JUSTIFY THAT!	Andrea Gorzitze, CRA, The Ohio State University
WHAT INVESTIGATORS AND GRANT DEVELOPERS NEED TO KNOW	Lori Kaser, CRA The Ohio State University Katie Plum, Angelo State University
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LEARNING OBJECTIVES

Following this presentation, participants will:

- Understand the primary components of a well written budget justification
- Be able to identify and correct problematic sections in budget justifications
- Know how and where to find information to justify budget items
- Understand the specific budget justification requirements and preferences of major federal agencies

TODAY....

- Budget Basics
- The Good, the Bad, and the Ugly of Justifications
- Working with your PIs
- Selected sponsors
 - USDA / NIFA
 - NSF
 - NIH
 - DOE Education

BUDGET BASICS

Standard Budget Categories

- Salaries & Wages
- Fringe Benefits
- Materials & Supplies
- Travel
- Tuition & Fees
- Publication Costs
- Equipment
- Facilities & User Fees
- Consultant Fees
- Contractual/Subaward Costs
- Other Direct Costs
- F & A Rate (Indirect Costs)

THE BAD AND THE UGLY

- Lack of details
- Too wordy exceeds sponsor's page limit
- No dollar amount
- Does not follow standard budget categories
- Dramatic differences in salary without explanation
- Putting materials and supplies into the equipment category
- Voluntary match
- Justification does not match the proposal or vice versa
- Foreign travel with no compelling need demonstrated in proposal

THE GOOD

- Sufficient detail
- Budgeted items and the language of the justification match the proposal
- Dollar amounts match those in the budget forms
- All categories are clearly labeled with dollar amounts and in the order of the budget
- No voluntary cost sharing
- Everything justified in the correct category

THE GOOD BY CATEGORY

- Salary/wages what does the sponsor want to know?
 - Base salary
 - 9-month or 12-month appointment (or other, if applicable)
 - Level of commitment
 - FTE (full-time equivalent)
 - Percent of time
 - Number of months
 - What is the assumed annual salary/wage increase?
- - What categories of benefits (faculty, staff, students...)?
- Do the benefits increase annually?

THE GOOD BY CATEGORY

Travel

- Foreign
- Why?
- When, where, how much
- Domestic
- Car: mileage rate (federal vs. state)
 Per Diem rates http://www.gsa.gov/portal/category/21287
- Air fare estimate
- Hotel estimateConference cost estimate

THE GOOD BY CATEGORY

- Equipment
 - Cost \$5,000 or more
 - Have a useful life of at least one year
 - Be stand-alone and function independently
 - Five \$1,000 "pieces" put together do not make a piece of equipment!
 - Anything that does not meet the criteria for equipment should be budgeted in the supplies category.

THE GOOD BY CATEGORY

- Contractual/Subaward Costs
 - If the contractor/subawardee is known at the time of application:
 Include a budget and justification for the work to be performed by the contractor/subawardee
 - Obtain a letter of commitment and/or similar documentation from the proposed subawardee and include this with the application, if appropriate
 - If the contractor/subawardee will be selected upon award:
 - Provide a justification for the estimated cost
 - Indicate what process will be followed in selecting the contractor/subawardee (e.g. competitive bidding, formal RFQ, etc.)

NSF

- Three page limit!
- Info required:
 - Personnel Names of PI(s) and other senior personnel, fulltime-equivalent academic-year, summer, or calendar-year person-months, total amount of salaries/year
 - Fringe Benefits list institutional rate and dollar amount
 - <u>Equipment</u> >\$5,000 (unless institutional policy is different);
 be specific, name, model, price with tax & shipping
 - <u>Travel</u> itemize by purpose, destination, and cost.
 Domestic
 - Foreign more justification needed

NSF

- <u>Participant Support*</u> these are costs for program participants or trainees
- Stipends Paid to help "defray the costs of personal maintenance"
- Travel Funds for airfare, mileage, and/or public transportation
- Subsistence Funds to cover per diem expenses (meals/lodging); note: per diem/lodging may only be paid for out-of-town participants
- Other Any other allowable cost for participant support that does not fit into the above categories
- All participant support costs must be itemized and explained (e.g. destination and derivation of costs); include the number of participants and the cost per participant in each category
- * Use caution when including costs in this category, as funds cannot be reallocated from this category without prior approval of the program officer!

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NSF

- Other Direct Cost
 - Materials and Supplies general types of expendable materials
 - <u>Publication/Documentation/Dissemination</u> reports, reprints, page charges, illustrations, documentation, storage and indexing of data and databases; development, documentation and debugging of software; storage, preservation, documentation, etc.
 - <u>Consulting Services</u> Individual's expertise, organizational affiliation, daily compensation rate, days of expected service, travel costs.
 - <u>Computer Services</u> including computer-based retrieval of scientific, technical and educational information
 - Subawards must be disclosed in the proposal; disclose work to be performed, and basis for selection (except for collaborative/joint arrangements) and separate budget for each subaward

NSF

- Other Direct Cost
 - Other
- Total Direct Cost
- Indirect Costs (Facilities & Administrative Costs)
 - Negotiated by the organization with the cognizant Federal negotiating agency. If an organization has no established indirect cost rate, it should contact the Cost Analysis & Audit Resolution Branch of NSF's Division of Institution & Award Support.
- NSF usually allows full institutional F&A but always double check RFP
- No F&A costs on:
 - equipment, tuition, construction of facilities, participant support costs; to foreign grantees; and to individuals (i.e., Fellowship awards).
- No Cost sharing! 3 page limit! ©

USDA/NIFA

- Indirect cost rate differs in RFP's
- Federal and Non-Federal Budget may be required
- There may be a page limit, each RFP is different
- RFP usually outlines required budgetary items

NIH

There are two types of budgets with NIH proposals:

- Modular
 - For budgets of up to \$250,000 TDC /yr.
 - Requests are in increments of \$25,000 reflecting appropriate support for the project.
 - There are no future year escalations (may be shown internally but not mentioned in justification).
 - A typical modular grant application will request the same number of modules in each year; exceptions can be justified
 - Not accepted for SBIR and STTR grant applications
- Provide budget narrative regarding all Personnel by position, role, and level of effort ONLY. This includes consultants, personnel on any Consortium/Contractual arrangement and any "to be appointed" positions. (Salary caps!)

NIH

- Detailed
 - For budgets of over \$250,000 TDC/yr.; it is basically like a 'regular' budget
- Justification for all costs no page limit
- Make sure you include personnel roles, person months

EDUCATION

- <u>Salaries and Wages:</u> every funded position needs a full justification – usually a short paragraph on each
- <u>Travel:</u> Excessive travel can be highly suspect in ED applications
 be sure to explain why each trip is necessary
- <u>Contractual:</u> ED places great value in competitive bidding processes - if you select a contractor without bidding, explain why a sole source purchase is more appropriate
- F&A Costs: With the exception of IES funded research grants, ED rarely pays full F&A costs (usually a max of 8%)
- *Pay careful attention to page limits some ED programs have them for the Budget Narrative and others do not

DEPARTMENT OF ENERGY

- ARPA-E
 - Extremely structured
 - Leaves no room for guess work
 - Be prepared to provide a lot of detail, for instance, whether equipment prices are based on phone, email quote or manufacturer's website.

DEPARTMENT OF ENERGY						
		Department of Euroge-sepa is Budget Austhorian Europia Page 6 of 22				
		logical support for the estimated use value during the project.				
	Justification of Need	Explain how each proposed equipment item applies to the Statement of Project Objectives and accompanying Technical Milestones and Deliverables.				
	Project Total	true title grand total for each column and category.				
STEP 6 Complete Tab E: Supplies	with an acquisition cost the project performance that is the basis of the pr	all prospored supplies under the "Supplies" lab for anyth Sudgest Year. Supplies are generally defined as Items of \$1,000 or loss and a useful life expectancy of less than one year. Supplies are generally communed during 5" Supplies and description and should not be displicative of supply once that are included in the indirect pool opposed indirect rate applies for the project.				
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	Unit Caré	State the extinated cost for one just of the supplies requested.				
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	Bear or Cold	State a cod partification (e.g., windor sponse, catalog prices, prior microse, etc.) for the proposed supplies. If somethoding existing supplies as onel phase, provide legical support for the additional sales (Appell.)				
	Austrian of York	Socials how proposed supplies apply to the Sommers of Project Dipictives and accompanying Technical Milestones and Deliverables.				
	Project Total	Insert the grand total for each column and category				
100.0		and justify programs costs related to full-recipients, vendors, cormactors, consultants, and HROC partners				
Complete	Ander the "Contraction"	teb for each Budget fees. It is the Applicant's responsibility to ensure that adequate supporting set with the full Application.				
Tab F: Contramost		IFA Eprovies the following supplemental guidance on completing the "Contractual" talls:				
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COST SHARING

- Commit only when required

Read justification closely, avoid statements and words that indicate cost sharing, when not required.

"Dr. Smith will donate 3% of his time to the project."

"Dr. Smith is not requesting any release time but will work at least 20% of his time on the project."

DISCUSSION AND QUESTIONS