Developing a Proposal Budget

Proposal Writing Workshop V

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Proposal Development Team
Office of Research & Sponsored Projects (ORSP)

Introductions

ORSP Proposal Development Team

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Workshop Topics

- Role of the Research Administrator - Overview
- Proposal Budget Categories
- ORSP Research Budget Tool
- Writing a Budget Justification

Role of the Research Administrator
Research Administrator (RA)
Pre-Award Responsibilities
– Review Requests for Proposals, Quotations, or Applications
– Assist with the interpretation of guidelines
– Work with the PI to develop a reasonable and allowable budget
– Provide technical assistance and submit electronic proposal packages
– Assist with the development of cost share budgets
– Prepare transmittal documents

Review of Request for Proposal
Items reviewed by the Research Administrator (RA):
• Due date
• Limits on submissions
• Maximum allowable costs – direct or total
• Unallowable items
• State point of contact review (E.O. 12372), if applicable
• Subcontracts/subawards, if applicable
• Letters of commitment
• Limits on indirect rate

Proposal Budgets – An Overview
• A proposal is a request from an external sponsor for financial support of a research, training, equipment or outreach project
• The budget is the principal investigator’s (PI) best estimate of the financial support needed to carry out the technical proposal
• A budget that is prepared for a proposal to be submitted to a federal, state, or private agency must be consistently priced relative to proposed work and should be supported by policy, schedules, or memos regarding the costs cited
Proposal Budgets – An Overview

- Is a basic component of a proposal
- Projects and estimates project expenses
- Reflects scope of work
- Demonstrates investigator’s capability to plan and manage a project
- Provides costs that are reasonable, allowable, and allocable

PROPOSAL BUDGET CATEGORIES

Consider what is needed to:

- Coordinate and manage the project
- Conduct the research
- Disseminate the results
- Attract/train students
- Involve appropriate collaborators/experts

Budget Categories

- Personnel
  - Key personnel
  - Staff
  - Students
- Major Equipment
- Travel
- Participant Support
- Subcontracts
- Other key components

Key Personnel

- Identify the principal investigator(s) and investigators roles and effort
  - NSF: Allows one PI and 5 co-investigators
  - NIH: Allows multiple PIs
- Consider restrictions of the funding agency
  - NSF does not allow more than 2/9ths salary to be charged to the grant.
  - NIH asks for percentage of effort.
- Seek approval from the Chair for any academic release requested in the budget.

Be reasonable and prudent
Personnel: Staff

- Example staff to consider:
  - Post doc*
  - Program coordinator
  - Project leader
  - Outreach coordinator
  - Lab technician

- Administrative staff
  - Allowed only on large, multi-disciplinary projects (A-21)

Consult with HR
Justify roles and responsibilities

Personnel: Students

- Salaries and Wages vs. Stipends:
  - Employee – Employer Relationship
    - OH is charged
    - Roles and responsibilities are defined
    - Undergraduates are not insurance eligible (UG cannot work more than 19 hours/week)
    - Graduates at 50% are insurance eligible
  - Training Opportunity/Participation
    - No OH or fringe benefits is charged
    - Award with no formal obligation to work
    - Students typically receive money twice a semester
    - Award is applied to financial aid

Personnel: Fringe Benefits

- Current Rates
  - Faculty
    - 17.72% fringe on requested salary
    - $562/mo medical prorated to the amount of effort
  - Staff
    - 18.72% fringe on requested salary
    - $562/mo medical if full time
    - $281/mo if part-time (greater than 50%).
  - Graduate Students
    - .58% fringe on requested salary
    - $281/mo medical (for appointments of 50% or 20 hours/week)
  - Undergraduate Students
    - .58% fringe (no medical)

Budget tool calculates appropriate fringe and medical for all staff and student salaries.

Equipment

- Equipment is an individual item with a useful life of more than one year AND an acquisition cost of $5,000 or more
- Quotations are needed as backup.
- There is no indirect charged on equipment.
Travel

- Domestic travel:
  - Average cost ~$1,200 to $1,500 depending on lengths of stay and registration costs if applicable

- Foreign Travel:
  - Check guidelines for limitations
  - Check with ORSP to ensure that planned destination does not fall into the area of export control, licensing, and travel to an embargoed country.
  - Remember that Foreign travel is subject to the "Fly American Act"

Review the guidelines for any required travel

Participant Support

- Stipends/Participant Support
- Tuition Assistance
- Student Travel
- Subsistence Allowance

Application of indirect depends on the agency and guidelines.

Other Direct Costs

- Materials and Supplies
  - Lab supplies (e.g., chemicals)
  - Surveys
  - Workshop materials
  - Supplies for dissemination

- Publication Costs

- Consultant Services
  - Internal
    - Cross-college
    - Outside normal scope of work
  - External

- Other Contracted Services
  - Part of their business

Subawards (Subcontracts)

- Involves external investigators who perform programmatic portion of research
- Requires separate budget from the host institution or entity
- Requires scope of work
- Includes indirect on the first $25,000 only
Other Costs

- Contains other costs not captured under the other categories.
- Examples:
  - Participant/subject incentives
  - Non-capitalized equipment
    - Laptops
    - Computers
  - Refreshments
    - Only if allowable and must be specifically justified.

UTEP’s Current Negotiated Rate

Negotiated every three years with Department of Health and Human Services. Details the cost of doing research at UTEP.

UTEP’s negotiated rate has multiple rates:
- Research 49.5%
- Education 48%
- Other 32%
- Off Campus 26%

ORSP RESEARCH BUDGET TOOL

Budget Tool

Activity: Learn about the budget tool.

Time Limit: 30 minutes
WRITING YOUR BUDGET JUSTIFICATION

• Explains the budget in paragraph form
• Documents the level of funding needed to support your project
• Provides the sponsor with an “explanation” or rationale for what is being requested in the budget
• Shows how the budget figures were estimated
Budget Justification – Some Tips

- Put the budget justification in the order of the sponsor’s budget format
  - Every category in the budget must be referenced
- Keep it simple - long explanations are not necessary (unless required)
- Document matches if required by agency

**REMEMBER!**

- The proposed activities that incur cost must map to the budget and the budget justification
- Level of justification required in a proposal varies by funding agencies – read the agency guidelines

**Activity:**

Read the sample budget justifications.

**Questions:**

Which best justifies the budget?
Which style do you like best?

**Time Limit: 20 minutes**

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Discussion

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**Resources**

- ORSP Development Team
- ORSP Research Administrators
- ORSP web page
- Expertise System
Reflection

What did you learn today that was new?

What elements of the workshop did you find the most relevant?

What would you like to learn more about?

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