

Developing Budgets For Contracts & Grants

**Renita Lewis & Kelsey Kerzman
COE Office of Research and Service**



What we will cover today

- **Working with the COE Office of Research and Service**
 - **PI Planning for Budget Development**
 - **Determining Allowable Costs**
 - **Categories of Cost for Grant & Contract Budgets**
 - **Salaries and Fringe Benefits
(Including Graduate and Student Assistant Costs)**
 - **Equipment**
 - **Travel**
 - **Participant Support**
 - **Other Elements of Cost**
-

What we will cover today

- **Indirect Cost**
 - **Cost Sharing**
 - **Budget Justifications/Narratives**
 - **Creating a Draft Budget Planning Worksheet**
 - **Questions/Issues from the Floor**
-

Working with the COE Office of Research and Service

- **Services Provided by the ORS**
 - **Roles of the ORS and the OSP**
 - **Timelines & Deadlines**
 - **Internal Processing Forms**
 - **Budget Development – What we need from you**
-

Determining Allowable Costs

- **Reading the RFP/RFA – The WHOLE thing!**
 - **Uniform Guidance from the federal government**
 - **Agency-specific guidelines – general and for particular competitions**
 - **National Science Foundation**
 - **Institute of Education Sciences**
 - **Office of Special Education Programs**
 - **National Institutes of Health**
 - **Compliance with UA policies**
 - **Spending/purchasing policies**
 - **HR compensation and benefits policies**
 - **Student payment and scholarship policies**
 - **ASK THE OFFICE OF RESEARCH AND SERVICE!**
-

Salaries and Benefits

- **Salary rate policies for faculty and staff**
- **Benefits-** Your % of salary is the same percentage that benefits need to cover
- **Basis for salary calculation – Person months, calendar month, vs. % Effort**
- **Course (10%) and Research Releases**
 - 40% teaching; 40% research; 20% service, is the norm
- **Summer Research (30% / 33.3%)**
- **Employing Undergraduate Students (hourly wage no benefits \$10/hr min)**
- **Employing Graduate Research Assistants (\$1,760 and Graduate Student Assistants (Minimum \$15/hour)**
 - Minimum salary requirements
 - **GRA benefits:** tuition, health insurance, and fees
 - Work time limitations and enrollment requirements (see grad school for guidelines)

About Summer Salaries

- **1/9th Rule – Academic Year (9 month) Salary / 9**
 - This is how much you can make (gross) in any given month
 - **Maximum Summer Salary**
 - Teaching Only – 37.5% of your 9-month salary (if teaching in interim (5 classes))
 - Research + Other Activity – 33.3% of your 9-month salary
 - Research Only – 30.0% of your 9-month salary
 - **Sponsor Limits, i.e., NSF 2-month rule**
 - **Summer payroll timing is odd, so it is important to work with Mallory Porch or RJ Thurman to work out the timing of when you receive research pay**
-

Travel and Per Diem

- **Planning for attendance at required PI meetings (check RFA)**
 - **Ensuring sufficient planning for local/day travel during project implementation**
 - **Logging mileage and keeping up with current mileage rates**
 - **In-state vs. Out-of-state UA travel policies (www.GSA.gov)**
 - Also be familiar with the rates of the area you will be traveling to, to make sure there is a sufficient amount in the budget.
 - **Student/personnel travel related to grants and contracts**
 - Student travel on grants must comply with all UA and COE travel authorization and spending policies, as well as with any restrictions placed by the sponsor.
 - **Contractor travel – Budgeting and execution** (In the budget, consider travel costs if planning on reimbursing it)
-

Other Direct Costs to Consider

- **Equipment – Valued over \$5,000 per unit.**
 - **Participant Support – Stipends, Fellowships, Subsistence, Travel, Books, Supplies, Tuition (In/Out of State) (plan in budget for out of state tuition if needed-get a waiver if GA)**
 - **Research Participant Incentives (not support!)**
 - **Materials and Supplies**
 - **Office supplies, postage, local telephone costs, and memberships may not normally be treated as direct costs. Exceptions may be made ONLY if approved by OSP and sponsor.**
 - **Costs of Documentation, Research Publication & Dissemination**
-

Other Direct Costs to Consider

- **Contractual/Professional Services**
 - **Determination of Contract vs. Sub-Award/Sub-Contract**
 - New OSP requirement is to fill our sub vs. vendor form prior to the IPF being approved)
 - **Determination of Independent Contractor vs. Employee (tax office) one is charged benefits the other is not**
 - **Determination of Bid Law Requirements**
 - **Property/Space Rental and Lab/Computer Usage Fees**
 - **Sub-Awards, Sub-Contracts**
 - **Involvement of the Office of Research & Technology Agreements**
 - **Tuition for Graduate Assistants Not Categorized as Program Participants**
-

Indirect Costs and Indirect Cost Recovery

- ***What are indirect costs?***
 - **Also called Facilities & Administration (F & A) Costs.**
 - **Costs associated with doing business that cannot be readily identified with a particular sponsored project.**
 - **These are costs that would be necessary with or without the particular sponsored project but that the sponsored project would not be possible without.**
 - **Examples include, general administration, sponsored projects administration (OSP), departmental administration/clerical staff, cost of buildings and their operation (electricity, water, furniture), etc.**
-

Indirect Costs and Indirect Cost Recovery

- **The University of Alabama has a federally negotiated IDC/F&A Cost Rate Agreement that determines the rate at which we charge IDC/F&A to a sponsored project. These rates are determined by purpose of the project, as follows:**
 - ❖ **On Campus Organized Research – 49%**
 - ❖ **On Campus Instruction – 55%**
 - ❖ **Other On Campus Sponsored Activities – 29%**
 - ❖ **All Off Campus Programs – 26%**
- **Determining on-campus versus off-campus activity.**
- **Deviation from federally negotiated rates requires prior approval of the OSP and written documentation from the funding entity of their existing policy related to payment for indirect costs.**

Indirect Costs and Indirect Cost Recovery

- **Distribution of indirect cost recovery funds follows specific University policies.**
 - **University vs. College Share**
 - **Allocations within the College**
 - **Allocation of Credit & the IPF**
 - **Use of IDC funds**
-

Cost Sharing/Matching

- **The University has a policy of not providing discretionary/optional cost sharing on grant proposals with very, very few exceptions.**
 - **Required cost sharing must be clearly described as a proposal element in the RFA/RFP. You will need to provide a copy of the part of the RFA/RFP where the requirement is included.**
 - **Methods of Meeting Cost Sharing Requirements**
 - **Release time for project personnel**
 - **Deferred indirect cost recovery for the difference between UA's negotiated rates and the RFP/RFA rates, unless prohibited (which is usually the case)**
 - **"Cash match"**
 - **Matching from outside partners**
 - **Can no longer use out-of-state tuition coverage on GRAs to fulfill cost sharing requirements**
-

Budget Justifications/Narratives

- **The budget justification or budget narrative provides an explanation of the elements of your numerical budget.**
- **Different agencies have different expectations of how this element of the proposal should be prepared and presented, so be sure to read the directions in the RFA/RFP.**
- **As you continue to develop your proposal narrative and your numerical budget, it is vitally important to ensure that the figures and explanations in these documents are exactly aligned with what is outlined in the budget narrative document.**
- **One very good practice is to complete your project narrative, then your budget and finally the budget narrative. This helps to ensure the cohesiveness of the three documents, the accuracy of the budget and the clarity of the explanation that the narrative provides.**

UA ORED/OSP Policy on Proposal Routing

- **Sets the schedule for the development of your proposal**
 - **Requires routing of the Internal Processing Form (IPF) no later than 5 working days before the submission deadline and completion of all proposal components and of IPF routing by 2 days before deadline**
 - **Contact COE Office of Research and Service for assistance in determining all of the required deadline dates**
 - **COE-ORS also can assist you in initiating and/or completing the IPF**
 - **Administrative documents vs. Technical documents**
 - **Involving multiple PI's, Departments, Colleges and Institutes requires much longer to complete IPF routing. Plan ahead!**
-

A New Tool from the Office of Research and Service

**The College of Education
Office of Research and Service has prepared a
*Budget Planning Worksheet***

**for use by Principal Investigators
in preparing to work with the ORS on developing
the budget and narrative for their proposals.**

[COE ORS Budget Planning Worksheet-January 2023.xlsx](#)

QUESTIONS



Thank you for your time.

**Contact the ORS for any
assistance that you need.**

We are happy to help.

David Hardy

dhardy@ua.edu
