

Proposal Budget

The purpose of this checklist is to provide principal investigators with a budgeting tool for sponsored projects. Costs fall into two major categories – direct costs and indirect costs, referred to as facilities and administrative (F&A) costs. Please work with CHHS Pre Award Office of Research when developing your budget and be certain to refer to and understand the University's Direct Charges Policy. Each agency will have its own guidelines which need to be referred to in the budget preparation.

DIRECT COSTS (costs directly related to the specific project)

Senior / Key Personnel

- Principal Investigator (PI) and Investigators would be accounted for in this category.
- Percentage of effort and person-months (as required by sponsor) should be noted for all senior personnel on the project.
- Many agencies including the National Institutes of Health and NASA do not recognize the concept of co-PI but rather refer to personnel in these positions as Investigators.
- Pre Award can advise regarding course buyouts, summer pay, and agency specific limitations to effort.

Other Personnel

- Employees of the University who will be working on the project, aside from the PI and Investigators, are included in this category.
- Note that this category may include people who are currently employed by the University as well as those that will be hired when the project is awarded.
- Classifications for Other Personnel may include other faculty involved on the project, professional staff such as a project director or data analyst, postdoctoral fellows, graduate and undergraduate research assistants.
- Percentage of effort or person-months (as required by sponsor) should be noted for all employees on the project.

Fringe Benefits

- All persons paid to perform work on a grant or contract who are University employees are entitled to receive fringe benefits.
- Current fringe rates are as follows full time faculty 29.2% and Students 8.3% applicable only during the summer.
- Fringe benefit rates are updated yearly and are available on the Sponsored Programs website at <http://www.research.uncc.edu/rs/info.cfm>.

Travel

- Domestic and foreign travel associated with the proposed project should be specified.
- If foreign travel is not specified in the budget, the University must request **prior** approval for such travel from the sponsor.
- Some agencies define Mexico and/or Canada as domestic travel.
- Typical travel costs supported by sponsors include airfare, lodging and incidental expenses (per diem), conference registration costs, local travel costs such as car rental.
- It is highly recommended that principal investigators be as specific as possible when providing justification for proposed travel costs (for example, discuss the professional conferences that fit best in terms of disseminating information about the project, where they will be occurring and costs associated with each.) Travel is often one of the first line items sponsors automatically reduce, but a complete explanation of the necessity to the project may convince the sponsor otherwise.

Materials and Supplies

- This line item details tangible materials and supplies costing less than \$5,000 per unit that are for project specific purposes.

- Agencies generally require itemization of proposed purchases under this category.
- Most computing equipment now falls under this category. Note that purchase of general computing equipment is not an allowable cost on federal grants and contracts; rather, purchase of computing equipment requires a clear explanation of its importance to the project (for example, the project involves large datasets and requires a high-end workstation for analysis.)

Publication Costs

- Costs of producing publications required by the sponsor such as monographs would be under this category.
- Typical costs also included in this category are graphic design, photography, journal page charges and other vehicles for dissemination of research results.
- Costs may also include submission fees to journals.

Telecommunications

- This category usually consists of long-distance telephone charges directly associated with the project. For example, projects involving telephone surveys of participants throughout the United States would be an allowable charge. Local calls are not acceptable this is covered under the F&A.
- Other potential items under this category may include mobile telephones or other electronic devices **under special circumstances**. For example, if the proposed project involves project-related travel in rural areas and mobile telephones are necessary to maintain contact with project personnel; this may be an allowable expense. Expenses of this nature will need to be carefully justified in the proposal and specifically approved by the sponsor. Discuss any potential exceptions with Pre Award.
- For cell phones, please discuss with Pre Award and consult with the Director of Academic Technology.

Consultants

- A consultant is an individual who will provide an explicit professional advice or services with clearly defined deliverables for the project. Consultants are individual contractors and should not utilize university resources or facilities to carry out the scope of work.
- A person in a consultant status is not supervised by project personnel.
- Consultants do not receive fringe.
- For budgeting purposes, sponsors require specifics as to what tasks the consultant will perform on the project as well as the consultant's daily consulting rate, travel costs, etc.
- Additional information necessary from a consultant includes a signed letter of support, which must include the total consultant fees. Consultants will also need to provide a current biosketch.

Subcontracts

- If a collaborator is located at another institution (including other institutions within the UNC System), the usual method of inclusion on the project is a subcontract.
- Sponsors typically require a subcontractor scope of work, budget and budget justification for the portion of the project to be conducted by the subcontractor.
- The University requires a letter of collaboration signed by the subcontracting institution's authorized representative, the detailed budget and justification and a scope of work outlining the subcontractor's role on the project. This document should include the agency's DUNS number.
- Proposals typically include the subcontractor as key personnel and therefore require biosketches.

Postage

- General postage costs are not allowable on federal grants and contracts.
- Activities specific to the project such as a mail survey or outreach efforts to participants and their families would qualify postage as a legitimate grant or contract charge.

Photocopy Charges

- General copying charges are not allowable on federal grants and contracts.
- Copying charges for materials directly related to the project, such as training materials or survey

instruments, would be allowable charges.

Computer Software

- Specialized software necessary to the project should be itemized and justified.
- General purpose software (e.g., word processing or spreadsheet software) is not an allowable expense on grants and contracts.

Rental/Equipment Fees

- Costs associated with rental of equipment directly related to the proposed project should be outlined and fully justified.

Permanent Equipment (\$5,000 or over per unit)

- Equipment is defined as any item costing \$5,000 or more and having a useful life of more than one year.
- Freight charges, installation costs, subcomponents or peripherals needed to make the equipment operational should be considered as part of the equipment cost.
- Sponsors generally require manufacturer quotes as part of the proposal.
- Permanent equipment is exempt from assessment of Facilities and Administrative Costs.

Capital Expenditures

- Costs associated with alteration or renovation of buildings would fall under this category.
- Any costs of this nature should be fully justified.
- This is an unusual expenditure on grants and contracts.

Rental Costs

- Costs of renting space to house a project that cannot be accommodated on the UNCC campuses may be requested.
- An example would be a sponsored project involving an outreach project that will be housed in a local facility to increase subject participation. The local facility requires payment for such space which would be, with agency approval, an allowable expense. The rationale for this item should be very apparent.
- Rental costs are exempt from assessment of Facilities and Administrative Costs.

Participant Support Costs

- This category includes items such as research subject payments or incentives.
- The methods for providing such incentives should be outlined thoroughly in the budget justification.
- Some sponsors, most notably the National Science Foundation, use this category to denote project trainees or workshop attendees and there are specific costs associated such as stipends, travel and material costs for participants.

Tuition Remission

- The university encourages PIs to consider tuition remission assistance for graduate students. This can be included in the budget for graduate and undergraduate research assistants on the project when allowed by the sponsor. Please see Pre Award for current rates and escalation percentages.
- The University, as a state agency, is prohibited from paying tuition costs for international students.
- Specify maximum credit hours per semester per student.
- Tuition is exempt from assessment of Facilities and Administrative Costs.

Stipends

- Stipends are monetary assistance provided to students who have no obligation to work for the money they are provided.
- Note that stipends are only allowed by the University when required by the sponsor; the vast majority of students involved as research assistants on sponsored programs will be paid a salary and fringe benefits rather than a stipend. See Pre Award for current rates and calculations.
- Stipends do carry tax implications for the recipients.

INDIRECT COSTS

Facilities and Administrative Costs (aka overhead, tax, indirect costs)

Facilities and Administrative Costs

- These are real costs of doing business for the University but cannot be attributed to any one project with any degree of accuracy. Therefore, the University negotiates a rate with a federal agency (UNCC's cognizant agency is the U.S. Department of Health and Human Services) to help defray such expenses.
- The University's federally negotiated Facilities and Administrative Costs Rate is currently 48.5%.
- F&A on sub-contracts is charged for the first \$25,000 only on subcontracts.
- If an agency has a written policy dictating a rate lower than the University's authorized rate, the PI may request a waiver for the difference by supplying the sponsor documentation of this policy. However, without documentation from the sponsor, the standard F&A rate must be charged.

OTHER BUDGET CONSIDERATIONS

Cost Share

- Depending on the sponsor and proposed project, it may be even required that the University be responsible for providing a contribution to the project, known as cost share or matching funds. If cost share is not required by the sponsor, it is CHHS protocol to NOT include cost share.
- Required waivers of Facilities and Administrative Costs can, at the discretion of the sponsor, be used as cost share.
- Cost share contributions must be approved by the person responsible for providing the cost share (this is usually the department chair and the dean) **before** the proposal is submitted.

Modular versus Detailed budget

Please note that when submitting a modular budget (under \$250,000 in direct costs each year) the justification required is only for personnel. However, you will need to provide a copy of a detailed justification for internal purposes in NORM. A budget narrative is also required if the modules requested vary. A detailed budget requires a detailed justification.

OTHER BUDGETING RESOURCES

University Policy 601.16, Facilities and Administrative Costs

<http://legal.uncc.edu/policies/up-601.16>

University Policy 602.6, Cost Sharing in Sponsored Programs

<http://legal.uncc.edu/policies/up-602.6>

Office of Management and Budget Circular A-21, *Cost Principles for Educational Institutions*

<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

Reminder: All space needs need to be preapproved by your department chair.