UNC Symposium for Research Administrators

Presenters

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Do you cringe every time you hear the word ‘Budget?’
Or maybe ‘Budgeting’ brings out the *animal* in you?

*We will get all the grants.*

*For all the things*
So let’s get budgeting...

*Presentation Agenda*

- Getting Started
- Uniform Guidance and Cost Principles
- Compile Budget
  - Detailed
  - Modular
- Cost Sharing
- Budget Justifications
- Sponsor Specific Budgets
- Putting it all together
Part 1
Getting Started
Intro to Budgeting
Key Elements to a Successful Budget

**Definition:** A detailed statement outlining estimated project costs to support the sponsored project.

- Provides a blueprint for expenditures on project funds
- Outlines the proposed project in fiscal terms
- Reveals whether a proposed project has been carefully planned

**Best Practices:**

- Prepare a reasonable budget based on actual costs
- Construct your budget to be used by PI and Post-Award team with few adjustments as possible
Getting Started

The first step in the process of submitting a proposal is to identify, read, and understand the solicitation.
## Getting Started

### Funding Sources

- **Federal**
- **Non-Federal**
  - State and Local Gov.
  - Foundation/Non-Profit
  - Industry
  - International
- **Subrecipient**
- **Internal Awards**
### Getting Started

<table>
<thead>
<tr>
<th>Solicitation Types</th>
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</thead>
<tbody>
<tr>
<td>Research Funding Announcements</td>
</tr>
<tr>
<td>Request for Proposals</td>
</tr>
<tr>
<td>Proposal Announcements</td>
</tr>
<tr>
<td>Funding Opportunity Announcements</td>
</tr>
</tbody>
</table>
Getting Started

• Know your budget limits:
  – May have salary caps and exclusions
  – Limitations on direct and indirect costs

• What type of budget is being submitted:
  – Detailed
  – Modular
  – Other Sponsor Specific

• Are there cost-share requirements?
• Know the project period of support available
Getting Started

Sample Budget Limits

NIH Research Project Grant (Parent R01)

Award Budget
Application budgets are not limited but need to reflect the actual needs of the proposed project.

Award Project Period
The scope of the proposed project should determine the project period. The maximum project period is 5 years.


NIH Exploratory/Developmental Grants (R33)

Award Budget
Direct costs are limited to $300,000 per year. Application budgets must reflect actual needs of the proposed project.

Award Project Period
The total project period request may not exceed 3 years.

### Getting Started

**Sample Budget Limits**

**NIH Midcareer Investigator Award (K24)**

<table>
<thead>
<tr>
<th>Award Budget</th>
<th>Award Project Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award budgets are composed of salary and other program-related expenses, as described below.</td>
<td>The total project period may not exceed 5 years.</td>
</tr>
</tbody>
</table>

**Other Award Budget Information**

<table>
<thead>
<tr>
<th>Salary</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>The NIH Midcareer Investigator Award In Patient-Oriented Research (K24) will provide salary for levels of effort between 3-6 person-months (or 25 and 50% full-time professional effort). The actual salary provided by the award is based on a full-time, 12-month staff appointment at the sponsoring institution, the PD/PI's institutional salary, and the level of effort requested, up to the maximum legislated salary rate in effect at the time of award (see: <a href="https://grants.nih.gov/grants/policy/salicap_summary.htm">https://grants.nih.gov/grants/policy/salicap_summary.htm</a>). In addition, the candidate may derive additional compensation for effort associated with other Federal sources or awards provided the total salary derived from all Federal sources does not exceed the maximum legislated salary rate and the total percent effort does not exceed 100%.</td>
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</table>

<table>
<thead>
<tr>
<th>Other Program-Related Expenses</th>
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</thead>
<tbody>
<tr>
<td>The NIH will provide up to $50,000 per year for the following expenses: (a) research expenses, such as supplies, equipment and technical personnel for the PD/PI and the mentees, (b) travel to research meetings or training, (c) statistical services including personnel and computer time. Salary for mentors, secretarial and administrative assistants, etc. is not allowed.</td>
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</table>

<table>
<thead>
<tr>
<th>Indirect Costs</th>
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<tbody>
<tr>
<td>Indirect Costs (also known as Facilities &amp; Administrative [F&amp;A] Costs) are reimbursed at 8% of modified total direct costs.</td>
<td></td>
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</tbody>
</table>

Part 2
The UG and Cost Principles
Federal Regulations
Uniform Guidance

2 CFR §200

“Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award”

- This is a set of regulations which consolidates several OMB Circulars, including A-21, A-110, and A-133.
- These regulations impact:
  - Proposals requesting federal funding
  - Management of Grants and Cooperative Agreements
  - Cost Principles applicable to research at UNC-CH

Reference:
https://www.ecfr.gov/cgi-bin/text-idx?SID=ed90f54836feb6a994f657188eb05e33&node=2:1.1.2.1&rgn=div5
## Cost Principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Allowable</td>
<td>Cost conforms with any limitations or exclusions</td>
</tr>
<tr>
<td>Allocable</td>
<td>Cost provides a direct benefit to the project equal to the portion charged</td>
</tr>
<tr>
<td>Reasonable</td>
<td>Costs meet what a prudent person would do in the same circumstances</td>
</tr>
<tr>
<td>Consistent</td>
<td>Uniform treatment of cost types throughout institution</td>
</tr>
<tr>
<td>Chargeable</td>
<td>Cost that meets all Cost Principles and appropriate to be charged</td>
</tr>
</tbody>
</table>
Cost Principles
Considerations for Expense Categories

Generally Allowable Categories

- Compensation
- Equipment
- Materials & Supplies
- Professional Services
- Participant Support
- Publication Costs

- Recharge Centers
- Maintenance & Repair
- Training and Education
- Transportation
- Travel
Cost Principles
Considerations for Expense Categories

Allowable with Conditions

- Advertising
- Administrative & Clerical Salaries
- Audit Services
- Conferences
- Exchange Rates
- Equipment Rental
- Tuition Remission
- Pre-Award Costs
- Program Outreach
- Property Rental
- Recruitment & Relocation
- Scholarships
- Termination Costs
- Taxes
## Cost Principles

### Considerations for Expense Categories

<table>
<thead>
<tr>
<th>Generally Unallowable Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisory Councils</td>
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<td>Alcoholic Beverages</td>
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<tr>
<td>Alumni Activities</td>
</tr>
<tr>
<td>Bad Debts</td>
</tr>
<tr>
<td>Commencement</td>
</tr>
<tr>
<td>Contributions &amp; Donations</td>
</tr>
<tr>
<td>Costs covered by F&amp;A Rate</td>
</tr>
<tr>
<td>Entrainment Costs</td>
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<tr>
<td>Fines &amp; Penalties</td>
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<tr>
<td>Fund Raising</td>
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<td>Investment Management</td>
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<td>Legal Proceedings</td>
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<tr>
<td>Lobbying</td>
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<td>Losses on Other Projects</td>
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<tr>
<td>Memberships</td>
</tr>
<tr>
<td>Subscriptions</td>
</tr>
<tr>
<td>Selling and Marketing</td>
</tr>
<tr>
<td>Student Activities</td>
</tr>
</tbody>
</table>

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**THE UNIVERSITY OF NORTH CAROLINA at CHAPEL HILL**
Cost Principle Relationship

- Allowable
- Allocable
- Reasonable
- Consistent
- Chargeable
Part 3
Compiling Budget
Components
“A budget is telling your money where to go instead of wondering where it went.”

Dave Ramsey
## Components of a Detailed Budget

### Typical Budget Categories

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Non-Personnel</th>
<th>Indirect Costs</th>
<th>Cost Sharing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Salary / Wages</td>
<td>• Supplies</td>
<td>• Applicable Facilities and Administrative Costs Rate</td>
<td>• Mandatory vs. Voluntary</td>
</tr>
<tr>
<td>• Stipends</td>
<td>• Equipment</td>
<td></td>
<td>• Cash Matching</td>
</tr>
<tr>
<td>• Fringe Benefits</td>
<td>• Travel</td>
<td></td>
<td>• In-Kind</td>
</tr>
<tr>
<td>• UNC Mandatory 1% PI Effort</td>
<td>• Subrecipients</td>
<td></td>
<td>• Reductions to F&amp;A</td>
</tr>
<tr>
<td></td>
<td>• Consultants</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Other Direct Costs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### References:
- Fringe: [https://research.unc.edu/files/2016/08/fringe_17.pdf](https://research.unc.edu/files/2016/08/fringe_17.pdf)
- Cost Sharing: [http://research.unc.edu/sponsored-research/policies-procedures/section-500/policy-7/](http://research.unc.edu/sponsored-research/policies-procedures/section-500/policy-7/)
- Non-Personnel Costs: [http://research.unc.edu/sponsored-research/policies-procedures/section-300/policy-8/](http://research.unc.edu/sponsored-research/policies-procedures/section-300/policy-8/)
- Mandatory PI Effort: [http://research.unc.edu/sponsored-research/policies-procedures/section-600/policy-5/](http://research.unc.edu/sponsored-research/policies-procedures/section-600/policy-5/)
Components of a Detailed Budget

Other Direct Costs and F&A

- Research Patient Care Costs (in-patient)*
- Study Subject Expenses/Reimbursement
- Recharge Centers/Core Costs
- In-state Tuition*
- Alterations and Renovations*
- Space Rental*
- Animal Care and Purchase
- Communications/Teleconferencing
- Trainee Costs**
- Participant Support Costs**

*Items excluded from F&A under IDC Agreement
**Items may be excluded from F&A per Agency Guidelines
Components of a Detailed Budget

Direct Costs

Those costs that can be identified specifically with a project or activity with a high degree of accuracy.

- Personnel Costs
- Materials
- Services for the project
- Specific services/maintenance
- Equipment
- Travel
- In-state Tuition
- Subrecipient Costs

Indirect Costs

Costs incurred for common or joint objectives that cannot be readily or specifically identified with a project

- Building depreciation & interest
- Equipment depreciation
- Operations & Maintenance
- Library
- Utilities
- General & Departmental Admin.
- Sponsored Projects Admin.
- Student Services
Components of a Detailed Budget

Personnel Budgeting Questions

Who are the personnel?

– Program Director/Principal Investigator (full-time EHRA staff only)
– Identify 12 Month or 9 Month (Academic/Summer) appointment
– Amount of Effort on the project
– Funded or Unfunded (cost shared) effort
– Admin./Clerical salaries are usually not allowable

What is the Institutional Base Salary?

– Includes Administrative Supplements (except for Summer Salary)
– DHHS/PHS imposed Salary Cap
– Postdocs salaries follow NIH Guidelines for stipend levels

Will there be Graduate Students?

– Amount of Effort on the project
– Appropriate Fringe Benefits rate
– Tuition costs

What is the allowable Annual Escalation?

– Annual escalations allowed between 3 to 5%
Components of a Detailed Budget

Effort and Person Months

A ‘person month’ is the metric used to express effort (amount of time provided to a project) that personnel identified in the budget are devoting to the project.

Pro Tip: NIH Person Month & Percent of Time Calculator
https://nexus.od.nih.gov/all/2017/03/31/what-is-a-person-month-how-do-i-calculate-it/
Components of a Detailed Budget

Equipment and Travel Budgeting Questions

**EQUIPMENT**

Does the item meet the definition of equipment?
- Stand alone item with a useful life of more than one year
- Cost greater than $5,000

**TRAVEL**

What project-related travel will occur?
- Domestic
- Foreign

The Who, What, Where, When, and Why of Travel?
- Itemized costs: air fare, meals/per diem, lodging
- Per diem calculations (UNC-CH policy or US State Department Per diem)
- Fly America Act, US Flag carrier requirements
- Airfare must be in coach class or equivalent
ALL I SAID WAS

YOU HAVE TO START ITEMIZING YOUR TRAVEL COSTS
Components of a Detailed Budget

Subrecipient Budgeting Questions

What are the collaborating institutions?
Does the subrecipient have a negotiated F&A rate?
  – Include a copy of their agreement on eIPF in RAMSeS
What personnel and other direct costs will be included
  – Subrecipient costs must meet cost principles
  – Allowable for that type of organization

Has the Subcontractor completed budget forms according to the Solicitation?

OSR Requirements:
  – Subrecipient Letter of Commitment (must be signed by PI and OSR/SPO)
    http://research.unc.edu/files/2013/06/subcontractor_commitment-2OutgoingfromsubactorntoUNC_COI_PHS_NS_REV6-24-13.doc
  – Subrecipient has Conflict of Interest compliance program
  – Subrecipient Statement of Work
  – Subrecipient Budget and Budget Justification
  – DUNS Number, SAM.gov Registration
  – F&A Agreement
Components of a Detailed Budget

Dealing with Subrecipients

Outgoing Subrecipients – *When UNC is the Primary Recipient*

When the University enlists another organization to provide services to a UNC-Chapel Hill sponsored project, the outgoing proposal package must include each Subrecipient’s:

- Statement of Work
- Proposed Budget and Budget Justification
  - The University may recover F&A costs for no more than $25,000 of the total costs charged to the sponsored project by each subrecipient, over the total life of the project.
- UNC-Chapel Hill Subrecipient Commitment documents
  - UNC-Chapel Hill Outgoing Subrecipient Commitment Letter
  - Face Pages PHS 398/2590 (for NIH proposals only)
- Additional items as required by the specific proposal guidelines.

The total costs for an outgoing subrecipient agreement are considered and written as a direct line item cost in UNC-Chapel Hill’s proposed budget to the sponsoring agency.
Components of a Detailed Budget

Dealing with Subrecipients

**Incoming Subrecipients – UNC is NOT the Primary Recipient**

When UNC-Chapel Hill is providing services to another organization, the proposal package must be routed as an eIPF through RAMSeS and include the University’s:

- Statement of Work
- Proposed Budget and Budget Justification
- Properly executed UNC-Chapel Hill Subrecipient Commitment Documents
  - UNC-Chapel Hill Incoming Subrecipient Commitment Letter
  - Face Pages PHS 398/2590 (for NIH proposals only)
- Additional items as required by the specific proposal guidelines.

The total costs for an incoming subrecipient agreement must include applicable direct costs and Facilities & Administrative (F&A) costs.
Components of a Detailed Budget

Consultants and Professional Services Questions

Is the person affiliated with the University?
- If yes, then they are considered an employee and must be paid in the ‘Personnel’ section of the budget
- Must not be a UNC-CH Employee
- University Procedure for Determining Independent Contractors
  [link](http://financepolicy.unc.edu/policy-procedure/708-independent-contractor/#policystatement)

What is the consultant’s fee and does the funding agency have a cap on consultant rates?
- Consultants are independent contractors and do not receive fringe benefits
- Consultants can only be paid for their time and reimbursed only for travel
- Consultants will billed by the hour, via invoice, and is paid directly

Will the consultant be incurring travel expenses?
- If so, these costs should be included with the Consultant costs
Components of a Detailed Budget

Consultants and Professional Services Questions

Is the consultant considered Key Personnel?

- Consultants need to be added in RAMSeS as Non-UNC personnel with their email address (external to the university)
- COI questionnaire is required if considered Key Personnel

These questions are required to be NO answers:

- Consultant substantially contributes to study design?
- Consultant is conducting any experiments or activities?
- Consultant is directly involved in/has control over data collection?
- Consultant is involved in the analysis of the data?
Components of a Detailed Budget

Non-Personnel Costs Questions

- What materials and supplies, or expendable items, will be required for the project?
- Will any services from a Research Service Center be required?
- What publications, reports, documents will be produced?
- Will any off-campus space be rented?
- Did you remember to include tuition for the graduate students included in this application?
  - If training grant, are students NC residents or non-residents?
- Will there be any costs associated with Research Subjects?
Components of a Detailed Budget

F&A Budgeting Questions

Which F&A rate should be applied based on the type of project?
- Sponsored Research
- Instruction
- Other Sponsored Activities
- Clinical Trial (Industry)

Where will the project take place?
- On-Campus F&A Rate – (55.5%)
- Off-Campus F&A Rate – 10 Mile Radius (28%)
- Off-Campus Remote Rate – (26%)

Does the program announcement restrict F&A costs?

Which F&A Base?
- Total Direct Costs (TDC)
- Modified Total Direct Costs (MTDC)
- Other, as required by the Sponsor or Solicitation
Components of a Detailed Budget

Indirect Cost Bases

Total Direct Costs
- Includes the entire budgeted amount
- Commonly used when F&A is reduced from the negotiated MTDC rate

Modified Total Direct Cost
- Select items are excluded from the direct costs when calculating F&A
- Commonly used with Federally funded projects

Reduced F&A
- Sponsor imposed limitations on F&A
- Common with private sponsors, and select Federal programs
- Read the solicitation carefully

Waived F&A
- Approval for reduced F&A when not required by the Sponsor/Guidelines
- Reduced F&A for For-Profit entities is not allowed
# Components of a Detailed Budget

*Modified Total Direct Costs*

<table>
<thead>
<tr>
<th>Included</th>
<th>Excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Costs</td>
<td>Equipment</td>
</tr>
<tr>
<td>Travel</td>
<td>Capital Expenditures</td>
</tr>
<tr>
<td>Materials &amp; Supplies</td>
<td>Off-Site Facility Rental</td>
</tr>
<tr>
<td>Services</td>
<td>In-Patient Care Costs</td>
</tr>
<tr>
<td>Initial $25,000 of Subrecipient Costs</td>
<td>Tuition</td>
</tr>
<tr>
<td>Research Subjects</td>
<td>Subrecipient Costs greater than $25,000</td>
</tr>
</tbody>
</table>
**Budget Details:** [http://research.unc.edu/sponsored-research/policies-procedures/#proposal_development](http://research.unc.edu/sponsored-research/policies-procedures/#proposal_development)

**Salary Allocation:**

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Department</th>
<th>% Effort</th>
<th>Personnel Type: Key, Significant Contributor, Other</th>
<th>Bio-Sketch Needed Yes / No</th>
<th>Salary Support Yes / No</th>
<th>Letter of Support Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lead PI</td>
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<td>Co-PI</td>
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<td>Pre-Doc*</td>
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<td>Post-Doc*</td>
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<td>Other</td>
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</tbody>
</table>

*If TBD: **Pre-Doc Rate @ $23,844** according to NOT-OD-17-084

**Post-Doc Rate @ $47,484** according to NOT-OD-17-003

**Note:** **Dept. of Biostatistics Computational Fee:** Faculty @ $5,375 X FTE; Students @ $2,688 X FTE

<table>
<thead>
<tr>
<th>Category Costs</th>
<th>Description</th>
<th>Amount</th>
<th>Covering Periods</th>
<th>Additional Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants**</td>
<td></td>
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<td>LOS</td>
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<tr>
<td>Equipment*</td>
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<td>5K per item</td>
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<tr>
<td>Tuition*</td>
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<tr>
<td>Travel (Domestic)</td>
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<td>Travel (Foreign)</td>
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<td>Publication</td>
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<td>Supply</td>
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<td>Patient Costs</td>
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<td>Animal Costs</td>
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<td>Other Costs</td>
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<tr>
<td>Data Management Costs</td>
<td></td>
<td></td>
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<td>RedCap / Sheps / Odum Institute</td>
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</table>

*Deduct from direct cost to obtain base cost

**Tuition Cost = Tuition Cost per employee**

*Tuition is proposed based on the percentage of effort the employee will work on the project. It is calculated as follows: % of effort

[http://research.unc.edu/offices/sponsored-research/resources/research-toolkits/developing-submitting-proposals/data_res_osr_proposalbudget/#other_direct_costs](http://research.unc.edu/offices/sponsored-research/resources/research-toolkits/developing-submitting-proposals/data_res_osr_proposalbudget/#other_direct_costs)**
Components of a Modular Budget

NIH Specific Budgeting

Modular Budget
An NIH budgeting mechanism that applies to select submissions requesting up to a total of $250,000 Direct Costs (less Consortium F&A)

- Required for new, competing continuations, and revised (amended) applications, as well as for competing supplements
- Used by select mechanisms:
  - Research Project Grants (R01)
  - Small Grants (R03)
  - Academic Research Enhancement Award Grants (R15)
  - Exploratory/Development Research Grants (R21)
  - Clinical Trial Planning Grant Program (R34)
  - Some RFA/Pas
- Request funds in modules of $25,000 Direct Costs for a maximum of $250,000 per year (less Consortium F&A)

https://grants.nih.gov/grants/how-to-apply-application-guide/format-and-write/develop-your-budget.htm#modbud
Components of a Modular Budget

*Decision Tree*

Direct Costs* ≤ $250k per year?

- YES
  - R01, R03, R15, R21, or R34?
    - YES
      - US based organization?
        - YES: Use Modular Budget
        - NO: Use Modular Budget
    - NO: Use Detailed Budget
  - NO: Use Detailed Budget

*Less Consortium F&A Costs

The PHS Modular Budget Form can be located here: [http://grants.nih.gov/grants/funding/modular/modular.htm](http://grants.nih.gov/grants/funding/modular/modular.htm)
Components of a Modular Budget

Reminders

• Use PHS 398 Modular Budget Form **not** SF424 (R&R) Budget form
• Determining Number of $25,000 Modules
  – Subtract any Consortium F&A from the total direct costs and round to the nearest $25k
• No future year escalations recommended
  – Try to request the same number of modules each year, except of equipment
  – No categorical/detailed budget at time of application of award
• There is no difference in allowable costs
• There is no difference in post-award financial management requirements
• A **UNC Internal Detailed Budget** is still required and needed in order to calculate the correct F&A costs and load a budget into the system
Part 4
Cost Sharing
Using our own money
Cost Sharing

Definitions

**Cost Sharing** or **Matching** is the portion of the project not reimbursed by the sponsor.

- **Mandatory**: Cost sharing required by the sponsor.
  - Usually a percentage of the total budget
  - Should not exceed the amount required

- **Voluntary**: Cost sharing not be required by the sponsor.
  - Must be prudently allocated

- **Other**: Costs not reimbursed by the sponsor but cannot used to meet cost sharing requirements
  - NIH Salary Cap
Cost Sharing

- Indirect Costs
- Direct Costs

Cost Share
*Paid by the University*
Cost Sharing

Budget Questions

Does the program require cost sharing/matching?

Methods:

• **Cash Matching**
  Using state or endowment funds, gift accounts

• **Investigator Effort**
  Not charged to the project, including benefits

• **Uncollected/Reduced F&A**
  When allowed by the Sponsor

• **In-Kind**
  Non Cash Contributions from third parties
  (volunteer services, donated items, travel costs)
Cost Sharing

_Important Reminders_

**All** cost sharing commitments must be carefully reviewed by the department. Costs claimed as cost sharing cannot be claimed on multiple projects.

**All** cost sharing commitments must be documented and retained by the University.
Part 5
Budget
Justification
The Why not What
Budget Justification

_The Basics_

**Budget Justification:** An explanation of costs requested in the budget detailed in a narrative. It should clearly explain how the costs requested are calculated and why they are necessary to the project.

The most common types of budget justifications are:

- Detailed Budget Justification
- NIH Modular Budget Justification
Budget Justification

*Example – SF424 Research & Related*

**Required Components:**
- Senior / Key Personnel
- Other Personnel
- Fringe Benefits
- Travel
- Participant / Trainee Support Costs
- Other Direct Costs
- Subrecipient Agreements / Consortium
Budget Justification

Example – SF424 Research & Related

Senior / Key Personnel

Jane Smith, MD, Principal Investigator: (3.00 CM, Years 1-5) Dr. Smith is an Associate Professor in...they will preform...and oversee...

John Doe, PhD, Co-Investigator: (0.60 CM, Years 1-5) Dr. Doe is a Professor in...they will be involved in...

Other Personnel

To Be Determined, Clinical Research Coordinator: (12.00 CM, Years 1-5) They will be responsible for...
Budget Justification

Example – SF424 Research & Related

Fringe Benefits

The University of North Carolina at Chapel Hill applies three fringe benefit rates to the personnel in this proposal:

Basic Permanent Employee Benefits – 23.093% of annual salary plus $5,659/FTE/Year for hospitalization.

Post-Doctoral Benefits are 8.990% of annual salary plus $4,310.16/FTE/Year for hospitalization.

Supplemental Benefits for members of the Physicians and Associates Practice Plan (P&A) are an additional 5.079% of annual salary plus an additional $2,093.04/FTE/Year for supplemental hospitalization and dental insurance. The total fringe benefits rate for P&A members is 28.178% of annual salary plus $7,703.92/FTE/Year for hospitalization and dental insurance.

Only Dr. Smith and Dr. Doe will receive P&A supplemental benefits.
Budget Justification

Example – SF424 Research & Related

Supplies (Consumables costing less than $5,000 and with less than two-year useful life.)

Blood Collection: $924, Years 1-3
Blood Collection supplies consisting of...are required for...

Ascites Collection: $428, Year 1
Ascites Collection supplies consisting of...are required for...

Fresh Frozen Tissue Collection and Storage: $1,165, Year 1-5
Costs associated with the collection and storage of frozen tissue samples are required for...
Budget Justification

*Example – SF424 Research & Related*

**Travel**

Travel to UVA: $4,000; $2,000 in Years 1 and 4 ...
Scientific Conference: $10,000; $2,000 in Years 1-5 ...
CRC Travel: $1,000; Year 1 ...

**Other Costs**

Tissue Banking Core: $79,752

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18,216</td>
<td>$21,132</td>
<td>$24,564</td>
<td>$8,724</td>
<td>$7,115</td>
</tr>
</tbody>
</table>

...
Budget Justification

Example – NIH Modular Budget Justification

Reminder

Budget amounts less than or equal to $250,000 per year (minus any Consortium/Contractual costs)
All projects greater than $250,000 require a detailed budget.

Only used for R01, R03, R21, and R34 applications
Budget Justification

*Example – NIH Modular Budget Justification*

**Required Components:**

- **Personnel Justification**
  - Include the name, role, and number of person-months devoted to the project for every individual on the project.
  - Salary figures are not required.
  - Include a paragraph briefly providing the current project fringe benefits rates

- **Consortium/Contractual Costs (Subrecipients)**
  - Include the total costs (Subrecipients Direct + Indirect) rounded to the nearest $1,000 for each subrecipient
  - List any subrecipient personnel with their roles and person-months.
  - Identify if it is a foreign institution

- **Additional Justification Narrative**
  - Include additional explanation for any variations in the number of Modules requested annually
  - Reference any direct costs that were excluded from the F&A Base and any work being conducted off-site
Part 6
Sponsor Specifics
*Unique and Numerous*
Sponsor Specific Budgets

Important Points

• Most federal agencies will require a detailed budget, using the SF424 R&R budget
• NSF uses the FastLane budget template
• Other, non-federal sponsors usually will not require the SF424 R&R budget
  – Read the guidelines to determine the budget format
• Small Business Innovation Research Awards / Small Business Technology Transfer (SBIR/STTR)
  – R41, R42, R43, R44
• Ruth L. Kirchstein National Research Service Awards
Sponsor Specific Budgets

R&R Example – Page 1

Sample R&R Budget Form:
https://grants.nih.gov/grants/how-to-apply-application-guide/forms-d/general/g.300-r&r-budget-form.htm
Sponsor Specific Budgets

R&R Example – Page 2

Sample R&R Budget Form:

[https://grants.nih.gov/grants/how-to-apply-application-guide/forms-d/general/g.300-r&r-budget-form.htm](https://grants.nih.gov/grants/how-to-apply-application-guide/forms-d/general/g.300-r&r-budget-form.htm)
### Sponsor Specific Budgets

**R&R Example – Page 3**

#### F. Other Direct Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Funds Requested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Materials and Supplies</td>
<td></td>
</tr>
<tr>
<td>2. Publication Costs</td>
<td></td>
</tr>
<tr>
<td>3. Consultant Services</td>
<td></td>
</tr>
<tr>
<td>4. ADP/Computer Services</td>
<td></td>
</tr>
<tr>
<td>5. Subawards/Consortium/Contractual Costs</td>
<td></td>
</tr>
<tr>
<td>6. Equipment or Facility Rental/User Fees</td>
<td></td>
</tr>
<tr>
<td>7. Alterations and Renovations</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td></td>
</tr>
</tbody>
</table>

**Total Other Direct Costs**

#### G. Direct Costs

**Total Direct Costs (A thru F)**

#### H. Indirect Costs

<table>
<thead>
<tr>
<th>Indirect Cost Type</th>
<th>Indirect Cost Rate (%)</th>
<th>Indirect Cost Base ($)</th>
<th>Funds Requested ($)</th>
</tr>
</thead>
</table>

**Total Indirect Costs**

#### I. Total Direct and Indirect Costs

**Total Direct and Indirect Institutional Costs (G + H)**

#### J. Fee

**Funds Requested ($)**

#### K. Budget Justification

(Only attach one file.)

Sample R&R Budget Form: [https://grants.nih.gov/grants/how-to-apply-application-guide/forms-d/general/g.300-r&r-budget-form.htm](https://grants.nih.gov/grants/how-to-apply-application-guide/forms-d/general/g.300-r&r-budget-form.htm)
Sponsor Specific Budgets
NIH Modular Budget Example – Individual Years

![PHS 398 Modular Budget](image)

**Budget Period: 1**

<table>
<thead>
<tr>
<th>Start Date</th>
<th>End Date</th>
<th>Next Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**A. Direct Costs**

<table>
<thead>
<tr>
<th>Direct Cost less Consortium Indirect (F&amp;A)</th>
<th>Funds Requested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consortium Indirect (F&amp;A)</th>
<th>Funds Requested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Total Direct Costs**

<table>
<thead>
<tr>
<th>Funds Requested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
</tr>
</tbody>
</table>

**B. Indirect (F&A) Costs**

<table>
<thead>
<tr>
<th>Indirect (F&amp;A) Type</th>
<th>Indirect (F&amp;A) Rate (%)</th>
<th>Indirect (F&amp;A) Base ($)</th>
<th>Funds Requested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Add Additional Indirect Cost**

<table>
<thead>
<tr>
<th>Cognizant Agency (Agency Name, POC Name and Phone Number)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indirect (F&amp;A) Rate Agreement Date</th>
<th>Total Indirect (F&amp;A) Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**C. Total Direct and Indirect (F&A) Costs (A + B)**

<table>
<thead>
<tr>
<th>Funds Requested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
</tr>
</tbody>
</table>
**Sponsor Specific Budgets**

**NIH Modular Budget Example – Cumulative**

### Cumulative Budget Information

<table>
<thead>
<tr>
<th>1. Total Costs, Entire Project Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section A, Total Direct Cost less Consortium Indirect (F&amp;A) for Entire Project Period</td>
</tr>
<tr>
<td>Section A, Total Consortium Indirect (F&amp;A) for Entire Project Period</td>
</tr>
<tr>
<td>Section A, Total Direct Costs for Entire Project Period</td>
</tr>
<tr>
<td>Section B, Total Indirect (F&amp;A) Costs for Entire Project Period</td>
</tr>
<tr>
<td>Section C, Total Direct and Indirect (F&amp;A) Costs (A+B) for Entire Project Period</td>
</tr>
</tbody>
</table>

#### 2. Budget Justifications

- Personnel Justification
- Consortium Justification
- Additional Narrative Justification
Sponsor Specific Budgets

NSF FastLane Budget

**Table:**

```
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$1000</td>
</tr>
<tr>
<td>Participant Support</td>
<td>$500</td>
</tr>
<tr>
<td>Travel</td>
<td>$300</td>
</tr>
<tr>
<td>Subsistence</td>
<td>$200</td>
</tr>
<tr>
<td>Other Direct Costs</td>
<td>$500</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$3000</td>
</tr>
<tr>
<td>Total Participant Costs</td>
<td>$500</td>
</tr>
<tr>
<td>Total Indirect Costs</td>
<td>$1000</td>
</tr>
<tr>
<td>Total</td>
<td>$5000</td>
</tr>
</tbody>
</table>
```

**Notes:**

- This is a summary of the proposal budget.
- NSF Summary Proposal Budget.

---

[Image of NSF FastLane Budget form]

---

**Footer:**

**The University of North Carolina at Chapel Hill**
Sponsor Specific Budgets

PHS 398 – Initial Budget Period

Detailed Budget for Initial Budget Period

Direct Costs Only – Year 1

https://grants.nih.gov/grants/funding/phs398/phs398.html
Sponsor Specific Budgets

PHS 398 – Initial Budget Period

Budget for Entire Proposed Project Period

Direct Costs Only – All Years

https://grants.nih.gov/grants/funding/phs398/phs398.html
Part 7
Putting it All Together
Putting it All Together

Reminders

• Thoroughly **read** the proposal announcement
• Identify budget limitations and F&A Base
• Be mindful of regulations and Cost Principles
  – Allowable, Reasonable, Consistent, Allocable
• Provide information for all expense categories
• Identify the type of Budget Justification
  – Detailed or Modular
• Use the appropriate Sponsor Specific forms and formats
Putting it All Together

Resources - Personnel

• ‘To Be Determined’ Salary Levels

• UNC-CH Fringe Benefits
  https://research.unc.edu/files/2016/08/fringe_17.pdf

• OSR Cost Sharing Guidance
  http://research.unc.edu/sponsored-research/policies-procedures/section-500/policy-7/

• NIH Salary Cap and Stipend Levels
For Principal Investigators (PIs), the University requires a minimum of 1% effort either directly charged or provided as pre-approved cost share on most sponsored projects. Typically it will be more. PIs must commit and expend at least 1% effort during at least one effort reporting period of performance to accurately reflect their leadership of the project and meet this requirement. If there are multiple PIs, at least one listed PI assuming responsibility for the scientific and administrative direction of the project during a given effort reporting period of performance must fulfill the 1% commitment.
Putting it All Together

Resources – Facility Use Fee Model

The optional Facility Use Fee Budget Model is used as method to present costs to For-Profit Sponsors.

• Includes a “Facility Use Fee” and General & Administrative (G&A) as direct costs in the budget
• Both are treated as standard indirect costs when expensed
• Helps the University limit reductions to F&A so that we can recover the costs of supporting sponsored projects

http://research.unc.edu/sponsored-research/forms/#facilityusefee
Putting it All Together

**Resources – Other Direct Costs**

- **OSR Policy on Non-Personnel Costs**
  [http://research.unc.edu/sponsored-research/policies-procedures/section-300/policy-8/](http://research.unc.edu/sponsored-research/policies-procedures/section-300/policy-8/)

- **UNC-CH Tuition Rates (2017-2018)**
  [https://cashier.unc.edu/files/2016/05/17_18YR.pdf](https://cashier.unc.edu/files/2016/05/17_18YR.pdf)

- **UNC Finance Policy – Consultants**

- **UNC Finance Policy - Equipment**

- **UNC Finance Policy – Travel**
  [http://financepolicy.unc.edu/section/travel/](http://financepolicy.unc.edu/section/travel/)

- **UNC Information Sheet**
  [http://research.unc.edu/sponsored-research/resources/data_res_osr_infosheet/](http://research.unc.edu/sponsored-research/resources/data_res_osr_infosheet/)
## Putting it All Together

**ConnectCarolina Budget Accounts**

<table>
<thead>
<tr>
<th>Sponsored Projects Budget Accounts in ConnectCarolina</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Costs Budget</td>
<td>510000</td>
</tr>
<tr>
<td>Fringe Benefits Budget</td>
<td>515000</td>
</tr>
<tr>
<td>Subject Incentives</td>
<td>523000</td>
</tr>
<tr>
<td>Consulting Fees Budget</td>
<td>523100</td>
</tr>
<tr>
<td>Repairs – Other Equipment</td>
<td>524170</td>
</tr>
<tr>
<td>Maintenance Contracts</td>
<td>524400</td>
</tr>
<tr>
<td>Rent/Lease Building Long Term</td>
<td>524740</td>
</tr>
<tr>
<td>Travel – Domestic Budget</td>
<td>526100</td>
</tr>
<tr>
<td>Travel – Foreign Budget</td>
<td>526300</td>
</tr>
<tr>
<td>Communications Budget</td>
<td>527000</td>
</tr>
<tr>
<td>Computer/Data Process Services</td>
<td>527240</td>
</tr>
<tr>
<td>Freight and Express</td>
<td>527420</td>
</tr>
<tr>
<td>Printing and Binding Design Budget</td>
<td>527510</td>
</tr>
<tr>
<td>Advertising Budget</td>
<td>527600</td>
</tr>
<tr>
<td>Supplies and Materials Budget</td>
<td>530000</td>
</tr>
</tbody>
</table>
I'M A RESEARCH ADMINISTRATOR

WHAT'S YOUR SUPERPOWER?
Questions?