



Budgeting Workshop, September 22, 2023

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Purpose of this workshop

- Definitions
- Reasons for doing a budget
- Minimum Requirements
- Budget Creation Process
 - How to review a NOFO for budget information (short checklist)
- Typical expense categories in a budget
- Where to find information
- Answer your questions
- Give us feedback on how we can better support you in the budgeting process

Definitions (some)

- NOFO = notice of funding opportunity (shorthand for the sponsor's request for proposal, guidance document, etc.)
- RFP = Request for proposal





ORA = [Office of Research Administration](#)

- *F&A = Facilities and Administrative cost; aka “indirect”*
- Research development and administrative part of the MAPP business office = Research (and Practice) Business Office
 - Prince, Seth, Tara, Gerrit
- **DRIF** = Designated Research Initiative Funds (pertains to Quali credit and DRIF “split” for multi-investigator proposals)



On the [MAPP R/P Info Hub](#)
(<https://sites.google.com/umd.edu/mapprd/home>)

Reasons for doing a budget (some)

1. Pays for research plan.
 - The research plan/needs drive the budget, never the other way around.
 - Post award, sometimes budget adjustment is allowed —but not always
2. Fulfills sponsor requirements and ORA's requirements
 - The amounts for each budget line item requested must be documented and justified (PAPPG, Chapter II.C.2.g)—**always true for, Federal agencies, State agencies, ORA, most private funders; some private sponsors (like foundations) allow, “lump sum”, project budgets**
 - [ORA's standard budget](#) follows the NSF model.  
3. Demonstrates feasibility.
 - Maps to what is the maximum allowed by the NOFO and how your research can fulfill their program mission, in the allotted budget range.
4. Timeline/milestones guide when awarded to keep the project on track.

Minimum requirements:

1. **Allocable** costs are clearly associated with the *particular* project. Consider whether the cost will be incurred solely to advance the work under the sponsored agreement. For example, travel costs incurred for the Principal Investigator to obtain data on the topic of the research qualifies but travel to attend a conference on a topic not related to the research would not.

2. **Reasonable** costs would generally be accepted as necessary per a “prudent” person’s review. For example, the purchase of a laptop computer for field research by a graduate student researcher on the project would generally be accepted as reasonable, while the purchase of a laptop for non-project related coursework by a graduate student researcher would not.

3. **Allowable** costs are permitted by institutional and sponsor regulations and are consistent with UMD policies. Check for "unallowable" costs noted in the NOFO.

View Frequently Asked Questions (FAQs) and training modules on the [US Chief Financial Officers Council Uniform Guidance webpage](#).

Budget creation timeline

- Process Improvement [Memo](#) from Feb 2022

EXTERNAL to UMD:

- ORA deadline - **6** business days before sponsor submission deadline
 - Deliverables: FULL and FINAL proposal package to ORA
- RBO deadline - **5** business days before the ORA deadline
 - Deliverables: FINAL budget, subawardee information, cost share information final supplemental documents (e.g., CV's, Facilities and Equipment section, Data Management Plan) and a draft proposal narrative.

Example: If the sponsor deadline date is March 31, 2022, then,

- ORA deadline is March 24, 2022.
- Proposal office deadline is March 17, 2022.


Budget creation process

- NOFO, read for budget detail and sponsor rules
 - Required F&A rate?
 - Allowable subawards?
 - Required cost share, type of money allowed for required cost share [for example, for Federal cost share one can't use other Federal dollars]
- Outline checklist (see checklist – next slide)
- Draft budget and word justification; this may be needed in multiple formats
 - ORA's format, sponsor format; cost share only format; by task (vs. time) format; on-line entry format (like NSF and many Foundations); state "by task" format
- Budget and word justification is entered into Kuali Research
- ORA review and approval
- Final budget (and often the word justification) = provided to the sponsor

NOFO checklist

- NOFO, read for budget detail
 - F&A rate restrictions?
 - Some sponsors (typically foundations) do not allow application of the full UMD F&A rate. **IF WRITTEN ON A PUBLIC WEBSITE and/or DOCUMENT (like a NOFO), ORA will abide by this restriction. (Further review on slide# 10).**
 - Should this proposal go through ORA or is it a gift?***
 - If the sponsor requires a 501c3 status...that does not mean that it is not research!
 - ORA makes grant/gift determination. If it is a gift, there is no F&A added.
 - Maximum (and minimum) total budget amount
 - # of years allowed for the project
 - Cost share? Required or allowed?
 - restrictions on the type of money that can be used?
 - Type of expenses allowed or not allowed
 - Expenses **REQUIRED** by the sponsor (like traveling to a program PI meeting)
 - Sponsor wide limitations (like NSF only paying aggregate 2 months of salary)
 - Limited submission? Often a brief budget is required for internal limited submissions.
- ****not sponsored research; there are no deliverables or terms & conditions associated with the funds. If it is a gift, contact Leia Livingston*

Common budget items

- PI, Co-PI, senior personnel time
 - Summer Salary uses a different fringe rate for most faculty ****UMD SEED**
 - If using this \$ for a course buy-out, talk to your Program Director before submitting the proposal.
- Student time (either by GRA appointment or by hour); [what it costs to support a student guide](#) **** UMD SEED**
- Postdoc 
 - (Remember the post doc mentoring plan! – required for NSF)
- Project manager (big awards)
- Travel
- Materials/equipment
 - (over \$5K vs under \$5K)
 - computer laptops (staff/students); software licenses; data purchases
 - Exhibition materials
- Subawardee vs. Consultants (vs. vendors)
- Honorariums
- Participant incentive costs (**costs over \$100/person are difficult; requires IRB**)

UMD F&A rate: project types

What type of project do you have?

Definitions below from [NCSU](#).

ORA's overview on F&A definitions/applications can be found [here](#).

- **organized research**: Investigation or experimentation aimed at the discovery of new knowledge or that builds upon existing knowledge. The creation of new knowledge and/or the use of existing knowledge in a new and creative way resulting in new concepts, methodologies and understandings. **2023-2026 = 56%**
- **instruction and training**: The dissemination of knowledge or information through teaching and non-research training activities. These activities include developing or compiling course and curriculum materials/programs. **2023-2026 = 53%**
- **other sponsored activities**: The dissemination of known knowledge or processes. Service performed for the benefit of the public. A program that geographically extends the resources of the institution to entities or persons otherwise unable to take advantage of such resources. **2023-2026 = 40%**

OTHER

- Off campus activities = different rates – but this is rare (can happen with remote workers).
- MAPP blanket waiver written for PALS, but if the funder is a local municipality, check with the RBO.
- Multiple F&A rates are possible but ORA has to then generate multiple KF accounts
- [Reduced rate exception process](#) (next slide)

F&A rate exception process

Some sponsors (typically foundations) do not allow application of the full UMD F&A rate.

IF WRITTEN ON A PUBLIC WEBSITE and/or DOCUMENT (like a NOFO, RFP), ORA will abide by this restriction.

What happens if the sponsor you are working with does not have a public facing F&A reduced rate policy?

ORA: [Reduced rate exception process:](#)

- **Caveats**
 - Happening less and less for MAPP projects (perhaps somewhat due to blanket exception policy)
 - Full and complete proposal must be submitted through KR with the exception request before ORA will rule on exception.
 - Include a letter/email from the sponsor detailing F&A policy / expectations for receiving an award.
- **Typical reasons on the exception request**
 - Background on why grant/award is so important for faculty member/program- i.e., research gap
 - Low facility footprint (no lab space, etc)
 - If sponsor is a foundation – industry average. George Mason University, Office of Sponsored Programs maintains an open [F&A exception database](#). Foundations funding this general area of research — community development, economic empowerment, and social justice, typically have F&A rates well below 20%: W.K. Kellogg Foundation – 15%; Robert Wood Johnson Foundation – 12%; Annie E. Casey Foundation – 10%; Ewing Marion Kauffman Foundation – 0%

Student costs

a. Personnel
Student rate
Fringe
Tuition
Total Direct Costs (TDC)
Modified TDC = direct - tuition
F&A on MTDC
TOTAL

[Link to PDF](#)



GA – slide 2

#1 - Student rates for <u>On-campus, Organized Research</u>		Full Time	Part Time
a. Personnel	Base 2023	9 month GA Step 1; 20 hrs	9 month GA Step 1; 10 hrs
Student rate (see column header)		\$25,538	\$12,769
Fringe	25.5%	\$6,512	\$3,256
Tuition	\$828	\$16,560	\$8,280
Total Direct Costs (TDC)		\$48,610	\$24,305
Modified TDC = direct - tuition remission		\$32,050	\$16,025
F&A on MTDC	56%	\$17,948	\$8,974
TOTAL		\$66,558	\$33,279

#2 - Student rates for <u>On-campus, Other Sponsored Activities</u>		Full Time	Part Time
a. Personnel	Base	9 month GA Step 1; 20 hrs	9 month GA Step 1; 10 hrs
Student rate (see column header)		\$25,538	\$12,769
Fringe	25.5%	\$6,512	\$3,256
Tuition	\$828	\$16,560	\$8,280
Total Direct Costs (TDC)		\$48,610	\$24,305
Modified TDC (MTDC) = direct - tuition remission		\$32,050	\$16,025
F&A on MTDC	40%	\$12,820	\$6,410
TOTAL		\$61,430	\$30,715

Faculty research overload / summer salary

MAPP Course Buyout calculation

- School buyout policy = **10% of salary for a three-credit course; 15% of salary for a six-credit course (per DJ - April 2023)**
- This calculation DOES NOT include fringe.** Include it at the appropriate rate (\$ must be from the same source)
- Questions about this? Please ask Ingrid or your program director.

Summer Salary

The fringe rate for summer salary is the legislated benefit = 6.4%.

- If the faculty member has a 12-month appointment this does not apply
- If you plan to take summer salary, LET the BO know in the spring (the office sends an email reminder to all faculty and staff). There is a deadline cut off in early MAY for applying Summer Salary.
 - Summer salary is paid in 4 equal payments from June 4 to July 29.

% Effort - faculty

Standard breakdowns per the [USM](#) and [UMD](#) policies for TTK:

% of Total Effort

- Instruction = 45-55%
- Research = 35-45%
- Service = 5-15%
- # Course Units/Yr = 5-6

However, each school, college, department, program, and faculty member may be different. Please contact the program director or business office for more info.

Cost Share on a Proposal

One question that is raised by cost share is the overall \$ amount being requested (typically faculty time). This should not exceed the "% effort to research" calculation for a faculty member's time/salary.

Written Budget Justification

The budget justification provides the reviewer, the sponsor —and potentially an auditor with an explanation of cost estimation methods, a description of the types of costs that make up a larger budget category such as "other" or "supplies" and an explanation of why the projected costs are necessary to conduct the project.

Dollar amounts and line item \$ totals are not required on a written budget justification.

- **Consider not including them**
- The justification is accompanied by an excel budget. This document has all the \$ totals.

The personnel budget includes salary support for the team members at: **Faculty 1** and **Faculty 2** at 1 month; and **Post Doc 3** at 0.5 months.

- The respective roles are:
- **Faculty 1** will lead the project and supervise a graduate student, 4 undergraduate students, and 4 community members who will **OBJECTIVES of the PROJECT**. This core team will **OUTLINE THE WORK IN THE TASKS LIST**. They will also coordinate the work of two consultants (detailed in other direct costs).
- **Faculty 2** will coordinate **TASK LIST DUTIES** (like - introductions stakeholders and other related outreach efforts)
- **Post Doc** will provide support on the **TASKS LIST** (maybe they are doing the technical modeling or the data analysis).
- The team will work with one graduate student. The student will be paid *hourly at \$ZZ/per for X months* to provide execution of **TASKS THE STUDENT WILL ASSIST WITH**.
- Four undergraduate students will be paid *hourly at \$ZZ/per to execute TASKS*
- The University uses federally negotiated fringe benefit rates of **ZZ%** for 12-month code 2090 employees (**Faculty 1**), **ZZ.Z%** for 12-month code 1016 employees (**Faculty 2** and **Post Doc**) and **Z.Z%** for hourly paid workers.

Scenario: If you must adjust the # of hourly hours allotted to student support, the rate is not going to change; so you have less to update on the justification.

Subawardee

- Start early. You will need many documents from your subawardee.

\$25K F&A and Subs

F&A costs are collected on only the first \$25,000 of the total cost of each subaward. The total cost includes all the years a subaward will be funded during a given project period.

Thus, if your budget has a subaward line item of \$40,000 in each year of a four year project, F&A Costs are only applied to \$25,000 in year one. No F&A costs will be collected on the subaward for the remaining years of the project.

However, if the subaward budget is only \$10,000 per year, F&A costs would be collected on the entire subaward amount for years 1 and 2, on \$5,000 in year 3, and not at all in year 4.

If your application is for a competitive renewal, even if you are using the same subrecipients, you may again collect F&A costs on the first \$25,000 of each subaward.

Resources

- Prince, Seth, Rose, Gerrit, Your Program Director, Tara



[ORA](#) Faq

[MAPP Research/Practice Information Hub](#) (*TB and PH email signature lines*)

[IRROC](#) (integrated research resources on campus)

Online! [UC Davis](#); [PAPPG](#)

10/10 10:30-11:30am Research Budgeting Dawn Schettino, Director SPH Research Administration. Zoom. Dawn will give an overview of the process, policies and resources - bring your questions! Dawn is an expert at participant incentive advice for example. [Register here for Zoom link](#)