

# Preparing a Budget to Fit Your Basic Science Program

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# As you identify agencies to fund your project, consider:

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- Budget maximums and allowable costs
- What are your estimated personnel, equipment, travel and operating expenses.
- Will the budget be adequate for your project?
- If NIH, it must be in response to a PA or RFP (see next page)
- Allow time to bring draft budget to your department at least 2 weeks before the grant deadline.

# A Sample PA / RFA:

## Part I Overview Information

### Department of Health and Human Services

### Participating Organizations

National Institutes of Health (NIH), (<http://www.nih.gov>)

### Components of Participating Organizations

National Institute of Neurological Disorders and Stroke (NINDS), (<http://www.ninds.nih.gov>)

### Title: NINDS Mentored Research and Clinical Scientist Development Awards in Translational Research

### Announcement Type

This is a reissue of [PAR-02-140](#), which was released on July 26, 2002.

**Update:** The following update relating to this announcement has been issued:

- [February 14, 2008](#) - See Notice (NOT-NS-08-016) NINDS will no longer accept applications after the February 12, 2008 receipt date for new applications and after the July 12, 2008 receipt date for resubmission applications.
- [October 4, 2007](#) - Expiration Date adjusted to accommodate recent changes to standing submission deadlines, per NOT-OD-07-093.

**Program Announcement (PA) Number:** PAR-05-160

**Catalog of Federal Domestic Assistance Number**

93.853

# You are not alone

- Your Department/Division administrator is your information resource, can help develop your budget, will enter it into WU system, and will help shepherd your application through final submission.
- Start EARLY – your application will process through your Division/Dept AND WUSM Grants & Contracts – think of each as a partner in reviewing complex eligibility, budget & compliance issues

# Direct Costs vs. Indirect Costs

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Direct costs are research expenses:

- Personnel
- Consultants
- Equipment
- Supplies
- Travel
- Patient care costs
- Other expenses

Indirect costs = Overhead = **Financial & Administrative (F&A) expenses**

# Allowable Direct Costs

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- Allowable costs are costs that can be identified specifically with a particular sponsored project or that can be directly assigned to such activity relatively easily with a high degree of accuracy. Must be allowable, allocable, reasonable and consistent.
- Some agencies have specific limits or exclusions
- Questions? Consult your business office or Sponsored Projects Accounting  
<http://spa.wustl.edu/>

# Budget requirements

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Budget requirements will vary by funding agency and by grant mechanism

Check agency policy for exclusions: such as PI salary, equipment, travel, computer purchases

Maximum \$: F&A costs may or may not be included in agency maximum budget request.

- NIH funding guidelines are based on direct costs
- ADA guidelines are based on total costs. Thus 100,000 maximum award = 86,957 direct + 13,043 overhead.

# Personnel costs

- Your department/division grants person has tools to accurately calculate personnel costs
- Stipends, in whole or as supplements, are not allowable charges to research grants
- Personnel costs will usually be the greatest single line item in your budget
- Personnel cost averages in my department:
  - 76% in grants w/o animals
  - 67% in grants with animal expenses



# Estimating personnel costs

- Salary –factor in new year salary increases and anticipated promotions through budget period
- Fringe benefits – WU’s system will calculate more accurately; for rough estimates, use 25%, but fringes will vary widely depending on
  - type of appointment
  - benefit eligibility
  - age of employee (Annuity charges to grants can range from 7% to 11.5%)

# Non-Personnel Costs:

Equipment

Operating costs

- Consumable supplies
- Other expenses
- Subcontract costs

Travel

# Equipment

- \$5,000 or greater
- May be a cluster of purchases of less than 5K each, but cumulatively =>5K to form a single system

# Other expenses – think carefully

Services: intangible but often very expensive

Many overlooked expenses fall into this category:

- Equipment maintenance/service – consider your own equipment AND shared equipment
- Fee-for-service facilities (DNA sequencing, glasswashing, radioactive waste disposal, microscopy charges)
- Publication costs

# Subcontracts

- Budgeting for work by collaborator at another institution
- Includes their F&A in your direct costs
- Additional documentation required – notify your grant administrator early

# Budget Forms

- May be paper or may be on-line
- Your grant assistant can help fill these out

# A Sample NIH Budget Page

## BUDGET FOR ENTIRE PROPOSED PROJECT PERIOD DIRECT COSTS ONLY

BUDGET CATEGORY TOTALS		INITIAL BUDGET PERIOD (from Form Page 4)	ADDITIONAL YEARS OF SUPPORT REQUESTED			
			2nd	3rd	4th	5th
PERSONNEL: <i>Salary and fringe benefits. Applicant organization only.</i>						
CONSULTANT COSTS						
EQUIPMENT						
SUPPLIES						
TRAVEL						
PATIENT CARE COSTS	INPATIENT					
	OUTPATIENT					
ALTERATIONS AND RENOVATIONS						
OTHER EXPENSES						
CONSORTIUM/ CONTRACTUAL COSTS	DIRECT					
<b>SUBTOTAL DIRECT COSTS</b> (Sum = Item 8a, Face Page)						
CONSORTIUM/ CONTRACTUAL COSTS	F&A					
<b>TOTAL DIRECT COSTS</b>						
<b>TOTAL DIRECT COSTS FOR ENTIRE PROPOSED PROJECT PERIOD</b>						<b>\$</b>

JUSTIFICATION. Follow the budget justification instructions exactly. Use continuation pages as needed.



# **Detailed Budget Justification**

**Refer to agency guidelines.**

Most detailed budget descriptions require justification for all expenses required for the proposed project.



# Personnel Justification: Information to Include

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- Name
- Degrees
- Role in project
- Effort – NIH requests calendar months  
Example: 50% effort = 6.0 cal. mos.)
- Aspects of project they will be involved in
- Educational and research experience relevant to project (optional)

# Sample Budget Justification

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## Personnel

Jayne Dough, M.D. – PI, 6.0 cal. mos. (50%)

Dr. Dough will have overall responsibility for the projects outlined. Specifically, she will design, plan, and carry out the proposed research, analyze the results...

Jon Smyth, Ph.D.–Res Assoc, 12.0 cal. mos. (100%)

Dr. Smyth has expertise in ..... and will be responsible for ...

Note: some agencies require effort to be listed as calendar months, some as percentages – justify accordingly.

## **Supplies**

XYZ kits –  $n$  XYZ kits will be required for ...

Histology supplies – For the work outlined in Aim 2, samples will be prepared by...

Molecular biology supplies - cloning reagents including restriction enzymes, polymerases, ligases and other standard molecular biological reagents.

## **Travel**

# trip/s per year to XX scientific meeting (be specific if possible) times # travelers

## **Other expense**

Antibody production: by Zymed Laboratories, Inc. Polyclonal antibody production (\$800 per antibody) x 2 / yr = 1,600

Animal housing: 150 cages x .5748/day x 365 days = 31,470

# **MODULAR BUDGETS FOR TYPICAL NIH R-SERIES GRANTS**

Most NIH applications have total direct costs of 250,000 or less per year and will use the **MODULAR BUDGET** format

# NIH Modular Budgets 25K-250K

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- Modular budgets must be requested in increments (“modules”) of \$25,000.
- The maximum is \$250,000 in annual direct costs.

# Modular Budget Rules

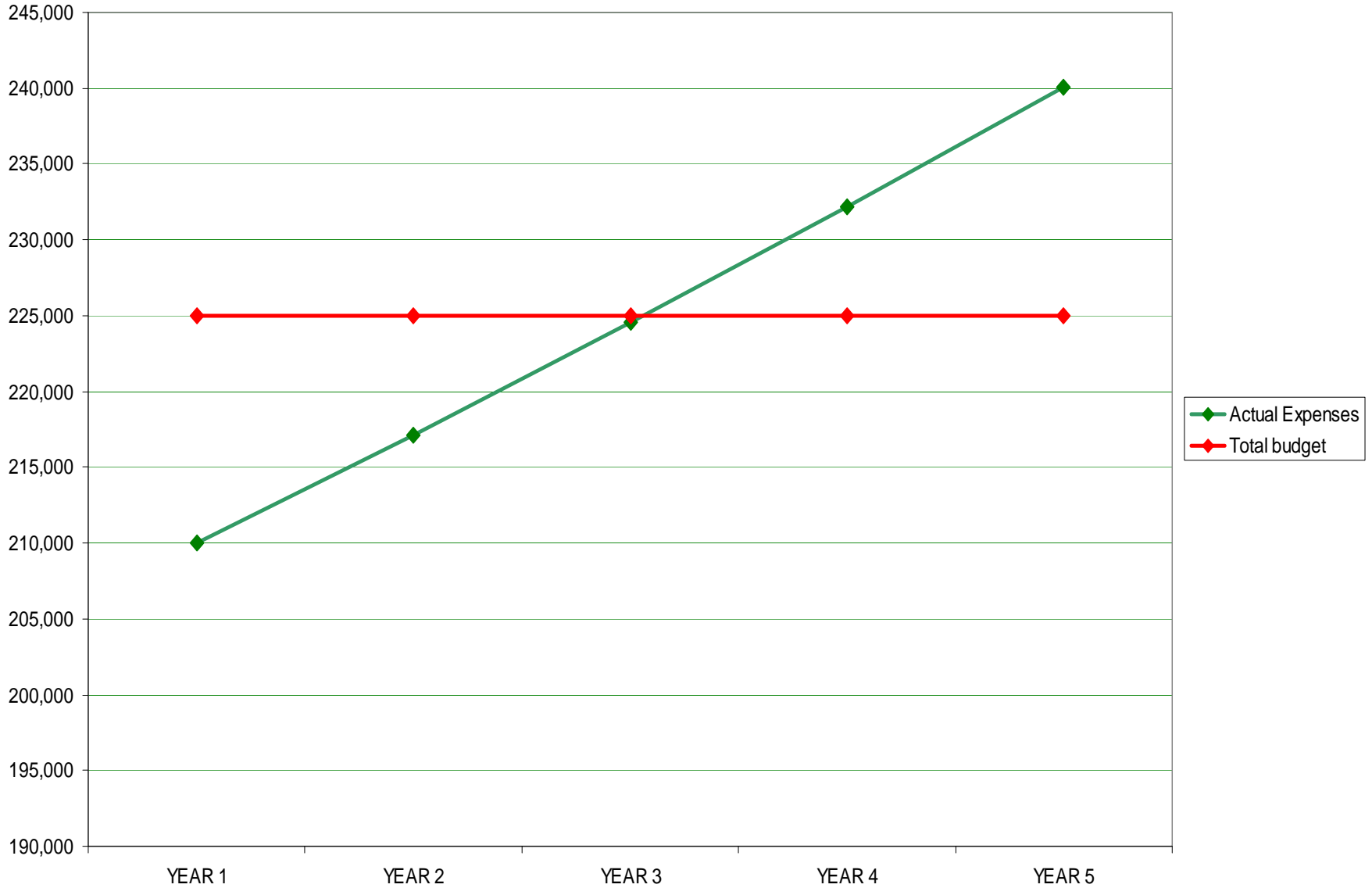
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- No detailed breakdown by expense category is needed.
- Typically, the same number of modules/year is requested throughout.
- Additional modules may be requested to purchase equipment, or for exceptional expenses in some years.
- No built-in future-year cost escalations, so carryover from early years is key.

# Developing a modular budget

	<u>Yr 1</u>	<u>Yr 2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>	TOTAL
<b>Personnel</b>	170,000	175,950	182,108	188,482	195,079	
<b>Equipment</b>	20,000	0	0	0	0	
<b>Operating costs</b>	39,000	40,170	40,770	34,333	27,670	
<b>Travel</b>	2,000	2,060	2,122	2,185	2,251	
<b>Subtotal</b>	231,000	218,180	225,000	225,000	225,000	1,130,422
<b>Unassigned</b> Use to offset declining op exp in latter years	19,000	6,820				
<b>Total</b>	250,000	225,000	225,000	225,000	225,000	1,150,000

# VIEWING A MODULAR BUDGET OVER FIVE YEARS





# A Sample Modular Justification

## PERSONNEL << EACH PERSON MUST BE JUSTIFIED

- Jayne Dough, M.D. – PI, 6.0 cal. mos.  
Dr. Dough will have overall responsibility for the projects outlined. Specifically, she will design, plan, and carry out the proposed research, analyze the results...
- Jon Smyth, Ph.D. – Research Associate, 12.0 cal. mos.  
Dr. Smyth has expertise in ..... and will be responsible for ...

## EQUIPMENT << JUSTIFY NEED FOR ADDITIONAL MODULES

- We are requesting two additional modules in year one for the purchase of Super Widgets (\$38,000) to be used for analysis of X in Specific Aim 1.

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**If it's in your budget,  
it should also be in  
your proposal.**

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# RESOURCES

- Your department/division business office
- Grants and Contracts  
<http://grantsandcontracts.wustl.edu/>
- Research Office <http://wuro.wustl.edu/>

**QUESTIONS?**