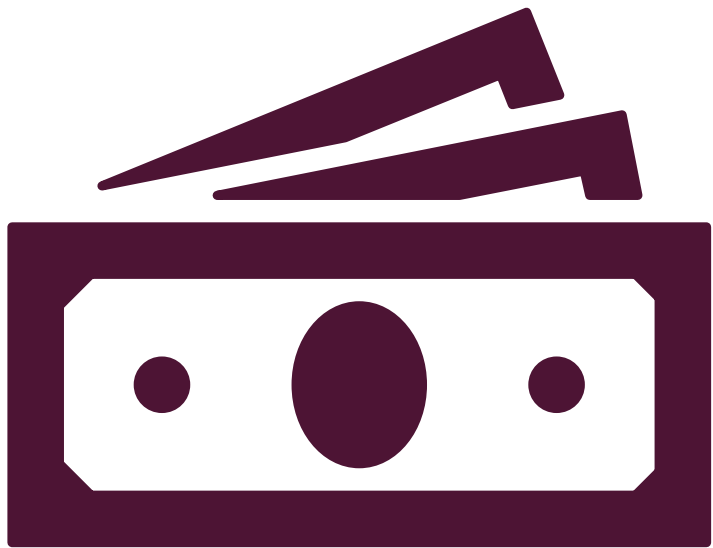

Proposal Budgets:

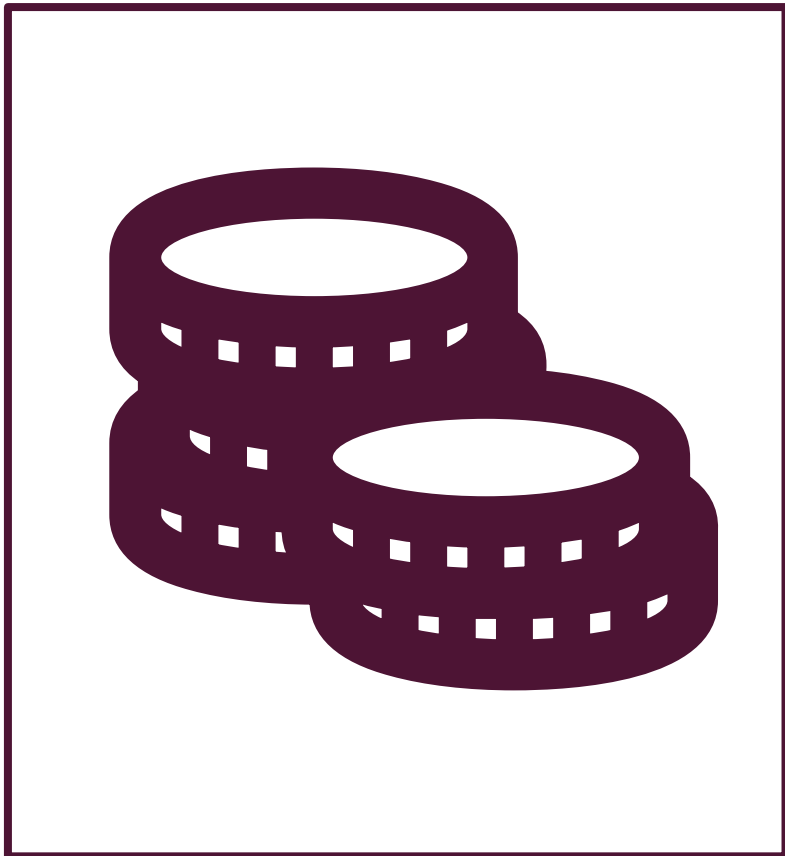
***Practical tools for building your
budget and justification***

TODAY'S AGENDA



- Direct Cost vs. Indirect Cost
- Budget Categories
- Indirect Cost- Which Rate to Use?
- Cost Share
- Budget Justifications
- Templates
- General Tips

NO MATTER THE AGENCY/FUNDER



- Defer to the solicitation and related Agency Guidance.
 - For example, for NSF budget development and the budget justification is found in the [Grant Proposal Guide](#).
- The type of budget will depend on the funder and program. Most (but not all) proposals will require a detailed budget for each year of the proposed project with an accompanying narrative justification.
- Formatting requirements (such as headers and page limits) as well as fiscal requirements, such as indirect cost or administrative salary caps, or cost share requirements will be noted in the solicitation and/or guidance.
- For proposals that contain a subaward(s), **each subaward must** include a separate budget justification. Even if the proposal doesn't require this detailed info, OSP does.

DIRECT COSTS V. INDIRECT COSTS

DIRECT

- Can be identified specifically with a particular project
- Can be directly assigned to projects relatively easily with a high degree of accuracy

INDIRECT

- Aka “F&A” or “Overhead”
- Incurred for common or joint objectives
- Cannot be identified readily and specifically with a particular project

EXAMPLES OF DIRECT AND INDIRECT

■ DIRECT

- Salaries and Wages (includes senior personnel, students)
- Fringe Benefits
- Equipment
- Travel
- Participant Support
- Other Direct (subawards, supplies, publication, consultants, etc.)

■ INDIRECT

- The related costs of using University facilities and administrative support that cannot be claimed as direct costs.
 - Office supplies
 - General office equipment
 - Facilities
 - Salaries for clerical, administrative, and fiscal managers.

TIPS FOR GETTING STARTED



Read the RFP (Request for Proposal) for the budget criteria



Identify all the costs that are necessary and reasonable to complete the work described in your proposal



Ask if there is a target overall budget amount



When communicating with the PI, send user friendly budget templates back and forth and convert to the agency template later

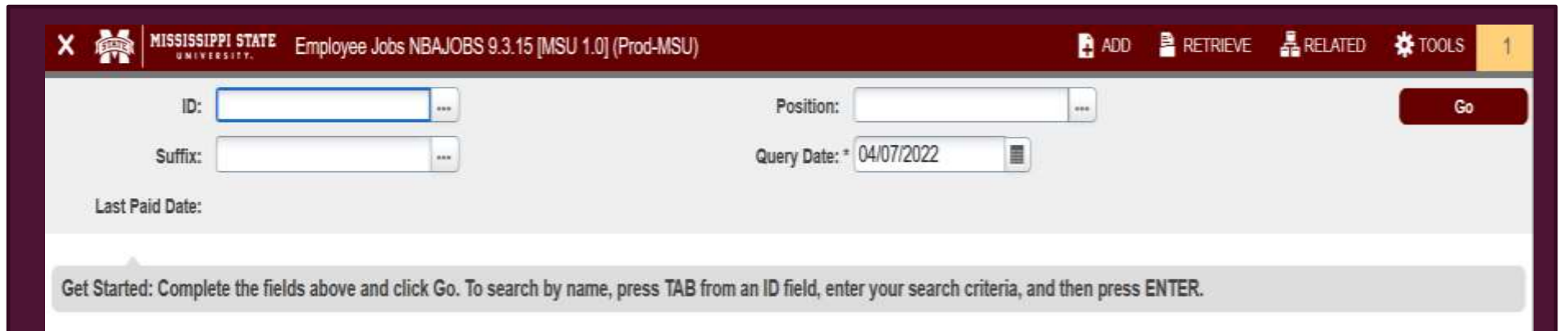


BUDGET CATEGORIES – SALARIES

- Should include only University personnel
- Collaborators at other institutions should be included either as consultants or within a subcontract budget
- Proposed salaries should be in accordance with approved salary scales and position grades
- Should reflect actual percentage of effort that is anticipated
- Multi-year budgets are allowed to factor in up to 5% salary increase if the sponsor specifically allows salary escalation
- If you intend to hire individuals on the project, you can list the title with the name as TBD
- For federally sponsored projects, MSU must adhere to the Code of Federal Regulations. Therefore, the salaries of administrative and clerical staff should normally be treated as indirect costs. Rarely, direct charging of these types of costs may be appropriate. If you think this may be the case, please discuss with your Grant Administrator. A thorough justification will also be necessary.

HOW TO FIND SALARIES

- NBAJOBS



The screenshot shows the 'Employee Jobs NBAJOBS 9.3.15 [MSU 1.0] (Prod-MSU)' interface. It features a search form with the following fields: ID (with a dropdown arrow), Position (with a dropdown arrow), Suffix (with a dropdown arrow), and Query Date (set to 04/07/2022). A 'Last Paid Date' label is present below the Suffix field. A 'Go' button is located to the right of the Position field. The top navigation bar includes the Mississippi State University logo, the title 'Employee Jobs NBAJOBS 9.3.15 [MSU 1.0] (Prod-MSU)', and icons for ADD, RETRIEVE, RELATED, and TOOLS. A yellow tab with the number '1' is visible on the right side of the navigation bar. Below the search form, a grey box contains the text: 'Get Started: Complete the fields above and click Go. To search by name, press TAB from an ID field, enter your search criteria, and then press ENTER.'

- PEAEMPL



The screenshot shows the 'Employee PEAEMPL 9.3.12 [MSU 1.2] (Prod-MSU)' interface. It features a search form with an ID field (with a dropdown arrow) and a 'Go' button to its right. The top navigation bar includes the Mississippi State University logo, the title 'Employee PEAEMPL 9.3.12 [MSU 1.2] (Prod-MSU)', and icons for ADD, RETRIEVE, RELATED, and TOOLS. A yellow tab with the number '1' is visible on the right side of the navigation bar. Below the search form, a grey box contains the text: 'Get Started: Complete the fields above and click Go. To search by name, press TAB from an ID field, enter your search criteria, and then press ENTER.'

****Note- You will only have access for your departments,
so if you are working across departments
communicate with other Business Managers or contact OSP***

NBAJOBS

MISSISSIPPI STATE UNIVERSITY Employee Jobs NBAJOBS 9.3.15 [MSU 1.0] (Prod-MSU) ADD RETRIEVE RELATED TOOLS

ID: ██████████ Position: 001503 Suffix: 00 Query Date: 02/24/2022 Last Paid Date: 02/28/2022 Start Over

Base Job Job Detail Payroll Default Deferred Pay Miscellaneous Excluded Deductions/Benefits Default Earnings Work Schedules Job Labor Distribution

Settings Insert Delete Copy Filter

Job Detail

Add New Effective Date

Job Detail

Effective Date	08/16/2021	Encumbrance	System Calculated
Personnel Date	08/16/2021	Indicator	
Status	Active	Hours per Day *	8.00
Title	Assistant Professor	Employee Class *	F9 Faculty 9 mo
Job FTE *	1.000	Leave Category	...
Appointment *	100.00	Change Reason	NEWHR ... New Hire
Percent		Employer Code	MSU ... Mississippi State Univ.
Encumbrance			
Hours			

Pay Plan

Group *	SGROU ...	Grade *	UC ...
Table *	S9 ...	Step *	0 ...

Compensation

Rate	40.703563	Factor *	18.0
Hours per Pay *	86.67	Pays *	24.0
Assign Salary	3,527.78	Annual Salary *	63,500.00

1 of 1 Per Page Record 1 of 1

BUDGET CATEGORIES - FRINGE BENEFITS

- Fringe Benefits include such items as health insurance, life insurance, retirement benefits, workers compensation, unemployment insurance, Medicare, and Social Security.
- Fringe Benefit rates should be charged to the grant in relationship to the salaries and percentage of effort committed to the grant using current fringe benefit rates as detailed.

Estimated Fringe Benefits
Faculty/Staff 38.92%
25.46% Summer if 9-mth faculty
Retiree 25.50%
Intermittent Employee 8.10%
Student or Grad Assistant 0.41%
8.10% Summer if not full time enrolled

BUDGET CATEGORIES - TRAVEL

- Travel costs include expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business related to a sponsored project
- Per diems and other pertinent information regarding travel can be found at <https://www.travel.msstate.edu/procedures/travelcost.php>

Travel Detail								
Purpose	Rental car/Airfare	Lodging/day	PerDiem	# days	#trips	#nights	#people	
Travel								
TBD trips Location 1	550	175	46	5	1	4	1	\$1,480
TBD trips Location 2	550	175	46	5	1	4	1	\$1,480
					Total Base Travel			\$2,960

BUDGET CATEGORIES - TRAVEL

1

Specify location when possible

2

Budget one more day of meals than nights of lodging

3

Conference registration fees do not go in travel. They should be in the contractual section of the budget.

***BUDGET
CATEGORIES-***

***CONTRACTUAL
ITEMS***

Publication Costs

Consultants

Sub Awards/Subcontracts

Conference Registration Fees

Post as 405xxx in Banner

BUDGET CATEGORIES – CONTRACTUAL ITEMS

Consultants v. Subawards

Consultants: Like a vendor, consultants provide a service (usually at a pre-determined rate).

Ex: Data Evaluator

Subawards: Subaward institution/personnel have capabilities and expertise necessary to the science of the project.

Ex: Contracting with the University of Alabama to do a portion of the research because of their expertise in that area.

BUDGET CATEGORIES – CONTRACTUAL

Subawards

- You should have a separate institutional approved itemized budget and scope of work for each subcontract reflecting their approved overhead. MSU will also need a Subrecipient Commitment Form (SAF-03) that has been signed by the sub awardee's authorized official.
- MSU will access overhead on the first \$25,000 of each subcontract.
- It is important when involving subcontracts in your budgets that you allow additional time for the paperwork to be processed at the subrecipient's home institution and to meet OSP's 3-Day Rule (OP 70.01)

BUDGET CATEGORIES – COMMODITIES

- Materials and supplies include all consumable materials including the purchase cost of animals as well as small items of equipment that do not meet the threshold for capital equipment (>5K).
- Note that federal sponsors do not allow general office supplies unless their use is above and beyond what would be provided through overhead and can be specifically justified for the project.
- Post as (406xxx) in Banner

BUDGET CATEGORIES – EQUIPMENT

- Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.
- Only items costing \$5,000 (with exceptions, see [Receiving & Property Control website](#)) or more per unit should be listed as equipment. Cost estimates must include sales tax and shipping. Identify equipment with its corresponding cost.
- For best estimates get quotes for proposed equipment items
- Post as (408xxx) in Banner

BUDGET CATEGORIES – OTHER DIRECT COST

GRADUATE STUDENT TUITION* & INSURANCE

Graduate Student Tuition and Insurance

Escalate 5% for the following years for tuition and insurance

	71% Tuition Rate	100% Tuition Rate	Insurance Rate
FY 2020	\$691/month *	\$978/month	\$134/month
FY 2021	\$715/month *	\$1,012/month	\$134/month
FY 2022	\$751/month *	\$1,063/month	\$141/month
FY 2023	\$788/month *	\$1,116/month	\$148/month
FY 2024	\$828/month *	\$1,172/month	\$155/month

** GTA and GSA only; GRAs use 100% rate*

*Excluded from F&A Calculation

BUDGET CATEGORIES – OTHER DIRECT COST

PARTICIPANT COST

- Stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (not employees)
- Does not include incentives for human subjects
- No indirect costs are charged



BUDGET CATEGORIES

INDIRECT COST

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1646000819A1

DATE: 01/20/2022

ORGANIZATION:

FILING REF.: The preceding agreement was dated 05/03/2017

Mississippi State University

P.O. Box 5227

Mississippi State, MS 39762-5227

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: Facilities And Administrative Cost Rates

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2021	06/30/2022	45.50	On-Campus	Organized Research
PRED.	07/01/2022	06/30/2025	46.50	On-Campus	Organized Research
PRED.	07/01/2021	06/30/2025	26.00	Off-Campus	Organized Research
PRED.	07/01/2021	06/30/2022	50.00	On-Campus	Instruction
PRED.	07/01/2022	06/30/2025	48.00	On-Campus	Instruction
PRED.	07/01/2021	06/30/2025	26.00	Off-Campus	Instruction
PRED.	07/01/2021	06/30/2022	27.20	On-Campus	Other Sponsored Activities
PRED.	07/01/2022	06/30/2025	32.00	On-Campus	Other Sponsored Activities
PRED.	07/01/2021	06/30/2022	22.80	Off-Campus	Other Sponsored Activities
PRED.	07/01/2022	06/30/2025	26.00	Off-Campus	Other Sponsored Activities
PRED.	07/01/2021	06/30/2022	11.10	Off-Campus	IPA (A)
PRED.	07/01/2022	06/30/2025	12.30	Off-Campus	IPA (A)

WHICH RATE SHOULD I USE?

■ Organized Research

All research and development activities sponsored by federal or non-federal agencies and organizations. Research is “a systematic investigation, including research development, testing, and evaluation, designed to develop or contribute to generalizable knowledge.” (ref. 45CFR46)

■ Instruction

Teaching and training activities established by an award

■ Other Sponsored Activities

Sponsored awards which involve the performance of work other than instruction and organized research.

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PRED.	07/01/2022	06/30/2025	48.00 On-Campus	Instruction
PRED.	07/01/2021	06/30/2025	26.00 Off-Campus	Instruction
PRED.	07/01/2021	06/30/2022	27.20 On-Campus	Other Sponsored Activities
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PRED.	07/01/2022	06/30/2025	26.00 Off-Campus	Other Sponsored Activities
PRED.	07/01/2021	06/30/2022	11.10 Off-Campus	IPA (A)
PRED.	07/01/2022	06/30/2025	12.30 Off-Campus	IPA (A)

WHICH RATE SHOULD I USE?

■ On-Campus

Used for activities conducted in spaces owned by the University and for which the University is bearing all costs associated with that space with University funds

■ Off-Campus

Used for all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s). If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

***Grant or contracts will not be subject to more than one F&A cost rate.**

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PRED.	07/01/2021	06/30/2022	50.00 On-Campus	Instruction
PRED.	07/01/2022	06/30/2025	48.00 On-Campus	Instruction
PRED.	07/01/2021	06/30/2025	26.00 Off-Campus	Instruction
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PRED.	07/01/2021	06/30/2022	11.10 Off-Campus	IPA (A)
PRED.	07/01/2022	06/30/2025	12.30 Off-Campus	IPA (A)

WHICH RATE SHOULD I USE?



- DOD contracts allow an on-campus research rate of 48% and off-campus rate of 27.5%
- In many cases, it is unknown at proposal stage whether the award will come back in the form of a contract or grant. In those cases ORED asks that the budget reflect the rate of 46.5% for on campus research at time of submission.

INTERNAL BUDGET TEMPLATES

- HPC2 Template
- OSP Template
- BCoE Template



WHAT IS COST SHARE?

- Adapted from definition of federal cost sharing in [§200.29](#) of OMB Uniform Guidance ([2 CFR Part 200](#)): “Cost sharing or matching means the portion of project costs not paid by Federal funds...”
 - ❖ PI and Department prepares proposal based on Sponsor solicitation regarding including cost sharing in the applications.
 - ❖ **Mandatory** – required by Sponsor and must be tracked in companion account.
 - ❖ **Voluntary Committed** – not required by Sponsor but quantified in the proposal, when awarded, cost sharing becomes a binding commitment and must be tracked in a companion account.
 - ❖ **Voluntary Uncommitted** – not required by Sponsor nor quantified in the proposal; institution supported research costs, not required to track.
- Along with the normal proposal review process, proposed cost sharing and associated funding sources used to support cost sharing (institutional or third party) are also reviewed and acknowledged by department senior leadership, PI, Grants and Contracts
- Common Question: As a PI, do I have to charge my time to the project?
 - ▶ No- BUT your time will be considered cost share, and some portion of it must be committed and tracked
 - ▶ Doing so will require division approval on the IAS in the Cost Share portion
 - ▶ **Note: we do not encourage cost sharing if it is not required by the sponsor**

BUDGET JUSTIFICATIONS

-
- A narrative explanation of each of the components of the budget, which “**justifies**” the cost in terms of the proposed work.
 - The explanations should focus on:
 - How each budget item is required to achieve the aims of the project
 - How the estimated costs in the budget were calculated

TIPS FOR WRITING BUDGET JUSTIFICATIONS



Organize the budget justification in the same order and format and using the same budget categories as the sponsor.



Check the sponsor's guidelines for any page limitations, special formatting instructions, specific content requirements, and allowed or disallowed expenses.



Numbers in the justification should match those in the budget. For example, if the budget requests \$3,255 for travel, then the justification should specify the same amount; do not round to \$3,250.

JUSTIFICATION EXAMPLES

USDA

NSF

General
Template

SPONSOR BUDGET EXAMPLE

- USDA NIFA
- USDA ARS
- PHS 398 Modular Budget
- R&R Budget
- National Science Foundation
- Department of Energy

THINGS TO REMEMBER



- If your IAS states that child accounts are needed, you will need an overall budget with separate parent and child account budgets.
- Make sure that numbers on ALL proposal documents match!
- Start routing your IAS as for signature as soon as you can!
- Keep an updated copy of OSP Quick Facts

QUESTION TIME...

Whitley Alford

whitley@hpc.msstate.edu

(662)325-8814

Blair Reed

blair@ord.msstate.edu

(662)325-4869



Thank you!!