Proposal Basics: Part II (the Budget)
A proposal budget . . .

- Is a numerical representation of your project
  - Provides an explanation of your narrative for the funder
- Details what you need to achieve your proposed objectives and the associated cost
- Shows necessary and reasonable costs for the project
Typical unallowable costs

- Advertising
- Alcoholic beverages
- Bad debt
- Depreciation
- Employee morale activities
- Entertainment (tickets to shows, sporting events, gratuities)
- First-class airfare
- Lobbying
It’s all in the details

- Follow *exact* format requested by funder.
  - Need detailed line-item budget for **internal purposes**, but might not need to provide same level of detail to funder.

- Engage appropriate individuals in development and approval of budget (*e.g.*, chair/dean, ORSP, collaborators).

- Anticipate cost increases over life of project.

- Anticipate SFA costs and commitments, both budgeted and non-budgeted (*e.g.*, space/facilities, equipment use, supplies, release time, support staff).

- Enhance; don’t supplant
### Types of Costs

<table>
<thead>
<tr>
<th>Direct</th>
<th>Indirect</th>
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<tbody>
<tr>
<td>- Salaries for people working on the project</td>
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<tr>
<td>- Travel of employees for project purposes</td>
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<td>- Equipment, supplies purchased for specific project use</td>
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<tr>
<td>- Consulting services</td>
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<td>- Accounting services</td>
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<td>- Legal review of contracts</td>
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<tr>
<td>- Library</td>
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<tr>
<td>- Office supplies (it depends)</td>
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<tr>
<td>- Personnel engaged in broad departmental support activities</td>
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<tr>
<td>- Utilities</td>
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</table>
Cost Sharing

- Also known as matching or in-kind
- May come from SFA or third parties
- SFA does not commit to cost sharing unless it is required by funder
- Do not commit something that you cannot realistically provide AND document.
- If a cost cannot be directly charged to the project, then it likely can’t be cost shared.
- Must be reported to the funder.
Indirect Costs

SFA’s rate = **31.28% of modified total direct costs** (excluding equipment, participant costs, and tuition; include IDC on only the first $25K of each subcontract)

Some funders cap this rate at a lower level or don’t allow indirect costs. **Check funder’s written guidelines.**
Personnel

- For each person who will work on the project, provide **title or job type** and **amount of time (percent of effort)** they will devote to the project.
  - current SFA employees
  - new employees *(for the duration of the grant)*
  - Faculty can be paid via course release time, additional compensation *(in rare circumstances)*, and via summer salary

*You must contact Human Resources to complete paperwork and postings for new positions.*
Types of personnel

Personnel might include:

- faculty members
- research scientists and associates
- graduate students
- undergraduate students
- administrative assistants
- evaluators (internal)
- technology experts
Faculty time

**Compensation from Grants, Contracts and Other Sponsored Agreements (12.1) Policy**

- For purposes of compensation from grants, contracts, and other sponsored agreements (paid or cost-shared), a normal three-credit hour course taught during the fall or spring semester is equivalent to 25% effort (or 0.25 FTE); 20% is normally devoted to instruction and 5% is normally devoted to institutional responsibilities outside of instruction.
## Fringe Benefits

**SFA incurs the following costs for fringe benefits:**

- Health insurance
- Retirement
- FICA/Medicare
- Unemployment insurance
- Worker’s Compensation

**Current fringe rates are as follows (always check with ORSP):**

- **Faculty & staff**
  - 30% of salary
- **Retirees and casual**
  - 9.65% of salary
- **Graduate students**
  - 2% of salary*
- **Student assistants**
  - 2% of salary

*Grad students may elect health insurance and SFA will cover 1/2 of these costs.*
Fixed, movable, and shared equipment that meets SFA’s definition of equipment - *SFA Property*
[http://www.sfasu.edu/purchasing/property/definitions.asp](http://www.sfasu.edu/purchasing/property/definitions.asp)

- **CAPITAL EQUIPMENT** ($5,000+) major lab equipment
- **CONTROLLED EQUIPMENT** ($500-$4,999.99) TVs, printers, non-digital cameras, firearms
- **UNIVERSITY-CONTROLLED EQUIPMENT** ($0-$4,999.99) computers, PDAs, digital cameras
Equipment details

- Must be tied to specific project use *not convenience of personnel*

- Be as specific in your description (model numbers, types, size, etc.) as sponsor requires

- Some funders might even require a quote (especially for major pieces of equipment).
Supplies

Itemize expendable supplies that are assigned to the project, including:

- Lab supplies such as chemicals, glassware, and disposables.
- Questionnaires and test materials.
- Instructional materials.
- If full-time staff occupy separate office, some office supplies may be allowed.
Travel

Refer to SFA Travel office
http://www.sfasu.edu/controller/travel/index.asp

Always use most restrictive guidelines

Travel funds should be reasonable and necessary to the conduct and success of the proposed project.

SFA current guidelines include:
Mileage at $0.40 per mile
Meals only if overnight travel occurs
<table>
<thead>
<tr>
<th>Travel types</th>
<th>Types of travel</th>
<th>Types of costs</th>
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</thead>
<tbody>
<tr>
<td><strong>Types of travel</strong></td>
<td>Attendance at professional meetings</td>
<td><strong>Types of costs</strong></td>
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<td></td>
<td>Field work</td>
<td>Airfare</td>
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<tr>
<td></td>
<td>Local travel for interviews, outreach</td>
<td>Mileage</td>
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<td></td>
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<td>Lodging</td>
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<td>Meals</td>
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<td>Registration</td>
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<td></td>
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<td>Vehicle rental</td>
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</table>
Contractors

Non-SFA individuals or organizations must be paid using a contract

- **Consultants**
  - Provide expertise for a fixed period of time
  - Usually paid a consulting fee (with travel costs either absorbed in fee or added to fee)

- **Budget**
  - Indicate name, number of work days, rate of pay, and qualifications (e.g., vita)

- **Other professional services**
  - Evaluator
  - Develop web page
  - Present a workshop

- **Budget**
  - Indicate type of service, number of contractors and amount
Non-SFA partners

- Memorandum of Agreement outlining partner responsibilities and commitments may be needed
- Include partner’s own fringe benefits rate and indirect cost rate (not SFA’s)
- Partners submit the ORSP Subawardee Certification Form as part of the proposal process
Participants

- Participants receive a benefit from their involvement in the project.
- Participant costs are not included in the IDC calculation.
- Participant stipends that are non-scholarship, non-salary support require a contract outlining payment terms, deliverables, etc.
- Participant scholarships are paid through Financial Aid.
Budget Narrative

- Text explanation of budget figures
- Explains how costs were calculated
- Justifies the need for each cost
- Matches the budget table/spreadsheet/proposal narrative

*See Sample Budget Justification in Toolkit*
ORSP can help…

- Review and interpret funder guidelines
- Discuss potential budget needs
- Calculate salaries and fringe benefits
- Advise you on cost sharing
- Calculate indirect costs
- Complete required budget forms
- Edit budget narrative
- Ensure correct budget calculations
- Obtain administrative approvals