



RAMP

Research Administrators Management Program



Proposal Budget with Martina Krzywicki

Objectives

- Define budget
- Find budget assistance
- Discuss cost compliance
- Review budget components
- Discuss a budget justification
- Create a budget



What Is a Proposal Budget?

Estimated financial representation of the statement of work (SOW) showing that costs are:

- appropriate
- fair
- reasonable



Where to Find Budget Information

- Sponsor's solicitation
- Sponsored Programs & Regulatory Compliance Services (SPARCS) budgeting website
<http://www.ncsu.edu/sparcs/budgeting/index.html>
- SPARCS Tutorials
<http://www.ncsu.edu/sparcs/training/index.html>
- College Research Offices
<http://www.ncsu.edu/sparcs/contact/liaison.html>



Office of Management & Budget's (OMB) Circular A-21: Cost Accounting Principles for Educational Institutions

Costs will be either direct or indirect

- **Direct costs** can easily be identified with a project
- **Indirect costs (A.K.A. Facilities & Administrative Costs or F&A costs)** are costs necessary to support the University's sponsored project infrastructure, but are difficult to specifically allocate to a project

Costs should be handled in a consistent manner



Budget Components

- Salaries
- Fringe benefits
- Travel
- Equipment
- Consultants
- Subcontracts
- Other direct costs
- Indirect costs



Salaries

<http://www.ncsu.edu/sparcs/budgeting/salaries.html>

- Faculty & Staff
 - Use current salary & appointment length
 - Summer salary, academic release, salary reimbursement
 - Effort should be described in terms of months - not hours
- Graduate students
 - State the appointment length (9 or 12 months)
 - Students should no more than 20 hours per week during the semester and 40 hours per week in the summer
- Include 3% inflationary rate on multiple year projects
- Adhere to limits on time committed
 - Sponsor caps
 - Department limits



Fringe Benefits

<http://www.ncsu.edu/sparcs/budgeting/fringe.html>

- Costs associated with social security, retirement, worker's compensation, unemployment, health insurance, disability, severance, etc.
- Most commonly used rates:
 - Faculty/staff: 27%
 - Post doctoral: 18%
 - Graduate student exempt: 15%
 - Hourly employee non-exempt: 9.15%



Travel

<http://www.ncsu.edu/policies/finance/navigation.php/travel>

Costs associated with travel to project sites, meetings, dissemination efforts, etc.

- airfare
- mileage, fleet services, taxi services
- subsistence
- lodging

Visit the Finance website for travel policies and rates

packpromise



Equipment

<http://www.ncsu.edu/sparcs/budgeting/equipment.html>

- Has a useful life of 1 year or more
- Costs \$5,000+
- Can be a single item, or can be a piece of equipment that is built or assembled from individual parts (A.K.A. fabricated equipment)



Materials & Supplies

<http://www.ncsu.edu/sparcs/budgeting/materials.html>

- Items that individually cost less than \$5,000
- Exclude general office supplies, unless an exception exists
 - Example #1: unusually large amounts required
 - Example #2: project site is in a remote location without access to normal office supplies
- Describe costs in detail since reviewed closely



Consultants & Subcontractors

<http://www.ncsu.edu/sparcs/budgeting/consultants.html>

Consultants provide goods & services within their normal business operations to multiple customers. These goods & services are secondary to the operation of the project. Consultants are NOT subject to flow-down terms from the sponsor.

Example: An outside consultant is hired to evaluate the effectiveness of a project's results.

Subcontractors have their performance measured against whether the objectives of the program are met. They can make programmatic decisions. They ARE subject to the sponsor's flow-down terms.

Example: Another university participates on a prototype's design.



Graduate Student Tuition

<http://www.ncsu.edu/sparcs/budgeting/tuition.html>

- Check Cashiers website for current tuition rates:
<http://www.fis.ncsu.edu/cashier/tuition/gradtuition.asp>
- Recommend budgeting in-state tuition plus the Graduate Tuition Offset (GTO). The GTO is used to off-set the difference between out-of-state & in-state tuition should an out-of-student student be selected. The GTO will be re-budgeted if not needed.
- Recommend adding a 6.5% inflationary rate to subsequent years budgeted.



Indirect Cost Rates

http://www.ncsu.edu/sparcs/budgeting/f_and_a.html

Research - On-campus = 49%

Research - Off-campus = 27.3%

Instruction - On-campus = 47%

Instruction - Off-campus = 26%

Public Service/Other - On-campus = 35%

Public Service/Other - Off-campus = 20%



Calculating F&A

http://www.ncsu.edu/sparcs/budgeting/f_and_a.html

Modified Total Direct Costs (MTDC):

NCSU's most frequently used base. Equals total direct costs minus non-F&A qualifying direct costs (equipment, tuition and any subcontract amount greater than \$25,000).

May also use Total Direct Costs (TDC) or another method/base if required by sponsor. For example, TDC would charge F&A on all project costs.

packpromise



F&A Under-recovery

http://www.ncsu.edu/sparcs/budgeting/f_and_a.html

Sometimes NCSU is unable to use the University's negotiated F&A rate. When this occurs, please obtain an under-recovery justification:

- 1) a statement from the Sponsor prohibiting or limiting F&A
- 2) a code from the "Sponsor caps" website

<http://www.ncsu.edu/sparcs/budgeting/indirect.html>, OR

- 3) approval from Matt Ronning



Budget Justification

The Justification is the Budget's narrative providing:

- an explanation for how costs will provide for the completion of the project's objectives
- details on how costs were derived

A budget template & budget justification may be found online at:

http://www.ncsu.edu/sparcs/budgeting/budget_templates.html



Contact Information

Martina Krzywicki, Contract Negotiator
Sponsored Programs & Regulatory Compliance Services
Campus Box 7514
2701 Sullivan Drive, Suite 240, Admin. Serv. III Bldg.
Raleigh, NC 27695-7514

Phone: (919) 515-7513

Fax: (919) 515-7721

Email: martina_krzywicki@ncsu.edu

Slides may be found online at:
<http://www.ncsu.edu/sparcs/training/curriculum.html>

