



Jessie Momen
Dr. Judy Robison

Swimming with the Sharks:

Exploring Budget Narratives

Acronyms

- AOR – Authorized Organizational Representative
- OMB – Office of Management and Budget
- NIFA – National Institute of Food and Agriculture
- F&A – Facilities and Administration Costs (also called IDC)
- IDC – Indirect Costs (often called F&A)
- TDC – Total Direct Costs
- MTDC – Modified Total Direct Costs
- TFC – Total Federal Costs
- UG – OMB's Uniform Guidance

Budgets

- A budget is a financial expression of the project
- Best estimate of resources needed to complete project
- Each proposal must contain a budget for each year of support requested (unless a program announcement stipulates otherwise)
- Amounts requested for each budget line item must be documented and justified

Difference between Budget and Budget Narrative

- **Budget** – Summarizes numerically what purchases will be included in the grant and how much is planned to be spent
- **Budget Narrative** – Provides greater detail of what specific goods/services will be purchased, breaks down what the budgeted amount will cover, and gives narrative support for the amount budgeted for each purchase

Tips in Preparing Great Budgets/Budget Narratives

- The first step is good program design
- Funder requirements for budget
- Funder requirements for budget narrative/justification

Numerical Budget Format

- If matching is required, it is best to use the three column budget format
- Presents a complete picture of your project's costs to the sponsor
- Spells out very clearly what portion of that project you are asking the sponsor to bear

What's Ahead

Narrative/Justification

- Purpose
 - Explain basis of cost determination
 - Link between program narrative & budget
- Sections
 - What's Included – You Decide
 - Actual Examples
- Layout
- Questions

Salary

Definition

Compensation for employee services working on this externally funded program during the project period

Salary Considerations

- Organization employees
- Percentage of time devoted
- Time availability
- Salary restrictions

Administrative & Clerical

- Uniform Guidance guidelines
- Caveats
 - Integral
 - Specifically identified
 - Explicitly in budget/approved by Feds
 - Not recovered as indirect costs

Salary Considerations

- Salary Cap
 - What it is
 - What it isn't
- Sponsor limitations
 - NIFA – Not exceed Executive Level IV
 - NIH Salary Cap – Executive Level II
 - NSF cap

Salary Considerations

- Voluntary committed cost share
- Project year and organization's salary year may not be same
- Salary consistent with organization pay
- Supplementing vs. Supplanting

Key Salary Elements

- Amount of Commitment on Project
- Key or Senior Personnel and Other Personnel
- Role on the Project (not Job Title)
- Institution's Employees Only

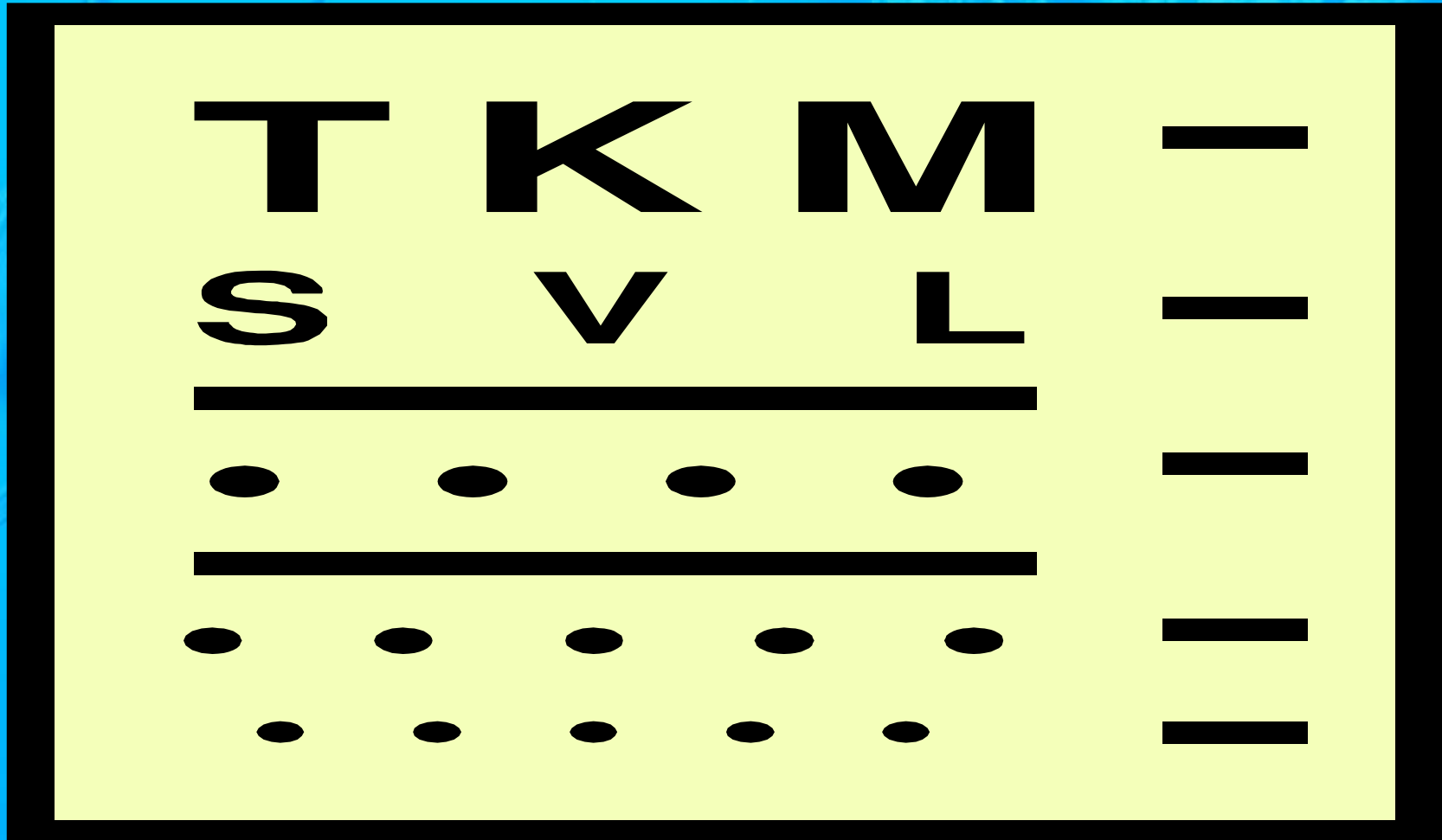
Salary Questions to Consider

- How does the person contribute to the project?
- If person is yet to be named, what qualifications are necessary?
- Do any administrative or clerical positions meet the 4 UG criteria?

Person Months

- Some funders want time expressed as person months
- Multiply percentage of project time x number of months in appointment in a given year

Grant Eye Exam



Salaries Approach A

Dr. Cassie Curriculum will assist with the development of the proposed underwater basket weaving curriculum and accompanying experiential learning activities for the summer camp. She also will assist with the development and design of appropriate evaluation tools and will serve as an on-going resource for the program. She will devote 30% of her time during the first year of the project to this effort. Her commitment will be reduced to 15% in years two and three.

Salaries Approach B

Dr. Nicey Nutrition, RD, Co-PI: Years 1-3 (5% effort) and years 4-5 (10% effort), Cooperative Extension Service, Ultimate University

Dr. Nutrition is a nutrition professor with Ultimate University. She has been the project director for the Supplemental Nutrition Assistance Program Educational (SNAP-Ed) efforts for 15 years and P.I. for several school-based interventions. Dr. Nutrition will assist with the design of the curriculum and exhibit; training...

Salaries Approach C

Dr. Supremely Intelligent will spend 60% of her time working on this proposed project in addition to her quarter research appointment and her one third teaching responsibilities. She will be responsible for developing and implementing the evaluation design of the proposed project.

Salaries Approach D

This award includes management of 24 subs. This volume & tight timeline of the program mandate more extensive monitoring than the services normally provided by the department secretaries. A 65% time financial technician, Mazie Mathematics, is needed to oversee the sub-recipients' activities..... Therefore, we are requesting agency approval for a 65% financial technician as an administrative cost allowed under 2 CFR 200.413. This new position ...

Which Approach Do You Prefer and Why?

1. Salaries Approach A
2. Salaries Approach B
3. Salaries Approach C
4. Salaries Approach D

Fringe Benefits

Definition

Expenses directly associated with employment such as health insurance, retirement benefits, worker's compensation and social security related to personnel listed in a budget who are paid by that institution.

Fringe Benefits

- The organization's applicable fringe benefits, if any
- If the organization's usual accounting practices treat as direct, then grant treats as direct cost
- Covers things like social security, retirement, worker's compensation, health, dental, life and disability insurance, etc.

Fringe Benefits

- Normally all salaries have fringes
- May have multiple rates

Fringe Benefits

- Directly related to salary charges
- Percentage of time devoted to grant
- Format varies with funding organization
 - Separate line below salary
 - SF-424 Research & Related, as separate column within salary line

Fringe Benefits Approach A

Fringe benefits represent a fixed cost to the grant and are calculated at the established Top-Notch University rate (32.1% for salaries and 4.6% for temporary help).

Fringe Benefits Approach B

Since this is a federal grant, the government will be charged for the fringe benefits at the rate of 60%.

Fringe Benefits Approach C

Fringe Benefits include all mandated federal and state/local payroll taxes, such as FICA, Workers' Compensation... & Medicare. Additional benefits for salaried employees include health insurance & optional dental.... Fringe benefits are billed at the rate then in effect for all Utopia University employees. Fringe Benefit rates for this grant are Principal Investigator – 32.1%; all other salaried personnel – 32.1%; and 3-month summer employees (temporary employees) – 4.6%.

Fringe Benefits Approach D

Fringe Benefits – Total Costs \$5,478

- The amount of fringe benefits, based on the salaries of the personnel listed above, equals \$4,578 and was calculated at a rate of 26.0% for full-time personnel (\$3,216), 8.1% for part-time personnel (\$963), 6.2% for graduate students (\$274), and 1.2% for undergraduate students (\$125).

Which Approach Do You Prefer and Why?

1. Fringe Benefits Approach A
2. Fringe Benefits Approach B
3. Fringe Benefits Approach C
4. Fringe Benefits Approach D

Equipment

Definition

- Equipment items have a purchase price of \$5,000 or more or are in line with the institution's policy if more restrictive
- Useful life of one year or more
- Nonexpendable, tangible property
- Includes tax, installation and shipping

Equipment Special Considerations

- Read award terms and conditions for required prior approval
- Availability of existing equipment

Equipment Special Considerations

- Items costing less are considered material and supplies
- Need for project
- General purpose equipment

Other Equipment Pointers

- Where title vests
- Purchase timing
- Tracking
- Bidding
- Fabrication

Fabricated Equipment

Definition:

Unique, discrete and identifiable items which are not available off-the-shelf, have a useful life of a year or more, and are made of materials and components whose sum costs \$5,000 or more

Fabricated Equipment Costs

What's Included:

- Materials
- Shop charges
- Vendor labor
- Shipping
- Installation
- Operating software

Capital Equipment

Include:

- Type of equipment
- Manufacturer's name or identifying mark
- Quantity
- Estimated cost, and basis for the estimate
- Vendor quote
- Sales Tax

Equipment Approach A

\$7,500 in funding is requested to purchase an 8-lace metal strength testing instrument for our use during the laboratory evaluation phase of the proposed program. Ultimate U currently has a metal strength testing instrument but their parallel experimental activities will require another instrument as well.

Equipment Approach B

A tunable diode laser from Fantastic Equipment Supply will be purchased for approximately \$7,500. This laser with extensive tuning range will be used in measuring emission from animal housing facilities and waste lagoons as part of objective three. The specifics of the equipment purchase are subject to change, depending upon market conditions at...

Equipment Approach C

A High Magnification Stereo Microscope, such the Nikon Research Stereo Microscope SMZ25 or equivalent, is being requested to ensure high quality photos of mosquitoes. Advanced equipment and lighting is needed for getting close up images with a high depth of field in the development of computer based IPM curriculum.

Equipment Approach D

Funding is being requested to fabricate an ash particulate matter analyzer, which will be comprised of 175 sensors spread over a 100 yard span, each with a cost of \$350 and the labor of the outside vendor, based on a quote, to construct.

Which Approach Do You Prefer and Why?

1. Equipment Approach A
2. Equipment Approach B
3. Equipment Approach C
4. Equipment Approach D

Travel

Definition

Transportation, lodging, subsistence and related items incurred by employees traveling on official institution business in connection with the project.

Reasonable & Related to Project

- Can't stay extra time and charge to sponsored program
- Can't decide have never driven a Bentley so will get that as rental car and charge to the grant
- Use Institution/State or GSA rates for lodging and per diem calculations.
- www.gsa.gov/portal/content/104877

Travel Considerations

- Transportation Costs
- Per Diem for Room and Board
- Dates or length of Trip
- Ground Transportation
- Registration
- Other Expenses
- Must use U.S. Flag Ship Carrier for Air Travel (Fly America Act)
- Temporary Dependent Care*

Fly America Act

- All flights on federal projects, must be on U.S. Flag Carriers, or
- On foreign carriers that code share with a U.S. Flag Carrier on the flight taken
- If there is no U.S. Carrier to the destination, travel must be on a U.S. carrier as far as possible

Other Fly America Issues

- In some cases, the sponsor's written prior approval may be required before each foreign trip.
- The same rules apply to foreign visitor's flights to our institutions.
- Exceptions

Temporary Dependent Care

3 Caveats:

- Direct result of individual's travel on award
- Consistent with organization's documented travel policies
- Temporary during travel period

Travel Approach A

Travel costs will include travel to and from poultry farms for on-farm demonstrations, travel to meetings to conduct darkling beetle management, and to disseminate information derived from the project at a regional or national entomological meeting. All travel will comply with University of Utopia travel policies and rates. Currently, these are .42/mile and \$150 in-state maximum for meals and lodging.

Travel Approach B

Dr. Renowned Scientist will present a juried seminar at the Internal Symposium in London in November, 2016. This seminar will discuss the research methodology and the preliminary results...

He will travel from Superior U. to Atlanta on Delta and from Atlanta to London on Air France. These flights were chosen due to his elite scientist status which demands the shortest travel time possible. These flights offer a time savings of two hours.

Travel Approach C

Clover Island is the site of the proposed program. The project design will require monthly trips from Cloverville, located on the east side of the island and Green City, located on the west side of the island. Treacherous mountain terrain make road travel not be feasible for these trips as it requires 4 days to cross the mountain by 4-wheel drive vehicle. Two airlines service both towns – Delta and Air France. Air France offers a 45-minute flight directly between cities while Delta requires the traveler to fly at 10:00 a.m. to Miami, have an overnight stay and arrive mid-afternoon on the second day. For this reason, project travel will use Air France for trips between Cloverville and Green City.

Travel Approach D

Funding is requested for P.I. Dr. Super Smart and her Program Associate, Jane Normal, to support travel on this project to conferences and workshops such as the National Agronomy Association Annual Meeting and the Regional Water Quality Conference and also three trips to the University of Utopia (subaward institution) for collaboration meetings, as well as presentations on the project progress and results. Travel destinations are tentative and subject to change. Costs are based upon past experience and include coach airfare...

Which Approach Do You Prefer and Why?

1. Travel Approach A
2. Travel Approach B
3. Travel Approach C
4. Travel Approach D

Participant/Trainee Support Costs (PSCs)

Definition

Costs, such as scholarships, stipends, tuition, registration fees, travel, transportation, subsistence allowances, training (books, materials, fees, etc.) for non-employees participating in the program, sponsored conferences, meetings, training activities, symposiums or workshops. The number of anticipated participants should be shown.

Who are Participants?

Participants are individuals who are recipients of or benefit from training or experiences in connection with a formal conference, meeting, training program or symposium.

They are not employees of your organization.

They are not a provider of service for the conference.

Participant Support Characteristics

- Identified in SF-424 R&R Budget
- Allowable
- May have special sponsor regulations
- Must conform with applicant's normal travel policies
- Limited to days of attendance plus travel time

What's Included?

- Tuition/Fees/Health Insurance
- Stipends
- Travel
- Subsistence
- Other

What's Tuition/Fees/ Health Insurance?

- Tuition and fees for participation in the training program
- Registration, lab, passport or visa fees
- Activity insurance

What's a Stipend?

- Payment for program participation
- Often made to defray expenses
- Not a wage
- Not compensation for services rendered
- No fringes
- No taxes
- Some funders limit

What's Participant Travel?

- Transportation costs to participate in activity
- Must follow sponsor and institution guidelines
- Conference or training field trips

What's Participant Subsistence?

- Lodging
- Per diem

Participant/Trainee Support Costs

Consider Role of Person

- Stipend
- Salary

NIFA

- List grad student tuition in this section
- Other funders, list in “Other Costs”

Participant/Trainee Support Costs

Grants.Gov Anomaly

Consider Cost/Person

- May have sponsor limits
- May be considered in funding decisions

Impact on F&A/IDC and MTDC Definitions

What They Are Not

- Speaker's Honoraria
- Project Director's salary
- Employee In-Service Training

Participant/Trainee Costs A

Twenty school food service managers will meet in Cloverboro each year for two days to be trained on the latest food safety handling techniques. Travel for each manager is estimated at \$250, while the per diem is \$81/day in Cloverboro. In addition, each of the managers will receive a \$100 stipend. Conference materials are estimated to cost an additional \$700 for handouts and other materials.

Participant/Trainee Costs B

Support from USDA NIFA will cover travel expenses for student participants. Funds will also provide a means to offer student workshop presentation awards of \$1,000, \$500, \$300 and \$200. These are needed to motivate workshop presentations.

Participant/Trainee Costs C

Support from NIFA will be used to cover travel expenses for participants presenting sessions. Stipends will be provided to all workshop session presenters. Approximately 30 workshop presenters @ \$100 stipend.

Participant/Trainee Costs D

| # of Participants | Fees/Health Insurance | Travel | Subsistence | Materials | Total |
|-------------------|-----------------------|----------|-------------|-----------|----------|
| 10 | \$5,000 | \$10,000 | \$2,500 | \$4,000 | \$21,500 |

Which Approach Do You Prefer and Why?

1. Participant/Trainee Support Costs Approach A
2. Participant/Trainee Support Costs Approach B
3. Participant/Trainee Support Costs Approach C
4. Participant/Trainee Support Costs Approach D

Other Direct Costs

Anticipated Other Direct Costs Sub-Categories

- Material and Supplies
- Publication Costs
- Consultants
- Computer (ADP) Services
- Subawards/Consortium/Contractual Costs
- Equipment/Facility Rentals/User Fees
- Alterations/Renovations
- Other

Other Direct Costs

1. Material and Supplies

Definition

Items used in performance of the work and tangible property other than equipment. Chemicals, glassware, disposables, research supplies, training materials, educational materials, and purchase of questionnaires, etc. Items are specific to project. Category can include non-capital equipment.

Material and Supplies

Characteristics & Considerations

- Cost less than \$5,000/item
- Items that are consumed or expended during the course of the project
- Essential to support the project
- Computers

Material and Supplies Characteristics & Considerations

- Not basic office supplies included in F&A/Indirect Cost base
- Basis of estimate
- Some funders want greater detail if represents more than 5% of total amount

Material and Supplies A

...Material & Supply items such as those to be used in connection with establishing & maintaining demos, conducting meetings, models, etc. are included. Additional resources are included in the first year to cover the costs of computers & a LCD projector to be used in support of this program. Since this project will be located at a remote facility not normally housed by Extension specialists, no such equipment exists to support these positions. These materials are considered beyond normal office use and will be used exclusively...

Material and Supplies B

Funds are budgeted to cover the cost of University stationary, paper, pens, envelopes, file folders, staples, paper clips and tablets, etc.

Material and Supplies C

Material and supplies such as Lady Bug Toolkits, compost, hoes, step-in fence posts, sticky traps, pheromone traps, etc. will be required to support the proposed program.

Material and Supplies D

The estimated cost of food for recipe tasting and associated tasting supplies for each of the 12 lessons is established on the assumption of costs of \$1/person based on past experience with similar programs. Additional resources are included for food preparation in the different stages of the recipe preparation for the actual demonstration as it would not be realistic to expect class participants to wait through the different processing times (example: proofing...

Which Approach Do You Prefer and Why?

1. Material and Supplies Approach A
2. Material and Supplies Approach B
3. Material and Supplies Approach C
4. Material and Supplies Approach D

Other Direct Costs

2. Publication Costs

Definition

Costs of publishing in scientific or technical journals (page charges, reprint costs, etc.) and/or printing brochures, fact sheets, manuscript illustration and program materials.

Publication Considerations

If copier charges are treated as direct costs, they will go in one of the “other” lines rather than in this section.

Costs built on actual experience or print shop current charges.

Publication Costs

Approach A

A total of \$1,100 in each of Years 4 and 5 is requested to publish the results of the program. It is anticipated that the results will be verifiable and provide data that will produce information that will be disseminated through journal publications and conferences. This amount includes the costs of journal page costs and production of posters for educational conferences.

Publication Costs

Approach B

Cost assumptions used in development of the budget were based on previous experience with similar type Extension programs and are shown below. Actual costs & printing required may vary at the time of implementation based on needs of clientele and county Extension agents, but will not exceed the total shown for the category.

- \$900 for printing of educational materials
- \$200 for printing of educational announcement materials
- \$10,500 for printing of notebook contents for English language – Target schools, all years at \$50/notebook with 50 notebooks in year 1, 60 in year 2 and 110 in...

Publication Costs

Approach C

Publication costs shown include approximately 500 program brochures, 1400 project worksheets and two posters, which will be used in a display at the regional Forage Conference next year. Also included in these costs are funds for publication of the project results in refereed publications, such as the Journal of Underwater Basketry published by the North American Water Association and Reeds Digest between the end of the project and the project closeout with the funding agency.

Publication Costs

Approach D

Funds will be used to print reports, project targeted quarterly newsletters and other educational materials on the program and components of the project. Funds will also be used to print workshop materials (\$4,200). These will include items such as fact sheets, packets, handouts, activity sheets, etc. In addition, funds will be used to publish project results in a refereed journal.

Which Approach Do You Prefer and Why?

1. Publication Costs Approach A
2. Publication Costs Approach B
3. Publication Costs Approach C
4. Publication Costs Approach D

Other Direct Costs

3. Consultants

Definition

Specialists who are not employees of the performing institution, nor use that institution's facilities, who give short-term expert advice, expertise or services in their field.

An independent contractor is an individual (or organization) that provides professional advice or service to another organization for a fee.

Consultant Considerations

Requirements

- Consultant Name, Title and Organization
 - Daily Rate of Pay
 - Number of Days Involved
- Statement of Work
- Expense Breakout
- Résumé or Vita
- Letter of Collaboration – Consultant or AOR on Letterhead

Consultant Issues

- Don't receive fringe benefits
- Not provided supplies
- Not provided administrative or clerical support
- Not provided other standard business items

Other Consultant Matters

- Rate of Pay not exceed Executive Level IV for NIFA (\$158,700/year as of January, 2015)
- Rate of Pay not exceed Executive Level II for NIH (\$183,300/year as of January, 2015)
- F&A or IDC limitations or prohibitions apply to Consultants as well

Consultants Approach A

A stipend and travel will be paid to an outside consultant during the grant period. Initial contact was made with the consultant who has agreed to act as our project planning facilitator over the three-year period. He will facilitate one faculty project planning retreat each year.

Consultants Approach B

Dr. Expert Consultant will be needed for AutoCad advice in year one of the project. Dr. Consultant will devote five hours, which have been budgeted at the rate of \$160/hour. The market rate per Eng.com is \$120-\$175/hour.

Consultants Approach C

- Evaluation Consultant: \$1,400 is budgeted for Dr. Annie Analytic, evaluation consultant for this project. Dr. Analytic will provide formative (mid-project) & summative (end program) evaluation advice. For each visit, Dr. Analytic will be reimbursed at the rate of \$100/day x 2 working days (2 working days per on-site visit to campus). Round trip coach airfare is estimated at \$300 with lodging, meals and incidental expenses estimated at \$100/day. Total per evaluation consultation = \$700 x 2 evaluation consultations = \$1,500.

Consultants Approach D

An external evaluator will be contracted to consult on the evaluation design for the project for a total cost of \$10,000, or 10% of the project budget.

Which Approach Do You Prefer and Why?

1. Consultants Approach A
2. Consultants Approach B
3. Consultants Approach C
4. Consultants Approach D

Other Direct Costs

4. Computer (ADP) Services

Definition

Costs associated with organization shared computer systems or computer-based retrieval of scientific, technical and educational data. For example: Internet access charges, computer processing usage, line charges, etc.

Computer (ADP) Services Considerations

- Time and use charges
- Retrieval of highly complex data
- Not personal computers

Computer (ADP) Services Approach A

Funds are included for the computer-based retrieval of both on-label and off-label applications of the composite chemicals involved in the proposed project. These are in addition to the computer based retrieval of socio-economic information for each of the areas of use. The rates budgeted are based on published pricing rates of the 3rd party firm.

Computer (ADP) Services Approach B

\$4,750 is requested to cover the costs of the survey processing which includes survey set up and design, printing and mailing services, survey data entry and reporting.

Computer (ADP) Services Approach C

The Information Technology Dept. distributes the cost of maintaining its shared computing infrastructure among all users through its Computer Services Recharge Center. Supreme U reviews this Recharge Center each year to ensure that it is in compliance with all applicable federal and state regulations, including OMB Circulars, as well as the Federal Cost Accounting Standards. Rates are adjusted annually to ensure that the Recharge Center is operating on a strict cost recovery basis. Rates for the following year are adjusted for any profit made in the previous year. This Recharge Center is subject to, & has passed, both federal & state audits...

Computer (ADP) Services Approach D

A super computer is needed for the communication of field investigation and findings. The process charge for this computer runs \$110 per line for approximately 22 lines as needed per site times three rounds for a total of \$7,260.

Which Approach Do You Prefer and Why?

1. Computer (ADP) Services Approach A
2. Computer (ADP) Services Approach B
3. Computer (ADP) Services Approach C
4. Computer (ADP) Services Approach D

Other Direct Costs

5. SubAwards/Consortium/ Contractual Costs

Definition:

A clearly defined, specific portion of the project that will be performed by an entity other than the lead organization, usually another educational institution.

SubAwards/Consortium/ Contractual Characteristics

Subaward institutions normally

- Use their own resources and facilities
- Take responsibility for their portion of the work
- Timing

SubAwards/Consortium/ Contractual Considerations

Subaward Components

- Statement of Work in Proposal
- Letter of Commitment Signed by AOR
- Budget for Each Year
- Budget Justification
- Any Other Documentation Required by Lead Institution or Sponsor
- F&A Rate Agreement (in some cases)

SubAwards/Consortium/ Contractual Costs Approach A

Development of a computer software game by a yet to be determined contractor. Through a Call for Projects and/or a Memorandum of Understanding (MOU) process to secure a university, college or technical school to develop a computer video game. The institution ultimately selected will be required to provide at least a \$10,000 in-kind match toward the project.

SubAwards/Consortium/ Contractual Costs Approach B

Funds are requested for Supreme University to perform all plot trial work in year three of the project. Supreme University was chosen because Dr. Top Notch is the leading expert in plot trail design and because of his extensive experience with herbicide resistant soybeans. A detailed budget and budget narrative for Supreme University are included.

SubAwards/Consortium/ Contractual Costs Approach C

Plans include a sub-contract to Electronic University for the development of the companion on-line education course for this project. This \$75,000/year sub-contract will be issued in year one and will run for three years. This segment of the project will be under the leadership of Dr. E. Learning at Electronic University.

SubAwards/Consortium/ Contractual Costs Approach D

The subaward to Superior State University documented in this project proposal meets the criteria described in Subpart C-200.201(b). Therefore, Ultimate University is requesting your agency's approval of this Fixed Price Subaward for the portion of the work that they will perform. The University will consider this subaward approved if the award is made and no contrary guidance from the funding agency is included in the award notice.

Which Approach Do You Prefer and Why?

1. SubAwards/Consortium/Contractual
Costs Approach A
2. SubAwards/Consortium/Contractual
Costs Approach B
3. SubAwards/Consortium/Contractual
Costs Approach C
4. SubAwards/Consortium/Contractual
Costs Approach D

Other Direct Costs

6. Equipment or Facility Rentals/ User Fees

Rentals

Lease and rental expenses for equipment (such as computers, vehicles or farm equipment), land, buildings, offices, meeting space and storage facilities are included in this category.

User Fees

Usage fees for something associated with the program.

Equipment Rentals

- Type needed
- Purpose or use
- Length of rental
- Rental Rate

Facility Rentals

- Office space or other project space rental
- Rental rate
- Proportional aspect
- Lab facilities caveat
- Institution's indirect cost rate agreement

Land Use Rentals

- Rate per acre (or other basis)
- Number of acres
- Total costs

Aircraft Rentals

- Rate per hour (or other basis)
- Need
- Number of hours
- Total costs

User Fees

- Type of service
- Relation to project
- Explanation of costs
- Breakout of costs

Equipment or Facility Rentals/ User Fees Approach A

Exhibit Space Rental will be required for the National Association of County Agricultural Agents meeting in Sioux Falls, South Dakota for the exhibit on the proposed project. Booth rental for this event in the amount of \$1,000 is included in the program budget.

Equipment or Facility Rentals/ User Fees Approach B

AgProducts International, a manufacturer of agricultural sonication instruments, has offered to rent the soil compaction sonic spectrometer to the project team for a period of approximately three months at the rate of \$500/month to complete the acid extraction method evaluation experiments (Objective 3).

Equipment or Facility Rentals/ User Fees Approach C

Rental of tents, tables, misting fans & chairs for Zero Tolerance project field days at four sites across the state each year is included in the budget. The event is planned for August due to it being the optimum time of the growing season to illustrate the desired best management practices. Temperatures in the area are often greater than 100°F during August making the need for shade in an open field during a daylong event be critical.

Equipment or Facility Rentals/ User Fees Approach D

Facility Usage Fee. The Cloverbud 4-H Center, the site of the grant proposed Youth At Risk Conference, charges a daily usage fee of \$2.00/per person. Funds have been included in the budget to cover this fee for the nearly 500 people who are expected to attend. This meeting will be a day-long meeting. This facility will allow for the planned outdoor demonstrations which will be part of the meeting. Other facilities in the area cannot accommodate such an aspect.

Which Approach Do You Prefer and Why?

1. Equipment or Facility Rental/User Fees
Approach A
2. Equipment or Facility Rental/User Fees
Approach B
3. Equipment or Facility Rental/User Fees
Approach C
4. Equipment or Facility Rental/User Fees
Approach D

Other Direct Costs

7. Alteration and Renovation Costs

Definition

Work that changes the interior configuration or other physical aspects of an existing facility or of installed equipment so it can be used more effectively for its designed purpose or adapted to an alternative use for the program.

Alteration and Renovation Costs

Alterations to existing spaces or renovations to accommodate the program.

- Air Conditioning
- Partitions
- Painting
- Shielding

Is It or Isn't It?

General maintenance normally handled through F&A recovery

Above certain cost threshold, becomes construction

Alteration and Renovation Costs

Considerations

- Specific renovation, alteration details, the relationship and how it is needed for the project
- Square footage and costs should be provided in the budget justification
- Not always allowed by program
- Seldom allowed on NIFA programs

Is it Alteration or Construction?

Considerations

- Dollar threshold for some funders
- Previously completed structure
- Accomplish objective of grant program
- Essential to the grant project
- Lifespan
- Usage

Alteration and Renovations Approach A

Dr. Nutty Nemy is nationally recognized as a leading expert in the field of plant nematodes. Dr. Nemy's current office is drafty & not much larger than a broom closet. For this reason & with the importance of this project, the space will be renovated to provide a larger corner office suite for Dr. Nemy with a reception room... & an adjoining bedroom & bath for when he needs to work until after midnight on his nematode research. Since Dr. Nemy lives 125 miles one way from the office & devotes long hours to the program, such accommodations are reasonable.

Alteration and Renovations Approach B

The Rural Nutrition Education Center proposes minor alteration to the Delta site to reach the target audience with hands-on educational opportunities (Obj. 3). Renovations will include the removal of three interior walls dividing the area to produce one large area and the installation of six work kitchens in addition to a general demo kitchen and training area.... In addition to removal of the interior walls, limited new tile flooring will be required...Alteration costs included in the estimate, but are not limited to, the actual wall removal, contractor's labor...

Alteration and Renovations Approach C

A large, high-efficiency vent hood will need to be added to the Chemical Impact Diagnostic lab to conduct the planned rigorous testing described in the proposed project. Currently the lab has one station with a small vent hood. The proposed project will involve use of toxic chemicals whose vapors must be quickly removed from the environment after the test for the safety of the workers involved.

Alteration and Renovations Approach D

Dr. Smart Guy is leading a large-scale project for the FROG division of the military, which will require new temperature control rooms at the Greenleaf Nursery & Greenhouse. The power requirements for these proposed temperature control rooms will require extensive power upgrades to the nursery & greenhouse's electrical service. The \$32,000 engineering study will be a project cost since the need for the additional power is caused by the project. The P.I.'s department & the Senior Vice President will share the costs of the utility upgrade as the.....

Which Approach Do You Prefer and Why?

1. Alteration and Renovation Costs Approach A
2. Alteration and Renovation Costs Approach B
3. Alteration and Renovation Costs Approach C
4. Alteration and Renovation Costs Approach D

Other Direct Costs

8-10. Open Categories

- Section where expenses not shown in the other categories can be listed.
- Categories commonly used include postage, phone, speaker/trainer fees, honorariums, sample analysis, service/maintenance contracts, etc.

Hint

- For multiple year projects with the same categories, list in same order each year

Open Category: Speaker Fees

- Relationship to sponsored program
- What service they are providing
- Number of hours involved
- Anticipated amount

Speaker Fees Example

Presenter payments. 8 speakers @ \$300 = \$2,400 These payments reflect 4-5 hour demonstrations, in addition to set-up and travel time. It is estimated that at least one entire day will be devoted to preparation of the presentation and an average of five hours of travel time one way.

Speaker Fees Example

Real Colors® Presenter to conduct a day-long seminar for conference participants. The associated costs will be \$200.

Open Category: Honorariums

- Relationship to sponsored program
- Anticipated amount

Honorarium Example

Honorariums will be provided to project collaborator, Dr. Ima Genius, for conducting workshops twice & presenting (total of two honorariums). Research & Extension efforts will focus on promoting processing methods which add economic value to the horticultural products produced & used in each of the workshops.

Amount of each honorarium: \$400 ($\$400 \times 2 =$
\$800 total)

Honorarium Example

Honorariums: 14 @ \$250 each for one day of service each = \$3,000 – to members of the Advisory Council for their time, effort and expenses in reviewing grant applications submitted for funding consideration.

Honorarium Example

Support from NIFA will provide honorariums of \$500, \$400, \$300, \$200 and \$100 which will be awarded to the top presentations at the conference as reflected by attendee voting.

Honorarium Example

Support from NIFA will provide each workshop presenter at the conference with a \$200 honorarium to help cover some of their expenses. Approximately 50 presenters x \$200 honorarium each. All attendees will vote to determine the best workshop at the conference.

Open Category: Non-Participant Stipends

- Advisory board members
- Panel experts

Non-Participant Stipend Example

An external advisory committee will be formed during the second year to assist the program leadership on adjustments needed to the program during the remaining three years. The group will meet two times per year. This \$2,400 annually will provide stipends for the individuals who work on this committee. (6 people per year x 3 years x \$200/meeting)

Non-Participant Stipend Example

Support from NIFA will be used to provide stipends to all conference poster session presenters. Approximately 60 poster presenters @ \$100 stipend.

Open Category: Conferences/Meetings

- Relationship to sponsored program
- Details - dates, location
- Number of participants
- Meal Caveat

Group Food Costs

- Purpose
- Length
- Common Characteristics of a Meeting
 - Formally announced
 - Agenda
 - List of attendees
 - Could have proceedings

Conference/ Meeting Example

A three-day intensive workshop on Strawberry Management is planned at the Fruit Substation in Pearville. Due to the remote location of the research facility and the time that would be involved in dismissing to go 20 miles into town for lunch, lunch and snacks will be provided each day so as not to break the continuity of the meeting, nor lose program participants.

Conference/ Meeting Example

A three day conference is planned to disseminate the results of the proposed project. Two lunches and breaks will be provided. Lunch and snacks are needed for the group meeting being conducted for business to maintain the continuity of the meeting and to do otherwise would impose arduous conditions on the meeting participants.

Open Category: Communications

- Postage
- Long-distance charges
- Line charges
- Cell and data plan

Communications

Narrative Example

Overnight courier service shipping materials will be provided to the Agents in the field to allow weekly gathered forage samples to reach the lab for analysis within less than 24 hours from time of sampling. This is required because of the rapid deterioration of materials when sent through regular mail.

Communications Narrative Example

A 50 page survey will be sent to 250 participants in the Southern Region to gather data on their current practices in dealing with the pests being studied at the beginning of the study. The same survey will be sent to the individuals at the end of year 3 of the project to identify how much adoption there has been of the practices taught within the program.

- Each mailing: 250 envelopes @ \$1.92/item
= \$480

Communications Narrative Example

For each of the five 2-day conferences, 500 brochures will be mailed to potential clientele in that area announcing the conference, the agenda and registration information. This is a targeted, project-related mailing and is over and above general office mailing.

Open Category: Shipping

- Need for shipping
- Charges associated

Shipping Narrative Example

Funds are budgeted each year for the shipment of coolers with filters and return of water concentrates to and from the test sites.

Shipping Narrative Example

Funds are included for overnight mail service for the shipment of samples taken in the field whose condition would deteriorate to the point of not being usable if sent through regular postal channels.

Shipping Narrative Example

Other Direct Costs to include items such as airline shipping charges for equipment for filming trips, postage, etc. were included in this category.

Open Category: Sample Analysis

- Variety of types
 - Forage
 - Water quality
 - Blood serum
 - Cholesterol
 - Glucose
- Number of samples
- Cost per sample
- Testing lab

Sample Analysis Narrative Example

Project Director Dr. Ima Exceptional requested \$10,250 in years 1-2 for consumer & descriptive sensory analysis at the Sensory Service Palace, Department of Noses, Esteem University. The standard rate for this Palace is \$3,100/one day consumer test with 75 participants. Use of the Descriptive Panel will be charged at \$510 per hour including data analysis...evaluation of approximately 10 blueberry types with commercial fresh-market potential.

Sample Analysis Narrative Example

All of the water samples taken during the project will be analyzed by an outside lab. Funds in the amount of \$1,250 have been budgeted for the 625 samples to be analyzed at the Water Resources Lab at Cloverboro.

Sample Analysis Narrative Example

Leaf Sample Analysis:

The proposed project has a research protocol which involves 16 large strip plots (4 treatments with 4 replicates)/site. Each strip plot will be divided into 5 subplots for a total of 80 subplots per site....Collections will be made 3 times during each growing season for a total of 960 leaf samples/year of the project. The cost for the nitrogen analysis on each sample is estimated to be \$8.00/sample...

Open Category: Service Contract

- Relationship to sponsored program
- Prorated usage
- Item type
- Cost

Service Contract Example

A large poster sheet size copier is required for the proposed project to economically produce the many educational posters used in the program. A purchase/lease analysis indicated that leasing was the more economical option. The copier will be shared equally with another program so only 50% of the service contract is included as a charge on the grant.

Service Contract Example

A service contract is maintained for the combine purchased for sole usage by this project. The \$500 annual fee for this service contract is included in the grant budget.

Service Contract Example

A large copier capable of scanning, as well as making copies, is required for the massive material that must be customized for each presentation & copies made to distribute to attendees. A purchase/lease analysis indicated that purchasing was the more economical option to maintain a copier with the maximum quality and latest abilities. The copier was purchase last year. The copier is used solely for this program so the entire annual service contract is included as a charge on the grant.

Open Category: Tuition

- Depends on funding agency
- Grad students role on the proposed grant
- Cost
- Impact on F&A/IDC calculation

Tuition Narrative Example

Graduate student tuition support is requested in accordance with Superior University's established policy of requesting tuition support at the rate of 50% of graduate student salaries. This amount partially covers the graduate student's actual tuition costs.

Tuition Narrative Example

Tuition support of \$20,104 in both Years 1 and 2 for two Masters Graduate students.

Tuition Narrative Example

Funding is included to two Graduate students' tuition as part of their total compensation for effort provided on the project. In-state tuition costs will be provided as follows. Based on historical data, a 6% increase in tuition costs is anticipated per academic year.

Year 1: 2 Graduate Students x \$10,200
tuition/student = \$20,400

Year 2: 2 Graduate Students ...

Open Category: Photocopying

- In-house photocopying of program materials
- Not commercial printing
- Consistent treatment of costs

Photocopying Example

Each program site is projected to require approximately 400 pages of photocopying per month. The rate for all photocopying is \$0.06/page. 400 pages/month x 12 months x \$0.06/page x 10 sites.

Photocopying Example

Photocopying costs are included for copying costs associated with the distribution of the large data set to our collaborators, Ultimate University, and Not So Good School.

Photocopying Example

Fifty sets of the 300-page leader guide, *Working with Children on Environmental Issues*, & the activity sheets for participants will be made on the Uptown University copier. The reason this draft is being copied rather than printed is to allow for changes in the guide as the pilot program progresses & the need to customize the number of activity sheets to the number of group participants. This material is directly related to the project and is above and beyond normal business use of the copier.

Open Category: Software Licenses

- Annual licensing cost
 - Related to sponsored program
 - Recurring cost rather than software purchase
- Cost
 - Prorated usage
 - Total cost

Software License Example

Site license for the Constant Contact software for monitoring readership of selected subject matter articles within newsletters and site license for training tool to be used in the proposed program and deployed in the test lab.

Software License Example

Atlas.ti 7 Professional Qualitative Data Analysis Software Annual Site License fee – 10 user licenses. This software is needed to carry out the content analysis of the observations and interviews. This software allows frame level and wave previews to aide in audio and video material coding....Funds in the amount of \$1,700 have been budgeted for this expense on an annual basis.

Software License Example

\$2,500 is requested in year 1 for software license to create and distribute a web-based survey. This figure is an estimate from Speedy Survey, Inc. for their advanced survey design package that permits customization, unlimited responses, unlimited rounds of Delphi approach..... This cost will repeat in successive years to be able to continue surveying program participants. This software is much more powerful and better suited...

Open Category: Participation Payment

- Incentives
 - Enticement
 - Reward
 - NOT ALLOWABLE
- Participation
 - Stipends
 - Human subject payments

Participation Payment Example

Subject payments: There will be 100 subjects enrolled in the program in each year of the project. Funds are requested to pay each subject \$25 per meeting, or \$100 per year, for total annual costs of \$10,000. The subject payment rate is justified by the intense time commitment subjects will make to the project during and outside of on-site sessions. There is an extensive web component.....subjects must complete in addition to on-site meetings.

Participation Payment Example

Three focus groups centering on delivery of child care services will be conducted in Year 1 of the program and one focus group in project Year 2. The 299 participants will receive \$25 for each of the four questionnaires (one each year) that they complete.

Participation Payment Example

The sensory panel used consists of outside panelists that are paid for their services. Cost is \$125/2-hour session. Panel time is estimated at 40 hours for year 1 and 25 hours for year 2.

Open Category: Animal Care

- Standard rate

Animal Care Example

Animal care is charged at the standard Ultimate University rates, which are \$21.75 per day per cow.

Animal Care Example

Funding in the amount of \$6,750 is requested to cover the costs of animal care associated with the project. The established rate per day at the Clover and Greene facilities is \$12/day/animal. The 4-Leaf facility has a rate of \$15/day/animal.

Animal Care Example

Animal Care:

15 calves x \$18.42/day x 90 days = \$24,867/per diem cost/year. Due to the additional workload imposed upon University husbandry and administrative personnel and additional resources used during a study, there is a one-time set-up fee of an additional \$1,500 for the study. This brings the total costs for year one to \$26,367.

Open Category – NIFA: Fabricated Equipment

Definition:

Unique, discrete and identifiable items which are not available off-the-shelf, have a useful life of a year or more, and are made of materials and components whose sum costs \$5,000 or more.

Fabricated Equipment

What's Included:

- Materials
- Shop charges
- Vendor labor
- Shipping
- Installation
- Operating software

Fabricated Equipment Example

Funding is being requested to fabricate an ash particulate matter analyzer, which will be comprised of 165 sensors spread over a 100 yard span, each with a cost of \$300 and the labor of the outside vendor, based on a quote, to construct.

Fabricated Equipment Example

Funding is being requested to fabricate a gasification chamber, which will be comprised of 40 value assemblies, each with a cost of \$300 and the labor of the outside vendor, based on a quote, to construct.

Volunteer Services

- Integral and Necessary
- Professional Services Value
- General Labor Value
- Valuation Source and Amount
- Independent Sector, Washington, D.C.
- Trail

Volunteer Services Example

Dirty Creek Cleanup Volunteer Time for 450 volunteers @ 3 hrs/person @ \$21.79 as reported by Independent Sector, Washington, DC as the value of volunteer time will be generated from the numerous community and watershed outreach activities taking place over the course of this grant. This volunteer service is being used to help meet the matching requirements of the grant program.

Volunteer Services Example

Time of non-federal professionals involved in taskforce & stakeholder meetings will be used as part of the cost sharing on this project. Their service & activities will be tracked through sign-in sheets and program summary. Their professional level service is valued at a higher rate than unskilled volunteer hours, which is valued by Independent Sector at \$21.79/hr.

[Estimated value: \$25 an hour/60 professionals/6 hours/3 days/2 years]

Volunteer Services Example

Volunteer Professional Services:

One hundred (100) water quality advisory committee members are volunteering their time to review and analyze the state's water quality management plan and make recommendation for modifications. The hourly rate is greater than the Independent Sector unskilled volunteer labor rate due to them acting in their professional roles rather than as unskilled labor. The conservation value of \$25/hour was used in the calculations....

Facilities & Administration (F&A)/Indirect Costs (IDC)

Federally negotiated rate with Cognizant Federal Agency which is used in computing F&A/IDC for a proposal.

F&A/IDC Considerations

- Costs that are incurred for common or joint objectives, and therefore, cannot be identified readily and specifically with a particular sponsored project.
- Costs that are not directly charged to a grant
- Comprised of two components – facilities costs and administrative costs

F&A/IDC Rate Base

Rate Base

- Refers to the costs to which the rate is applied
- Basis on which the rate is calculated
 - MTDC
 - TDC
 - S&W
 - TFC

Common Types of Rate Base

- Modified Total Direct Costs (MTDC)
 - All Direct Costs of Research less:
 - Equipment
 - Portion of individual subcontracts in excess of \$25K
 - Tuition remission
 - Rental or lease costs
 - Participant support costs
- Total Direct Costs (TDC)
 - All Direct Costs of Research

Common Types (Cont.)

- Salary and Wages (S&W)
 - All charges for salary and wages
- Total Federal Costs
 - Direct charges to federal money; none to cost share
 - Most Common approach on NIFA project allowing IDC/F&A

F&A/Indirect Cost Approach A

Indirect Costs are calculated using Extension's federally negotiated rate, effective through June 30, 2017. The rate, effective July 1, 2013, is 31% modified total direct costs. For budget purposes, this rate is also applied to Year 5, since the rate for periods beyond June 30, 2017, has not yet been negotiated.

F&A/Indirect Cost Approach B

The current federally approved indirect cost rate for Ultimate University is 31% MTDC. The MTDC amount equals the “Total Direct Costs” minus five categories: (1) Equipment, (2) Capital Expenditures, (3) Off-Site Office Space Rental (4) Participant Support Costs and (4) any amount in excess of the first \$25,000 for each sub-contract.

F&A/Indirect Cost Approach C

Using Extension's DHHS negotiated rate, the modified total direct cost base of \$315,058 was multiplied by the negotiated rate of 31% to obtain the indirect cost of \$97,668.

F&A/Indirect Cost Approach D

Extension's DHHS negotiated rate of 31% MTDC (modified total direct cost) was used to calculate the indirect costs rather than the maximum statutory rate of 30% of total federal funds because it is the lesser of the two amounts. The base was multiplied by the negotiated rate of 31% MTDC to obtain the indirect cost.

Which Approach Do You Prefer and Why?

1. F&A/Indirect Costs Approach A
2. F&A/Indirect Costs Approach B
3. F&A/Indirect Costs Approach C
4. F&A/Indirect Costs Approach D

Program Income

- Gross income earned by a grantee that is directly generated by the grant supported project or activity or earned as a result of the award (other than income resulting from royalties or licensing fees).

Possible Sources of Program Income

- Registration fees
- Fees for publications
- Educational materials sale
- Sale income for commodities produced from program

Program Income Example

The Supreme University Risk Management Education Center will generate program income through the collection of registration fees for Pesticide Applicator Training programs. It is estimated that \$7,500 - \$11,000 may be generated from the collection of...fees during each of the three 12-month budget periods. All income from participant registration fees will be used to support the programs offered. The proposed program plans to utilize program income over and above the total federal share per the additive method.

Program Income Example

Ultimate University anticipates that between \$20,000 and \$22,000 of program income will be generated from the sale to other educational institutions of the educational materials developed through the proposed grant project. Ultimate University plans to use these funds to help meet its matching/cost sharing requirements, as shown in the accompanying budget.



Helpful Tools
& Aids

Adding the Last Piece of Shark Bait

Problem Identification

- Review of selected budget narrative approaches and identification of problems associated with them

Budget Narrative Summary

- Justification of the budget expenses
- Expenses must be allowable
- Provides enough detail to give reviewers the needed information to understand relationship of budget to program
- Provides expanded information for costs which are being classified as “unlike” those included in F&A base. Need to build case why they are unique.

Summary Continued

- A well thought through and clear budget reflects clear thinking.
- Aids the reviewer in seeing linkage between budget and program.
- Will go a long way towards satisfying the reviewer that you have a sound project all around.
- Clearly ties future financial commitments to the proposed program.

Questions???

Jessie Momen

Director Finance & Business
Extension Service

West Virginia University

P. O. Box 6031

Morgantown, WV 26506

Phone: 304-293-8747

E-Mail: jlmomen@mail.wvu.edu



Judy Robison, Ph.D.

Distinguished Grants Officer
University of Arkansas Cooperative
Extension Service

2301 South University Ave.

Little Rock, AR 72204

Phone: 501-671-2322

E-Mail: jrobison@uaex.edu





Ground Rules

- Part 2 of *Swimming with the Sharks: Exploring Grant Budget Narratives*
- Audience Chooses Sections
- Sections Covered Marked Off
- Questions at End