IUP Research Institute

Budget Building Blocks

October, 2011

IUP Research Institute
University Square
1179 Grant Street, Suite One
Indiana, PA 15701

Telephone: (724) 357-2223
Fax: (724) 357-7697
www.iup.edu/researchinstitute

“It’s clearly a budget. It’s got a lot of numbers in it.”

George W. Bush

Objectives for today

- A basic understanding of the regulations that govern expenses on sponsored projects (OMB Circulars A-110 & A-21)

- Improve your understanding of how to create budgets at IUP that are easily implemented at post award

Governing Regulations

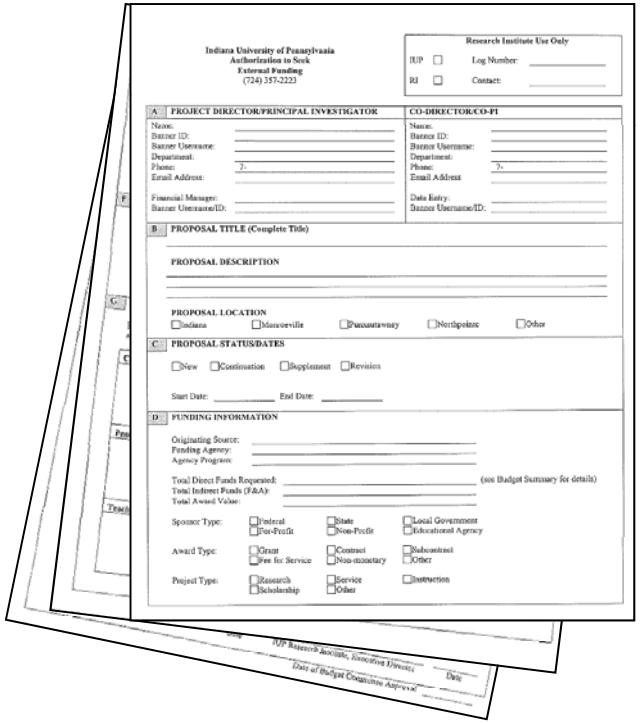
- OMB A-110 – "Uniform Administrative Requirements for Grants with Institutions of Higher Education, Hospitals and Other Non-Profits"

- OMB A-21 – "Cost Principals for Educational Institutions"

- LINKS: A-110- www.whitehouse.gov/omb/circulars_a110
  A-21- www.whitehouse.gov/omb/circulars_a021_2004/

Required Pre Award Forms

- Authorization to Seek External Funding



Indiana University of Pennsylvania
Authorization to Seek
External Funding
(724) 357-2223

Research Institute Use Only
IUP ☐ Log Number: _____
RI ☐ Contact: _____

A PROJECT DIRECTOR/PRINCIPAL INVESTIGATOR
Name:
Banner ID:
Banner Username:
Department:
Phone: 7-
Email Address:
Financial Manager:
Banner Username/ID:

CO-DIRECTOR/CO-PI
Name:
Banner ID:
Banner Username:
Department:
Phone: 7-
Email Address
Data Entry:
Banner Username/ID:

B PROPOSAL TITLE (Complete Title)

PROPOSAL DESCRIPTION

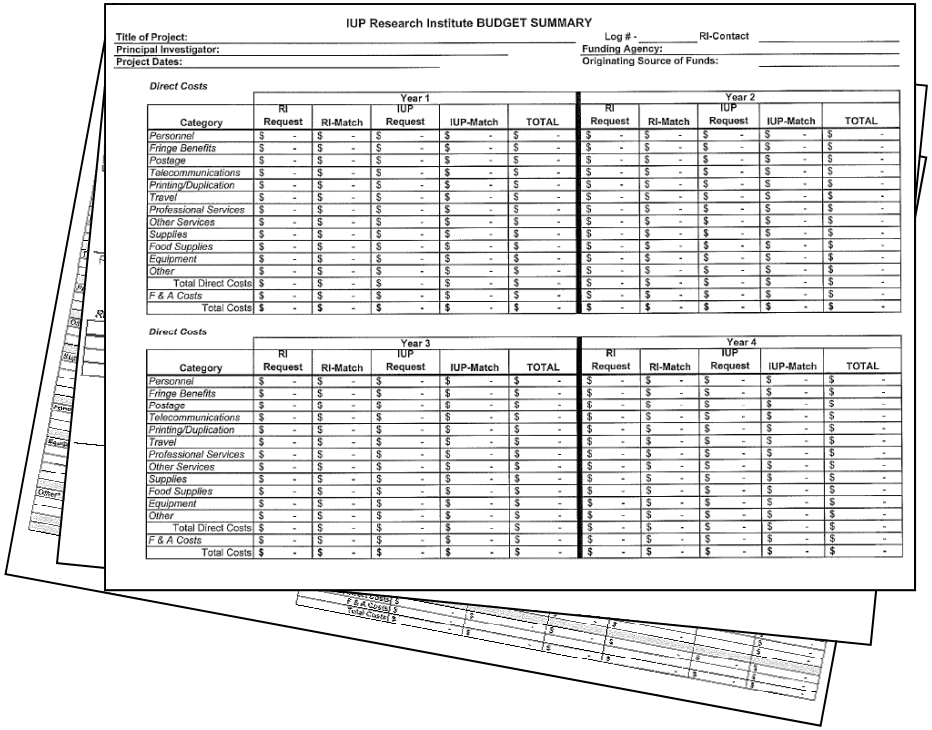
PROPOSAL LOCATION
☐Indiana ☐Monroeville ☐Punxsutawney ☐Northpointe ☐Other

C PROPOSAL STATUS/DATES
☐New ☐Continuation ☐Supplement ☐Revision
Start Date: _____ End Date: _____

D FUNDING INFORMATION
Originating Source:
Funding Agency:
Agency Program:
Total Direct Funds Requested: _____ (see Budget Summary for details)
Total Indirect Funds (F&A):
Total Award Value:
Sponsor Type: ☐Federal ☐For-Profit ☐State ☐Non-Profit ☐Local Government ☐Educational Agency
Award Type: ☐Grant ☐Fee for Service ☐Contract ☐Non-monetary ☐Subcontract ☐Other
Project Type: ☐Research ☐Scholarship ☐Service ☐Other ☐Instruction

IUP Research Institute, Innovation Director: _____ Date: _____
Date of Budget Committee Approval: _____

- Summary Budget



IUP Research Institute BUDGET SUMMARY

Title of Project:
Principal Investigator:
Project Dates:
Log # - _____ RI-Contact _____
Funding Agency:
Originating Source of Funds:

Direct Costs

Category	Year 1 RI Request	Year 1 RI-Match	Year 1 IUP Request	Year 1 IUP-Match	Year 1 TOTAL	Year 2 RI Request	Year 2 RI-Match	Year 2 IUP Request	Year 2 IUP-Match	Year 2 TOTAL
Personnel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fringe Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telecommunications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Printing/Duplication	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Food Supplies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Direct Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
F & A Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Direct Costs

Category	Year 3 RI Request	Year 3 RI-Match	Year 3 IUP Request	Year 3 IUP-Match	Year 3 TOTAL	Year 4 RI Request	Year 4 RI-Match	Year 4 IUP Request	Year 4 IUP-Match	Year 4 TOTAL
Personnel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fringe Benefits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Postage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Telecommunications	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Printing/Duplication	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Travel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Professional Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Supplies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Food Supplies	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Direct Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
F & A Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Costs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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Budget Basics

- Project Budget includes:
  - **Direct Costs**
  - **Indirect Costs**
  - **Cost Share (Match)**

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Direct Costs

- OMB A-21 defines Direct Costs as “costs that can be identified directly with a particular project relatively easily with a high degree of accuracy”.

Indirect Costs

- OMB A-21 defines Indirect Costs as “costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular project”.

Cost Share - Match

- Mandatory
  - Cost share or match is a requirement of the solicitation as a condition of award
    - It is directly pledged in the proposal, accepted in the award & formally tracked & reported
- In-kind (existing equipment, unrecovered indirects)
- Hard Match (Cash)

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Budget Basics – Direct costs

- Salaries & Fringe Benefits
  - Faculty, GA's, students
- Subcontracts, Consultants, Professional Services
- Equipment ($5k and over)
- Supplies (specific to the project)
- Travel
- Participant support
- Scholarships
- Other

Salary & Fringe

- How to properly & more accurately budget for salary expenses
  - Your PDO will help you identify & calculate accurate salary figures according to CBA & expected salary increases
- Fringe benefits are calculated as a % of salary and varies depending on employee
  - AY, Summer, CE/CI contracts
  - Student Fringe = 9%

Subcontracts, Consulting Agreements

- **Subcontractor:** "A third party organization that conducts a significant part of the research, assists in making programmatic decisions, and has deliverables to the final product."

- **Agreement for Services:** "An individual who lends specific technical expertise and whose relationship with the project is of limited duration and scope."

Equipment

- Items with a useful life of more than 1 year and that costs more than $5,000
  - Depreciation
  - Inventory

Classification of equipment vs. supplies may vary by agency

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Supplies, Travel

- Supplies should be itemized by general classification
  - Chemicals
  - Glassware (beakers, etc)
  - Educational materials
  - General Office Supplies (?) It depends....
  - Buy America Act – as included
- Travel
  - Mileage reimbursement – Federal rate
  - Lodging
  - Conference Registration Fees
  - Airfare – Fly America Act
  - Per diem – GSA Guidelines

Generally UNALLOWABLE

- SEE YOUR HANDOUT FOR A LIST OF GENERALLY UNALLOWABLE PURCHASES
  - Note: IT ALL DEPENDS on the scope of work and intent of project

Budget Basics – Indirect Costs

- IUP's Cognizant Agency = US Dept of Health & Human Services
  - Secretarial support, local telephone, internet, general office supplies, administrative support, all relative administrative offices (payroll, HR, Grants Accounting, Purchasing, Facilities, RI).

Budget Basics – Indirect Costs

- Two Ways to Calculate
  - Salaries, Wages & Benefits (SWB)
  - Modified Total Direct Costs (MTDC)

  - IUP utilizes **SWB**
    - On-campus rate @ 50.48% of SWB
    - Off-campus rate @ 22.14% SWB

Budget Basics – Indirect Costs

- **Exceptions:**
  - Agency requirements/restrictions
    - PA Dept of Education @ 8%
    - PASSHE prohibits

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Budget Basics – Cost Share

- Good Reasons to Cost Share
  - Required...

- ONE Bad Reason to Cost Share
  - It will make our proposal more competitive

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Cost Share…

- Name of account
- SAP Account # (there MUST be adequate funds in the account to cover the match!)
- $$ value
- Fiscal Year to be charged
- Approval SIGNATURE(S) OF ACCOUNT OWNER(S)

*Match Commitments MUST be authorized at proposal stage

**Funds MUST be available in the account listed

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Direct or Indirect???

- A-21 states:

"Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or F&A costs. Where an institution treats a particular type of cost as a direct cost of sponsored agreements, all costs incurred for the same purpose in like circumstances shall be treated as direct costs of all activities of the institution".

Pre-Award Approval Process

- Prior to submission of any external funding request, your proposal & budget **must** go through a standard IUP approval process. The PI(s) is (are) responsible for securing authorizing signatures of both the Chairperson and Dean of his/her college(s).
  - Proposal review
  - Academic Approvals
    - Project Director
    - Chairperson
    - Dean
    - Dean, SGSR
    - COO, IUP Research Institute

Required Review Documents:

- Draft Proposal Narrative
- Letters of Institutional Support
- Budget Summary Template
- Authorization to Seek External Funding
- Other Requirements of the RFP

- Your PDO will assist in the preparation and/or review of all forms **prior to routing** to ensure budget continuity, adherence to RFP guidelines, and compliance with IUP or regulatory agency requirements.

ALL signature approvals are required before proposal submission!

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Proposal Review

- This team consists of representatives from:
  - Grants Accounting
  - Human Resources
  - School of Graduate Studies and Research
  - Technology Services
  - Purchasing
  - Distance Learning and Continuing Education
  - Facilities Management
  - IUP Research Institute

Your PDO will prepare and submit your proposal for review.

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Any Questions?

Please contact your

IUP Research Institute

with any questions you may have.
We will gladly meet with you to discuss our services in greater detail or assist you with your sponsored research!

724/357-2223 or

www.iup.edu/researchinstitute

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PLEASE COME BACK!!!!

Post Award Process

Tuesday, November 15, 2011

1:30 – 3:00pm

Tell us what additional workshops **YOU** would like to see offered – we are here to help!

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