

Budget Development Job Aid

This job aid outlines the steps for developing a budget to support the implementation of a scope of work (SOW).

WHO:

- PI/Co-I
- MSUE Grant Services

WHEN:

- Developing a budget for a new proposal and scope of work.
- Revising an approved budget and scope of work.

HOW:

1. Review sponsor solicitation for allowable and unallowable costs, and indirect rate allowance.
2. A budget reflects the Principal Investigators/Project Directors best estimate of costs for conducting a project within a defined time period. See the budget considerations section below.
3. Send budget items and amounts to MSUE Grant services via email, either within the body of an email, or using the following template: https://www.canr.msu.edu/od/grants/msue_job_aids
4. MSUE Grant Services will enter the review the budget (providing feedback if applicable) and enter budget into the KC Proposal Document.
5. MSUE Grant Services will also review and provide feedback on the Budget Justification.

BUDGET CONSIDERATIONS:

1. Salary:

Personnel Type	Budgeting
Salaried	What percentage of their time will be working on the grant? FTE is based on 40 hours/week (2,080 hours/year). For example, 10% time would be 4 hours per week.
Hourly	How many hours will they work on the grant and at what rate? How many weeks?
Graduate Research Assistants	What is the bi-weekly stipend and are they ¼, ½, or ¾ time? 9 month or 12 month?

- Will the staffing needs change over the course of the project?
- Can the individuals commit time to the project or are they overcommitted on sponsored projects? Check with Fiscal Officer.
- Does the sponsor agency have a maximum limit on salary (NIH/SAMHSA)?

2. Fringe:

Personnel Type	Budgeting
Salaried	The Specific Identification (SI) allocates the cost of fringe benefits: Retirement; FICA; Other/Miscellaneous; and Health/Dental. Fringe rates are applied in KC.
Temporary/Hourly	Include 7.65% FICA. If working more than an average of 29 hours/week, include ACA fees (\$428.57 a month).
Graduate Research Assistants	Benefits are charged in flat dollar amount based upon the cost of health care and the average number of credits waived.
Research Associates	Become eligible for retirement benefits after 36 months of employment.

3. Equipment

- Equipment has a useful life span of over one year and cost over \$5,000, otherwise budget under materials.
- **Include quotes with submission.**
- **Explain in the justification why the equipment is needed to deliver project goals. State if equipment will be dedicated solely to the project, or if shared with other projects (provide detailed rationale and how the allocation of charges was determined).**

4. Travel

- **Check the sponsor solicitation for any restrictions.**
- Include travel necessary to perform the project, such as: programming travel; travel required by the solicitation; trips to meet collaborators, participants, farms, etc.; travel to conferences directly related to grant to disseminate knowledge.
- Expenses may include: personal vehicle mileage; rental costs and fuel; taxi to/from hotel/airport; bus rental for field trips; flights; baggage; hotel; per diem; and conference registration fees.
- **For federal grants, see <https://www.gsa.gov/travel/plan-book/per-diem-rates>.**
- Include in justification the name of travelers, travel dates, destination, number of days/nights, and purpose of trip.

5. Participant Support Costs

- Examples include:
 - Event registration fees
 - Tuition, if required to participate in project
 - Laboratory or training materials
 - Stipend – predetermined amount to be paid directly to participant
 - Subsistence allowance – predetermined amount to assist with costs (such as lodging, meals, and laundry) necessary to participate in the project (not paid to local participants)
 - Travel costs to participate in the project activity
- Expenses not considered Participant Support:
 - Room rental/related expenses (e.g. presentation technology support)

- Payments made to research subjects as an incentive for recruitment or participation in a research project (budget under “Other Direct – Participant Incentives”)
- Guest speaker consultant costs (includes consultant fees and related expenses such as travel) (budget under “Other Direct-Professional Services/Consultant)
- Expenses for project personnel to attend meetings, conferences, or seminars
- Payments to Graduate Research Assistants
- Payments to trainees who receive compensation, either directly or indirectly, from other Federal government sources while participating in the project

6. Other: Materials & Supplies

- Includes all project-specific, tangible items, that don’t fall into other categories; examples include field computers, handouts, camera, flip charts, etc.
- If possible, include itemization of materials and supplies to include quantity and unit cost.
- Do not include general office supplies (these expenses are part of indirect).

7. Other – Contractual Services

- **Named contractor, provide to Grant Services (to be uploaded to the PD);**
 - Letter of commitment from consultant, including period of performance, total number of hours, fully burdened rate per hour, description of service
- **Named contractor, include justification:**
 - Statement explaining why the consultant is the only qualified individual/entity to perform the work
 - How the consultant’s selection will benefit the project
- **Unnamed contractor, include in justification:**
 - Description of contracted services and why necessary for project
 - Statement that all applicable procurement policies will be followed

8. Other – Publication Costs

- Costs to disseminate project findings and products; include: documenting, preparing and publishing (e.g. reports, reprints, page charges or other journal costs - except costs for prior or early publication); illustrations; data and database cleanup, documentation, storage and indexing; software development, documentation and debugging; and storage, preservation, documentation, indexing, etc., of physical specimens, collections or fabricated items.

9. Other: Computer Services

- May include computer-based retrieval of scientific, technical and educational information following institutional rates, and leasing computer equipment (rarely in Extension budgets).
- General purpose (such as word processing, spreadsheets, communication) computer equipment should not be requested.
- Include in justification a statement that the budgeted amounts are based on the established computer service rates or documented computer leasing analysis.

10. Other Equipment/Facility Rental Fees

- For specific needs that are more cost efficient to rent rather than buy.

11. Other: Alterations/Renovations

- Expenses necessary to alter/renovate space to accommodate the program.

12. Other Direct Costs

- **Examples:** postage, long distance charges, photocopying, service/maintenance contracts, conference costs (room/AV rental), speaker/trainer fees, and MSU-based fee-for-service (ANR Event Services, MSU Office of Survey Research, MSU RS&GIS, MSU CSTAT, lab analysis, translation or dictation services, etc.).

13. Other Costs – Participant Incentives

- Payments to subjects (e.g. \$50 compensation to run on a treadmill or \$10 for completing a survey).
- Compensation to subjects should never be so high as to constitute an undue influence to participate in the project.

14. Indirect/Facilities & Administration Costs

- MTDC = Modified Total Direct Costs. Indirect is charged on everything except Equipment, Participant Support Costs, Tuition, Fellowships, subawards over \$25,000 (for entire project period), and rental space fees.
 - Research = 56.5% | Other Sponsored Activities = 36% | Off-Campus = 26%
- TDC = Total Direct Costs. IDC is charged on all budget items.
- TFFA = Total Federal Funds Awarded. This also means “Total project Costs” (direct plus indirect). **All indirect, including subaward indirect (all indirect cannot exceed 30% of TFFA).**
 - Formula to convert TFFA to TDC:
 - Step 1: $100\% - 30\% = 70\%$.
 - Step 2: $30\% / 70\% = 42.857\%$ TDC
 - So, 30% TFFA = 42.857% TDC.

15. Cost Share/Matching

- See the sponsor solicitation for cost share/matching requirements. 3 types:

	Required as a condition of receiving award	Proposal review criterion	Binding commitment	Expenses tracked and reported
Mandatory	Yes	Yes	Yes	Yes
Voluntary committed	No	See solicitation	Yes	Yes
Voluntary uncommitted	No	No	No	No

- Salary cost share is preferred: this would be when MSU is paying for someone's time while they are working on the grant, instead of their time being charged the grant.

RESOURCES:

Budget development: <https://cga.msu.edu/PL/Portal/356/DevelopBudget>

Budget justification: <https://cga.msu.edu/PL/Portal/387/BudgetJustification>

F&A/Indirect rate: <https://osp.msu.edu/PL/Portal/165/FacilitiesAdministrativeCostRates>

- Research: 56.5%
- Other Sponsored Activities: 36.0%
- Off Campus: 26.0%

Frequently Required Budget and Proposal Data:

<https://cga.msu.edu/PL/Portal/146/FrequentlyRequiredBudgetandProposalData>

KC Job Aids and Training Videos: <https://cga.msu.edu/PL/Portal/787/KualiCoeusKCTrainingMaterials>

MSU Travel Information and Rates:

<http://ctrl.msu.edu/COTravelNew/MealAndIncidentalExpenseRates.aspx>

USDA – NIFA Indirect Rate:

<https://www.cga.msu.edu/PL/Portal/183/UnitedStatesDepartmentofAgricultureUSDA>