faxes, and telephone long distance charges that are directly related to the project and are above and beyond normal business use.
 - b. *Photocopying* – Include in-house photocopying of materials that are directly related to the project and are above and beyond normal business use.
 - c. *Service or Maintenance Contracts* – These costs should be in direct correlation to the use of

the equipment for the project and the performance period (ex: if an instrument is used 50% of the time for the project, only 50% of the service/maintenance costs may be charged to the project. A 5-year service contract cannot be charged to a 3-year award). Include service contract details, amount, and length of the service contract.

d. *Conferences/Meetings* – Include costs of holding a conference or meeting. Some examples include rental of facilities and equipment for the meeting, translator, A/V fees, honorariums/fees for trainers or guest speakers, and travel and/or per diem costs for speakers. Itemize conference/meeting costs and include the amounts of each cost in the justification.

Meals: Meal costs (non-travel) may be directly charged on a grant/contract if it is part of a formal meeting or conference where technical information, directly related to the award, is being disseminated. For more information regarding direct charging meals to an award see:

<http://www.udel.edu/research/pdf/Allowability-of-meals.pdf>.

NOTE: Participant support costs do not belong in this category. See guidance above for participant support costs. For guest speaker/trainer fees, include fee/rate and a description of the services provided.

11. Housing, housing allowances and personal living expenses (See §200.445) — These costs are allowable as direct costs with *prior approval* of the Federal awarding agency. Examples of such costs include depreciation, maintenance, utilities, furnishings, and rent.
12. Entertainment Costs (See §200.438) — Entertainment costs (amusement, diversion, and social activities) are unallowable unless they have a programmatic purpose and are authorized either in the approved budget for the Federal award or with *prior written approval* of the Federal awarding agency.
13. Exchange Rates Fluctuation (See §200.440) — Cost increases for fluctuation in exchange rates are allowable with *prior approval* of the Federal awarding agency. If the PI anticipates working with foreign entities, include funds to cover foreign exchange rates.

NOTE: **At the time the expense is made**, include documentation from a commonly used source (Ex: Oanda, XE, etc). Also see travel tools on UD Procurement website:

<http://www.udel.edu/procurement/travel/>).

INDIRECT COSTS (Also called Facilities & Administrative [F&A] Costs)

If the sponsor allows indirect costs, include the percentage rate used, Fiscal Year, and list exclusions from indirect costs. Include the link to UD's negotiated rate agreement:

<http://www.udel.edu/research/pdf/UD-FY19-Provisional-FandA-Rates.pdf>

COST-SHARING/MATCHING

The same level of detail required for sponsor (Federal or Non-Federal) funds should be provided for any required cost-sharing/matching. ***Cost-sharing/matching that is not required should not be***

included on the budget.

Any cost-share/match commitments by a 3rd Party organization must include a letter signed by the contributing organization's Authorizing Representative. The letter should state whether the cost-share/match is cash or in-kind, the amount of cost-share/match, and the purpose/use of the cost-share/match. If cost-share/match is required by the sponsor, describe the cost-share/match in the budget justification.

For additional information regarding UD's cost-share/match policy, see:
<http://www.udel.edu/ExecVP/policies/research/6-19.html>.

PROGRAM INCOME (See §200.307)

Program Income is earned income to defray the program costs of the award. With *prior approval* of the Federal awarding agency, program income may be added to the Federal award. Program income must be used for the purposes and under the conditions of the Federal award. With *prior approval* of the Federal awarding agency, program income may be used to meet the cost sharing requirement of the Federal award; however, the amount of the Federal award remains the same.