

# Developing a Proposal Budget

Winthrop University  
Office of Grants and Sponsored Research Development

# Learning Objectives

- To understand the role of a budget
- To understand the principles that guide a budget
- To understand the major categories of the budget
- To learn how to calculate a budget
- To learn how to complete a budget justification



# Proposal Budget

## What it is

A realistic estimate of the funds required to achieve project goals

Connection of project expenses to scope of work

Financial infrastructure for the aims of project

## What it does

Funds the program or project

Conforms to sponsor, University, and State of SC guidelines

Guides the workplan flow and timing

# Budget Categories

## Direct Costs

- Specifically Identifiable
- Reasonable
- Allowable
- Allocable
- Consistently Applied
- Verifiable
- Federal awards (2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200/content-detail.html>)

## Indirect Costs

- Facilities and Administrative Costs
- Overhead costs that cannot be identified specifically with a program or project (e.g., admin personnel, utilities, etc.)
- 60% of Salaries, Wages, and Fringe Benefits (on-campus)
- Check FOA to make sure sponsor allows

# Direct Cost Categories

## SALARIES & WAGES

- Faculty
- Staff
- Students: grad, UG
- Usually one of the largest expenses on the budget

## FRINGE BENEFITS

- Health insurance, retirement, SSN, FUTA
- Rate depends on employee classification
- <https://www.winthrop.edu/grants/budget-preparation-employer-contributions.aspx>



# Indirect Cost Rate Agreement

## COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 57-6001204

DATE:03/02/2018

ORGANIZATION:

FILING REF.: The preceding  
agreement was dated  
07/18/2014

Winthrop University

Sponsored Programs & Research

Rock Hill, SC 29733

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

### SECTION I: Facilities And Administrative Cost Rates

RATE TYPES:    FIXED            FINAL            PROV. (PROVISIONAL)    PRED. (PREDETERMINED)

#### EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%) LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2014	06/30/2018	60.00 On Campus	All Programs
PRED.	07/01/2014	06/30/2018	26.00 Off Campus	All Programs
PRED.	07/01/2018	06/30/2022	60.00 On Campus	All Programs
PRED.	07/01/2018	06/30/2022	26.00 Off Campus	All Programs
PROV.	07/01/2022	Until Amended		Use same rates and conditions as those cited for fiscal year ending June 30, 2022.

#### \*BASE

Direct salaries and wages including all fringe benefits.

# Direct Cost Categories

## SUPPLIES

- Estimate cost, taxes, freight
- Justify need
- Office supplies are generally not allowed

## TRAVEL

- Airfare
- Lodging
- Per diem
- Taxi
- Mileage
- Registration

# Direct Cost Categories

## EQUIPMENT

- For federal awards, cost  $\geq$  \$5,000 and estimated useful life > 1 year
- Non-federal sponsor requirements should be followed

## MISCELLANEOUS

- Participant fees
- Publication costs
- Postage
- Advertising
- Computing fees



# Direct Cost Categories

## CONSULTANT FEES

- Individual providing service
- Paid at an hrly rate
- Not a WU employee; is not supervised
- Agreement provides for rate, period of performance, invoicing, deliverables (i.e., product, report, timing)

## SUBAWARD

- Research performed by key personnel at another institution
- Makes substantial contribution to scope of work
- Makes programmatic decisions
- Uses own facilities and resources
- FOA rules apply

# Cost-Sharing

## Definition

- Portion of the program or project that the sponsor does not fund
- Contributed to the project by department, school or college, or other party.
- Cash and in-kind contributions (e.g., equipment, supplies, personnel costs, or other tangible resources)

## Mandatory

- Required amount that the recipient must contribute
- Commitment of the University
- Must be identified and quantified in the proposal

## Voluntary

- Not required by sponsor

# Budget Justification

Gives a clear, concise, detailed rationale for what, how, when, and why the funds requested are to be used

Demonstrates an understanding of the estimated costs of performing the project efficiently in the given time frame

Shows the year the requested funds will be spent

Includes calculations and sometimes tables

Flows with the Research Strategy or Narrative



# Budget Preparation

## Putting It All Together

Read and re-read the RFP. Read the RFP again!

Note the total costs allowed by the sponsor

Note expenses that are not allowed

Determine the period of performance

Determine who will be working on the grant: roles, % effort/PM, appropriate FB rate

Determine what equipment, supplies, and other costs (postage, publication fees, participant fees, printing, advertising, etc.) are needed to complete the project

Determine travel needs to conferences, program meetings, or for data collection

Determine whether outside collaborators will be engaged

Check with GSRD personnel costs

Check the website for IDC and FB rates, travel reqs

<https://www.winthrop.edu/grants/>

Gather quotes from vendors for supplies and travel

Obtain subaward forms early!

Calculate a draft of the budget and write the budget justification

Start with personnel costs (+COLA) and then calculate IDC

Add these together and calculate the difference from the total costs allowed

Adjust other direct costs as personnel costs and IDC are finalized

Revise the budget justification as the budget is adjusted

Review the Research Plan or Narrative to make sure that the budget makes sense for the scope of work

Re-read the RFP to make sure that there are no disallowed costs

Make sure that the budget total is at or below the stated balance

Review and revise budget and justification

Re-read RFP

Finalize budget

# Calculating the Budget

## SCENARIO

Notice of Funding Opportunity - total award amount will be \$105,000 each year for three years

- Personnel
  - Dr. Redd, PI, will work for 12.5% on the grant for all three years (Teaching Faculty, 9-month Academic Year)
  - Dr. Blu, Co-Investigator, will work for 20% on the grant for all years (Faculty Administrator, Calendar Year)
  - Study Facilitator at 40% for the first year and 35% for years two and three
  - Student Worker for the summer at 40 hours per week for six weeks all three years
- Supplies cannot exceed \$1,000 per year.
- Travel to the Sponsor's Annual conference is required and should be included in the requested funds

# Calculating the Budget – Personnel (Year 1)

Personnel	Role	Annual Salary	FB Rate	Appt Year	% Effort	Person Month	Salary	FB	Total Personnel Expenses
Dr. W. Redd	PI	75,000	36.50%	9-mo Academic	12.5%	1.13 (12.5% x 9 mo)	9,375 (\$75,000x12.5%)	3,422 (\$9,375 x 36.5%)	\$12,797
Dr. Z. Blu	Co-I	68,000	37.50%	Calendar	20%	2.40 (20% x 12)	13,600 (\$68,000 x 20%)	5,100 (\$13,600 x 37.5%)	\$18,700
O. Violet	Study Fac	50,000	39.50%	Calendar	40%	4.80 (40% x 12)	20,000 (\$50,000 x 40%)	7,900 (\$20,000 x 39.5%)	\$27,900
TBA	UG Stdnt	\$12/hour	2.00%	Summer	100%	1.50 (\$12/hr x 40hrs/wk x 6wks)	2,880 (\$2,880 x 2%)	58	\$2,938
<b>Total Personnel</b>							<b>\$45,855</b>	<b>\$16,480</b>	<b>\$62,335</b>



## Calculating the Budget – Indirect Costs

Total Personnel \$62,335

IDC Rate = 60% of salaries, wages, and fringe benefits

Total IDC ( $\$62,335 \times 60\%$ ) \$37,401

Total Personnel + IDC \$99,736

Total Award Amount \$105,000

Balance available for Non-personnel Direct Costs **\$5,264**  
( $\$105,000 - 99,735$ )

# BUDGET JUSTIFICATION

## Personnel

### Salaries and Wages

**Dr. W. Redd, Principal Investigator**, is the lead scientist and is responsible for the overall management of the grant. She will perform (list all responsibilities)

We request the following annual salary:

Year 1: 12.5% effort (1.13 PM) -- \$9,375

Year 2: 12.5% effort (1.13 PM) -- \$9,656

Year 3: 12.5% effort (1.13 PM) – \$9,946

**Dr. Z. Blu, Co-Investigator**, is responsible for the...(list all responsibilities/tasks)

We request the following annual salary:

Year 1: 20% effort (2.4 PM) -- \$13,600

Year 2: 20% effort (2.4 PM) – \$14,008

Year 3: 20% effort (2.4 PM) – \$14,428

**O. Violet, M.S., Study Facilitator**, is responsible for...(list all responsibilities/tasks)

We request the following annual salary:

Year 1: 40% effort (4.8 PM) -- \$20,000

Year 2: 35% effort (4.2 PM) -- \$18,025

Year 3: 35% effort (4.2 PM) – \$18,556

**TBA, Undergraduate Student Research Assistant**, is responsible for...(list all responsibilities/tasks). We anticipate paying this student 40 hours per week for 6 weeks during the summer.

Year 1: 100% effort (1.5 PM) – \$2,880

Year 2: 100% effort (1.5 PM) -- \$2,966

Year 3: 100% effort (1.5 PM) -- \$3,055

### Fringe Benefits

The fringe benefits rates applied to salaries and wages are as follows  
PI - 36.5%; Co-Investigator – 37.5%; Study Facilitator – 39.5%; and  
Undergraduate Research Assistant – 2%.

We request the following in fringe benefits expenses:

Year 1: \$16,479

Year 2: \$15,957

Year 3: \$16,435

## **BUDGET JUSTIFICATION**

### **Supplies**

These consumable supplies are requested for use during the execution of field studies, interviews, and focus groups scheduled to take place in the labs, classrooms, and other designated places as needed. These expenses include exam forms, exam books, and name tags for focus group participants....

We are requesting

Year 1: \$833

Year 2: \$1,000

Year 3: \$1,000

### **Travel**

Travel funds are requested for the travel of the PI and Co-Investigator to attend the sponsor's annual five-day conference in Washington, D.C in April. These funds include:

Registration of \$300/person x 2 people = \$600

Airfare - \$540/round trip x 2 people = \$1,080

Hotel – 5 nights @ \$150/night x 2 people = \$1,500

Per diem - \$32/day for 5 days x 2 people = \$320

Total estimated travel costs = \$3,500

We are requesting \$3,500 each year for Years 1-3.



# BUDGET JUSTIFICATION

## Miscellaneous

Other expenses including printing, postage, print and social media advertising, etc. are needed to (describe what and how they support/contribute to the accomplishments of goals/objective).

Expense	Year 1	Year 2	Year 3
Printing flyers, booklets (# of copies x \$ per copy)	\$201	\$658	\$189
Postage (# of stamps x \$/stamp)	150	450	0
Print Media Advertising -describe where they will be placed and the timing (# of ads x \$/ad)	254	1,140	102
Social Media Advertising -describe how you will use engagement tools (# of ads x \$/ad)	197	967	170
Refreshments (Be extremely descriptive of why you need to add food and beverages. This is really scrutinized!)	130	305	150
<b>TOTAL</b>	<b>\$932</b>	<b>\$3,520</b>	<b>\$611</b>

<b>Winthrop University</b>																											
<b>Sponsor: Project Title</b>																											
<b>July 1, 2018 - June 30, 2021</b>																											
<b>Year 1: 07/01/2018 - 06/30/2019</b>										<b>Year 2: 07/01/2019 - 06/30/2020</b>								<b>Year 3: 07/01/2020 - 06/30/2021</b>									
Personnel	Role	Annual Salary	Fringe Benefits Rate	Appt Year	Percent Effort	Person Month	Salary	FB	Total Personnel Expenses	Annual Salary	Fringe Benefits Rate	Appt Year	Percent Effort	Person Month	Salary	FB	Total Personnel Expenses	Annual Salary	Fringe Benefits Rate	Appt Year	Percent Effort	Person Month	Salary	FB	Total Personnel Expenses	GRANT TOTAL	
Dr. W. Redd	PI	75,000	36.50%	9-mo Academic	12.5%	1.13	9,375	3,422	12,797	77,250	36.50%	9-mo Academic	12.5%	1.13	9,656	3,525	13,181	79,568	36.50%	9-mo Academic	12.5%	1.13	9,946	3,630	13,576		
Dr. Z Blu	Co-Investigator	68,000	37.50%	Calendar	20%	2.40	13,600	5,100	18,700	70,040	37.50%	Calendar	20%	2.40	14,008	5,253	19,261	72,141	37.50%	Calendar	20%	2.40	14,428	5,411	19,839		
O. Violet	Study Facilitator	50,000	39.50%	Calendar	40%	4.80	20,000	7,900	27,900	51,500	39.50%	Calendar	35%	4.20	18,025	7,120	25,145	53,045	39.50%	Calendar	35%	4.20	18,566	7,333	25,899		
TBA	UG Student	\$12/hour	2.00%	Summer	100%	1.50	2,880	58	2,938	\$12.36/hour	2.00%	Summer	100%	1.50	2,966	59	3,026	\$12.73/hour	2.00%	Summer	100%	1.50	3,055	61	3,116		
<b>Total Personnel</b>							<b>45,855</b>	<b>16,479</b>	<b>62,334</b>						<b>44,656</b>	<b>15,957</b>	<b>60,612</b>						<b>45,995</b>	<b>16,435</b>	<b>62,431</b>	<b>185,377</b>	
<b>Supplies</b>									<b>833</b>								<b>1,000</b>							<b>1,000</b>	<b>2,833</b>		
<b>Travel</b>									<b>3,500</b>									<b>3,500</b>							<b>3,500</b>	<b>10,500</b>	
<b>Miscellaneous</b>									<b>932</b>									<b>3,520</b>							<b>611</b>	<b>5,063</b>	
<b>Total Direct Costs</b>									<b>67,599</b>								<b>68,632</b>							<b>67,542</b>	<b>203,773</b>		
<b>Indirect Costs (60% of Sal/W &amp; FB)</b>									<b>37,401</b>									<b>36,367</b>							<b>37,458</b>	<b>111,226</b>	
<b>Total Costs</b>									<b>105,000</b>								<b>105,000</b>							<b>105,000</b>	<b>315,000</b>		

# Remember...

- ❑ DO NOT be intimidated by your budget
- ❑ Read and re-read your FOA for guidance
- ❑ Always budget in dollars (no cents)
- ❑ DO NOT add fluff! Sponsors can see it from a mile away.
- ❑ DO NOT ask for more than the sponsor states in the funding opportunity



# Next Steps

- Contact GSRD when you start to think about writing a proposal (x2460)
- Send FOA to GSRD when you identify one you would like to pursue
- Schedule a meeting to discuss the preliminary aspects of the proposal (e.g., dates, personnel, collaborators, budget, etc.)

GOOD  
LUCK!!!

