

Grant Budget Development Tips

Grant Accountant can assist in developing the budget for the grant proposal, however, because the Project Director is the most familiar with the project and what resources are needed to successfully implement it, they are the ones that need to establish a preliminary budget to work with.

Here are some tips for developing a budget:

1. Although it is somewhat time-consuming, it is definitely worthwhile to accurately estimate your costs. Round number (e.g., Consultants @ 5,000) may lead the funding agency to conclude that you did not carefully plan your budget (and therefore, you may not have carefully planned the project). Furthermore, rough estimates may lead you to overestimate your budget, thereby reducing your chances of funding, or underestimate your budget, leaving you short of funds to complete the project when it is funded.
2. The following table lists most items likely to be included in a budget for external funding. You might use only a subset of the categories or you may need to add categories not included here. If the funding agency prescribes the budget categories, be sure to group expenditures into the categories they suggest.
3. Every item in the budget must be justified in the text of your proposal. This cannot be emphasized too strongly. As you develop the budget, keep asking yourself, "Have I explained why this item is needed or what this person will be doing?" It is often helpful to keep a set of explanatory notes for future reference regarding how you arrived at certain figures. You will most likely need to submit a budget explanation or narrative with your proposal and these notes will be helpful as you develop that section.
4. When calculating costs, remember that you are often developing a budget in the current year for a project that will be conducted in the future. Costs for everything, including salaries, generally increase over time and you must plan for that.
5. To get to a faculty members hourly rate for summer pay, or dual comp paid based on # of hours. Academic Annual Salary (based on rank/step) ÷ 30 weeks (academic year [two 15-week semesters]) ÷ 37.5 (standard workweek) = Hourly Rate of Pay. The Grant Accountant will verify rank/step with Human Resources and then find the academic annual salary in the Union contract.
6. For Benefits, summer pay and dual comp only include FICA 7.65% and applicable retirement rate. Release time benefit rate includes everything. Take into consideration benefit increases (retirement typically goes up unless they chose ARP).
7. Student employees are only charged FICA during the summer months. During the academic year, students are only allowed to work a maximum of 20 hours/week. Hourly wage rates starting in 2022 are \$8.50/hour up to \$11/hour for those who work in roles that require more advanced skills or responsibilities.

CATEGORY	NOTES	CALCULATION	COST
Personnel	The most important role for the proposal writer is to determine who (or what type of person) will work on the project and how much time each person will contribute.		
<i>Project director</i>	Faculty or staff responsible for the project. Salary is based on that person's contractual salary and the percentage of his/her time devoted to the project. (Release time) or Salary is based on # of hours expected to work for Dual Comp based on hourly rate (extra service pay)	% of time x base salary. Academic Annual Salary (based on rank/step) ÷ 30 weeks (academic year [two 15-week semesters]) ÷ 37.5 (standard workweek) = Hourly Rate of Pay	
<i>Principal investigator (PI)</i>	Basically, the same as the project director, but the term is more likely to be used on a research project.		
<i>Co-director or Co-PI</i>	When two people are sharing responsibility for the project, they can be Co-directors or Co-PIs. There should be a statement showing the percentage of time each person is contributing to the project.		
<i>Faculty/staff</i>	Other faculty/staff may be working on the project. Their roles should be clearly defined and justified in the proposal. There should be justification for the amount of time each is contributing.	% of time x base salary OR Extra Service Pay	
<i>Graduate research assistant</i>	Pay levels for graduate assistants are established by the Board of Trustees. Current pay levels are available from the Grant Accountant. A full-time graduate assistant works 20 hours per week for the academic year and receives a tuition waiver up to a specific amount of credits taken.	Tuition and stipend. Fees not included. For further information, contact Graduate Admissions.	

	Those working fewer hours or a shorter time period get a pro-rated tuition scholarship. GAs can be appointed for 1, 2, or 3 semesters per year.		
<i>Graduate student help</i>	Graduate students may be hired under the terms of General Student Assistance, just like undergraduates. They are then paid an hourly wage. If the student is going to work for at least one full semester, it is preferable to hire the student as a GA.	Hourly wage x hours/week x # of weeks.	
<i>Clerical help</i>	Clerical assistance can be obtained for a project either by hiring someone specifically to work on this project or by paying a portion of the salary of an existing clerical employee.	% of time x base salary Hourly wage x hours/week x # of weeks.	
<i>Undergraduate student help</i>	Undergraduate students can be hired to work on a project.	Hourly wage x hours/week x # of weeks.	
<i>Fringe Benefits</i>	Most employee groups are paid fringe benefits, which are a function of the employee classification. Fringe benefits are sometimes included with salary, but more often are reported as a separate line item. The Grant accountant will determine fringe benefits for anyone you need.	Consult Grant Accountant	
<i>Consultants</i>	It is not unusual to pay a consultant as part of a project. Be sure that the proposal explains the rationale for the consultant. Pay rates vary by discipline, but some funding programs (particularly federal ones) have limits on what consultants can be paid. You cannot pay prior SRU employees as consultants for 1 year after they leave the University. This is covered under the 1 year "revolving door" prohibition under the	Fee + [per diem costs x number of days on project, or mileage costs, etc.].	

	Ethics Act.		
<i>Honorariums</i>	Pay for special activities such as a major workshop presenter, keynote speaker at a major event, or conference panelists.	Fee + expenses.	
<i>Independent Contractors</i>	Independent contractors are hired to do a specific task that they typically do for many different people. SRU employees cannot contract with SRU.		
<i>Equipment</i>	An item costing more than \$5,000 and having a life over one year is considered equipment. Include equipment only if it is an allowable expense by funding program.	List each item and its cost. Should get quotes to be most accurate.	
<i>Travel</i>	Figure the number of trips, the number of travelers, and the mode of travel. Travel costs can include airfare, trains, private cars or motor pool vehicles, hotels, taxis, tips, meals, and conference fees.	Estimate all costs for each traveler on each trip. Do NOT use a ballpark estimate of the overall cost.	
<i>Participant Support</i>	You might provide support (e.g., books, housing, meals, travel) or a small fee to each participant in the project. The project guidelines may limit what you can offer participants. If you are paying expenses for an advisory committee, you might list them here.	Cost per participant x # of participants	
<i>Supplies & Materials</i>	Many things fall into this category, such as paper stationary, envelopes, computer paper, software, pencils, pens, other office supplies, books and texts, workshop materials (e.g., folders, tablets), laboratory supplies, art supplies, telephone (local and long distance), printing, photocopying, postage (particularly for large mailings), and test materials. Possible costs are given here, but you need to thoroughly think through the project (mentally walk through each step) to know what must be included.	Unit cost x quantity.	

<i>Evaluation Costs</i>	Carefully plan the evaluation, so you know what charges to include. The costs may be listed here or included in the various categories above.		
<i>Dissemination Costs</i>	Dissemination costs can include such items as travel to professional meetings, visits to other universities or schools, costs of hosting a workshop, publication of booklets, curriculum materials, tests, and page charges. These items can be included in the various categories above.		
<i>Other Costs</i>	Depending on the project, there may be other costs that do not fit any of the categories provided above. For example, there may be entertainment costs (you will need permission to charge these), conference fees, or publication costs not listed under Dissemination.		
<i>Facilities & Administrative Costs (Also Called Indirect Costs)</i>	These are administrative costs not uniquely associated with the project, and cover work done by other areas of the university such as Accounting, Purchasing, Payroll, Custodial Services, etc. Grant Accountant will tell you how to compute F&A Costs for your project.		
<i>Matching Funds (Also Called Cost Sharing)</i>	Some agencies/programs require matching funds; others encourage it. Some matches must be cash; others may be "in-kind" or — third party.		