



Developing *Compelling* Budget Justifications

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Session Outline

Budget Rejection Reasons

Information vs. Persuasion

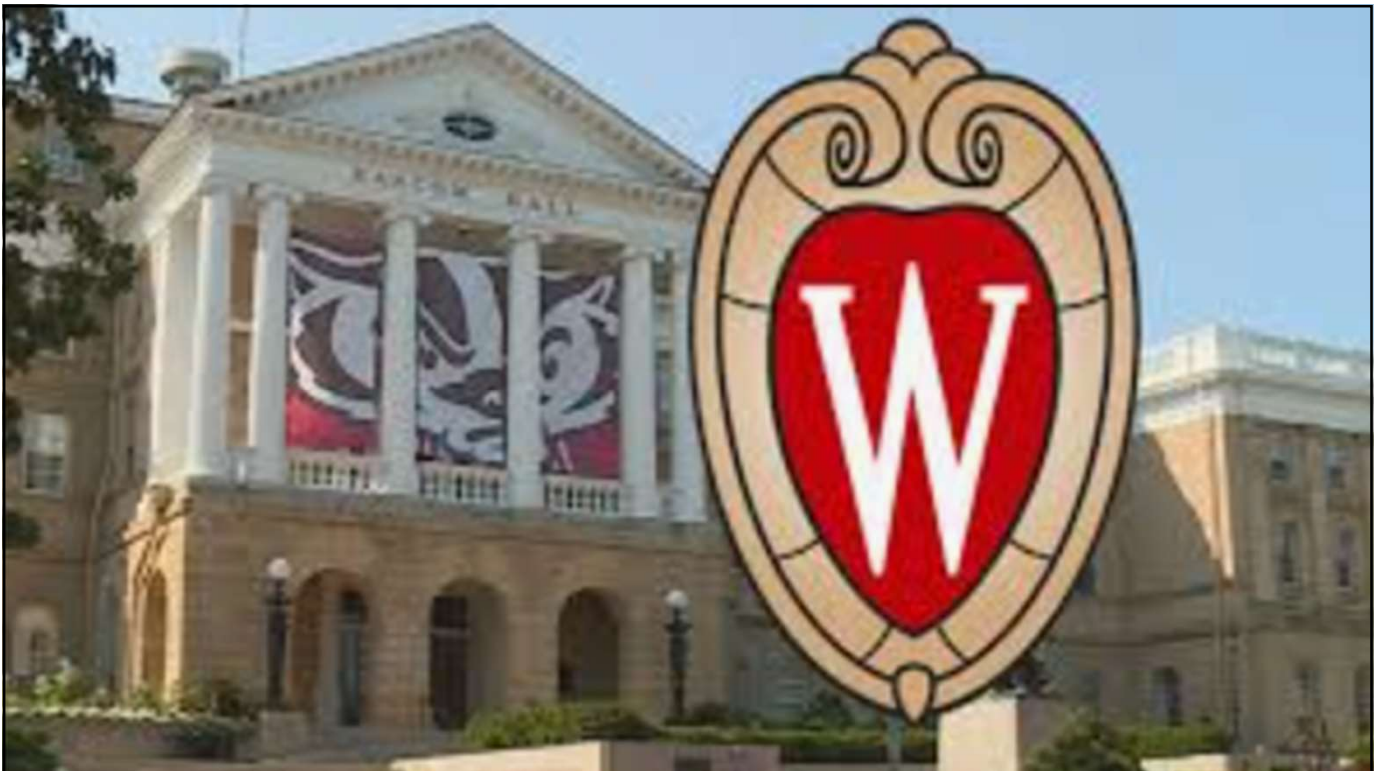
Cost Principles Narrated

Infrastructure Supports

Alignment Strategies



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Budget Rejection Reasons



Conceptualization

- “Inconsistencies exist between the proposal narrative and the budget narrative about the levels of effort the training specialist will commit to the project (40% versus 35%).”
- “The travel budget for year three dissemination activities is excessive. It is overly ambitious to budget for eight conference presentations in year three.”

Documentation

- “Insufficient information is provided to determine the reasonableness of costs in relation to achieving project objectives.”
- “Without adequate justification, the proposal appears to request support for resources already in place.”



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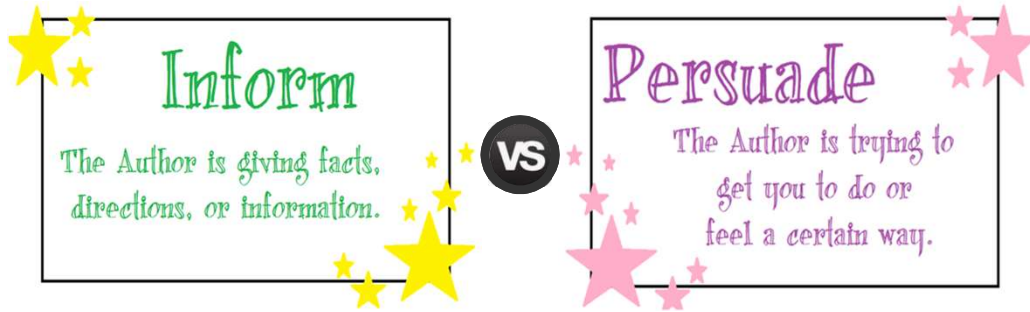
Let's Chat



What is the primary purpose of the budget narrative?



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Does the budget narrative
“explain” or “justify”?



Budget: “Streamlined Sample”

	Year 1	Year 2	Year 3	Totals
Salary & Wages				
• PI 1.35 months summer	\$9,000	\$9,360	\$9,734	
• 4 UG students	\$16,000	\$16,000	\$16,000	\$76,094
Fringe Benefits				
• PI @ 50%	\$4,500	\$4,680	\$4,867	
• Students @ 3%	\$480	\$480	\$480	\$15,487
Travel				
• PI + 1 Student to conference	\$2,500	\$2,500	\$2,500	\$7,500
Materials and Supplies				
• Chemicals, reagents and glassware	\$5,600	\$5,600	\$5,600	\$16,800
Direct Costs	\$38,080	\$38,620	\$39,181	\$115,881
Indirect Costs @ 45% Salary + FB	\$13,491	\$13,734	\$13,986	\$41,211
TOTAL REQUEST	\$51,571	\$52,354	\$53,167	\$157,092



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Budget Explanation: Salaries & Wages

Senior Personnel

The PI will be responsible for the overall management and direction of the project, including serving as a mentor for the undergraduate student researchers. The PI has a nine-month appointment and requests 1.35 months salary for each summer of the three years of the project. Calculations use an assistant professor base salary and include a projected four percent yearly cost of living adjustment.



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Year 1 activities include supervising undergraduate students performing the initial work on *Truffula* complexes. Year 2 activities center on mentoring undergraduate students and continued work to characterize *Zummers*. Year 3 activities focus on completing syntheses of *Snuvs* and guiding undergraduate students in the preparation of manuscripts to be submitted to peer reviewed journals such as *Diffendoofer International* and *Kwigger*.



Budget Explanation: Salaries & Wages

Other Personnel

Each year the PI will collaborate with a research group of four undergraduate students on project activities. All undergraduate researchers will be paid the standard university rate of \$10 per hour. Expected commitments of undergraduate students for each project year is to work 40 hours per week during a 10-week period during the summer.



Budget Justification: Salaries & Wages

Other Personnel

Each year the PI will collaborate with a research group of four undergraduate students on project activities. All undergraduate researchers will be paid the standard university rate of \$10 per hour. Expected commitments of undergraduate students for each project year is to work 40 hours per week during a 10-week period during the summer. Students play a major role in data collection and analysis and the number of undergraduate researchers aligns with the scope of project. At ARUCN University, we have over 50 years of experience recruiting and preparing undergraduate students for this type of work. The objectives are designed so that undergraduate researchers will each have their own set of production targets and will be responsible for one characterization technique to gain expertise on the instrumentation. In Year 1 they will focus on branch Jibboo. In Year 2 they will amalgamate Squitsch. In Year 3 they will complete Grickity Gruckus.



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Budget Explanation: Fringe Benefits

Senior Personnel

Fringe benefits are charged as direct costs and calculated at standard university rates of 50% for faculty.



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Budget Justification: Fringe Benefits

Senior Personnel

Fringe benefits are charged as direct costs and calculated at standard university rates of 50% for faculty. Benefits include worker's comp (.96%), terminal leave (.06%), income continuation (.20%), unemployment (.00%), social security (6.07%), FICA (1.45%), health (28.35%), life (.09%), retirement (10.81%), and shortfall/overage (2.01%). This diversity of benefits has contributed to a high retention rate among faculty and staff at the university.



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Budget Explanation: Fringe Benefits

Other Personnel

Fringe benefits are charged as direct costs and calculated at standard university rates of 3% for students.



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Budget Justification: Fringe Benefits

Other Personnel

Fringe benefits are charged as direct costs and calculated at standard university rates of 3% for students. Benefits include worker's comp (.67%), social security (.85%), FICA (.20%), and shortfall/overage (1.28%).



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Budget Explanation: Travel

The PI and one student researcher will travel each year to conferences to disseminate project results. Costs are estimated at \$1,250 per person and include airfare (\$450), lodging (\$150/night x 3 night), conference registration (\$100), per diem (\$50/day x 4 day), and ground transportation/parking (\$50).



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Budget Justification: Travel

The PI and one student researcher will travel each year to conferences such as the regional meeting of the American Gootch Society (Mt. Crumpit, AK) or the World Wumbus annual meeting (Katroo, ZN) to disseminate project results, build professional networks, and obtain valuable exposure to the research community. (The PI has co-presented with 4 student researchers at these types of professional conferences in the past 7 years.) Costs follow standard university travel policies and are estimated at \$1,250 per person and include airfare (\$450), lodging (\$150/night x 3 night), conference registration (\$100), per diem (\$50/day x 4 day), and ground transportation/parking (\$50).



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Budget Explanation: Materials & Supplies

Supply costs are budgeted at \$5,600 per year and include specimen containers, labels, disposable gloves, field notebooks, chemicals, reagents, and glassware.



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Budget Justification: Materials & Supplies

Supply costs are budgeted at \$5,600 per year and include **field expenses (\$1,600) for data collection, such as** specimen containers, labels, disposable gloves, **and field notebooks, and laboratory expenses (\$4,000) for data analysis, such as** chemicals, reagents, and glassware. **These costs are reasonable based on the PI's experience with prior research projects that have a comparable scope and number of undergraduate students.**



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Cost Principles Narrated

Necessary and Reasonable

- Is it essential to the conduct of the project?
- Would any prudent person purchase this item at this price?

Allocable

- Is there a direct relationship between the item and the project?

Allowable

- Does the item/cost follow sponsor terms and conditions?

Consistently Treated

- Are costs, at the institutional level, treated the same in like circumstances?



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Infrastructure Supports



Let's Chat



Which one of the following sponsors are you most responsible for developing budget justifications?

National Science Foundation



- The budget justification must be no more than five pages per proposal.
- Each subaward must include a separate budget justification of no more than five pages.
- The proposal may request funds under any of the categories listed so long as the item and amount are considered necessary, reasonable, allocable, and allowable under 2 CFR § 200, Subpart E, NSF policy, and/or the program solicitation.
- Amounts and expenses budgeted also must be consistent with the proposing organization's policies and procedures and cost accounting practices used in accumulating and reporting costs.



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National Science Foundation



- It is the organization's responsibility to define and consistently apply the term "year", and to specify this definition in the budget justification.
- The budget justification should detail the rates of pay by individual for senior personnel, postdoctoral associates, and other professionals.
- Materials and Supplies - The proposal budget justification must indicate the general types of expendable materials and supplies required.
- The amount for indirect costs should be calculated by applying the current negotiated indirect cost rate(s) to the approved base(s), and such amounts should be specified in the budget justification.



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Introductory Paragraph



UW–Madison has personnel who are on academic (9-month) and annual (12-month) appointments. For academic appointments, UW–Madison defines a year as the 9-month academic calendar plus up to 3 summer months. The salary calculation for summer months is based on the rate of pay in place in the month of May. For annual appointments, UW–Madison defines a year as a period that extends for 12-months, normally beginning on July 1.



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Fringe Benefits



Fringe benefit rates vary by employee classification. Classifications and rates are established by the University of Wisconsin-Madison. Fringe rates are included for academic and professional staff at 35.2% in Year 1. The fringe rate increases by 0.5% in each subsequent year.



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Travel



All reimbursements for transportation, lodging, meals, and related costs are included in this category. Travel expense reimbursements are made on the basis of actual and reasonable expenditures. Payments are governed by Wisconsin State Statutes and the University of Wisconsin System Travel Regulations. Travel estimates are based on past accounting experience, allowable travel expenses based on the University and State of Wisconsin travel regulations, and travel quotes from Madison travel agencies.



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US Department of Education Institute of Education Sciences



- There are no page limitations for the narrative budget justification. The narrative budget justification must adhere to the margin, format, and font size requirements.
- Each narrative budget justification should provide sufficient detail to allow reviewers to judge whether reasonable costs have been attributed to the project and its subawards, if applicable.
- The narrative should include the time commitments for key personnel expressed as annual percent effort and brief descriptions of the responsibilities of key personnel.



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US Department of Education Institute of Education Sciences



- The single narrative must provide a budget justification for each year of the entire project.
- Other Direct Costs - In the budget justification, indicate the general categories of supplies, including an amount for each category. Categories less than \$1,000 are not required to be itemized.
- In the narrative budget justification, identify each consultant, the services he/she will perform, total number of days, travel costs, and total estimated costs.



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Wallace Foundation



- A budget justification briefly explaining each budget line in the Excel document. Please be sure to attend to rationale for honoraria or consulting fees in ways that address equity concerns.



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UW-Madison Institute for Clinical and Translational Research



- Provide a justification for each expense in your budget. If salary support is requested for the PI, a graduate student, or other research personnel, provide a description of their role and major research responsibilities on the project. Requests for equipment, travel, and supply costs must include a brief justification as to how these expenses are necessary to complete the work described in your proposal. A detailed Budget justification and budget priorities is requested and may be up to 2,000 characters (a space is a character). You cannot include special characters, bolding, underlining, graphics, equations or formulas.



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Why is this important?

- To avoid delays in the award process
- To ensure the institution and PI have an understanding of what it will take to conduct the project successfully
- A sponsor may reject a proposal if the budget justification does not provide enough information showing how the costs align with the objectives of the project



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Let's Chat



Does your institution have an internal deadline by when applications must be received for processing in advance of a sponsor's deadline?

Is this deadline policy consistently enforced?

If a budget/budget justification causes concern, do you have the authority to stop the proposal submission?



Metrics and Internal Decisions

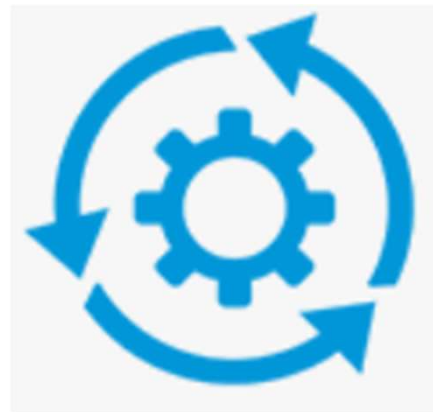
- How do you “show” that the administrative review and rejections affect the proposal being submitted?
- What lead time would fit your institution best?
- How would it be enforced?
- Who is authorized to stop a proposal from being submitted?



Automation

So, you ask, “How can I automate a budget justification document?”

- What steps need to be done?
- Will it be something used?
- How can I use existing information?



Automation

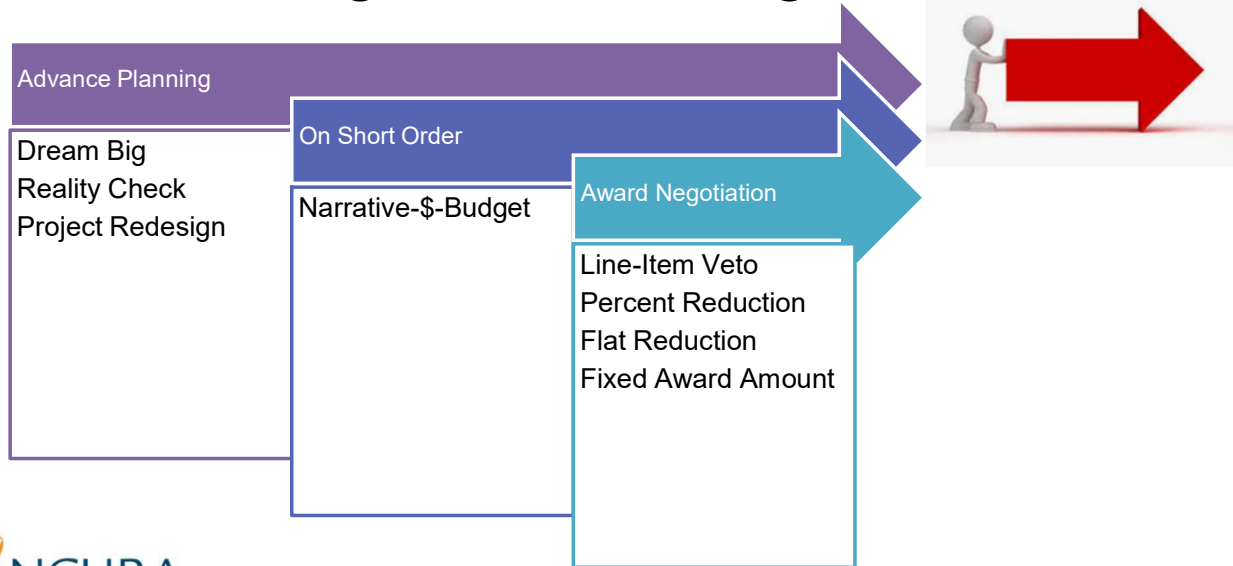
Standard Text

Break it down
by activity

The PI will be responsible for the overall management and direction of the project, including serving as a mentor for the undergraduate student researchers. The PI has a nine-month appointment and requests 1.35 months salary for each summer of the three years of the project. Calculations use an assistant professor base salary and include a projected four percent yearly cost of living adjustment.

Year 1 activities include supervising undergraduate students performing the initial work on Truffula complexes. Year 2 activities center on mentoring undergraduate students and continued work to characterize Zummers. Year 3 activities focus on completing syntheses of Snuvs and guiding undergraduate students in the preparation of manuscripts to be submitted to peer reviewed journals such as Diffendoofer International and Kwigger.

Alignment Strategies



Advance Planning: “Dream Big”

	Year 1	Year 2	Year 3	Totals
Salary & Wages				
• 5 PI/co-PIs @ 2.0 mo ea (4% COLA)	\$84,327	\$87,700	\$91,208	\$263,235
• 20 UG students summer (\$3,200 ea)	\$64,000	\$64,000	\$64,000	\$192,000
Fringe Benefits				
• PIs @ 50%	\$42,164	\$43,850	\$45,604	\$131,618
• Students @ 3%	\$1,920	\$1,920	\$1,920	\$5,760
Travel				
• 5 PI + 20 UG to conference (\$700 ea)	\$17,500	\$17,500	\$17,500	\$52,400
Materials and Supplies				
• Chemicals and glassware (\$500 ea)	\$10,000	\$10,000	\$10,000	\$30,000
Direct Costs	\$219,911	\$224,970	\$230,232	\$675,113
Indirect Costs @ 45% Salary + FB	\$86,585	\$88,862	\$91,229	\$266,676
TOTAL REQUEST	\$306,496	\$313,832	\$321,461	\$941,789

Advance Planning: “Reality Check”

	Year 1	Year 2	Year 3	Totals
Salary & Wages				
• 5 PI/co-PIs @ 0.4 mo ea (4% COLA)	\$15,909	\$16,545	\$17,207	\$263,235
• 20 UG students summer (\$2,000 ea)	\$40,000	\$40,000	\$40,000	\$120,000
Fringe Benefits				
• PIs @ 50%	\$7,955	\$8,273	\$8,604	\$131,618
• Students @ 3%	\$1,200	\$1,200	\$1,200	\$3,600
Travel				
• PI + 1 UG to conference (\$850 ea)	\$1,700	\$1,700	\$1,700	\$5,100
Materials and Supplies				
• Chemicals and glassware (\$125/UG)	\$2,500	\$2,500	\$2,500	\$7,500
Direct Costs	\$69,264	\$70,218	\$71,211	\$210,693
Indirect Costs @ 45% Salary + FB	\$29,279	\$29,708	\$30,155	\$89,142
TOTAL REQUEST	\$98,543	\$99,926	\$101,366	\$299,835



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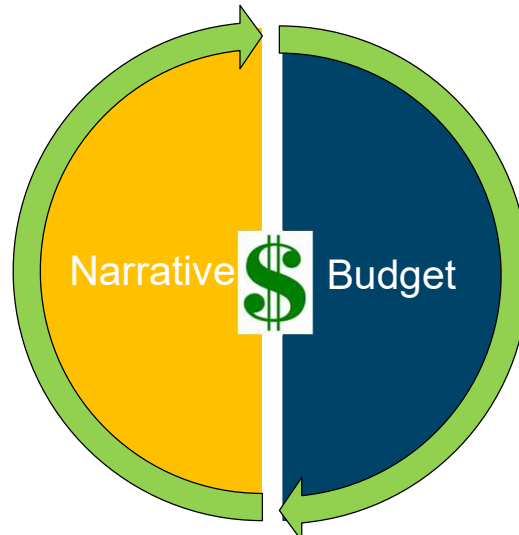
Advance Planning: “Project Redesign”

	Year 1	Year 2	Year 3	Totals
Salary & Wages				
• 5 PI/co-PIs @ .65 mo ea (4% COLA)	\$27,406	\$28,503	\$29,643	\$85,552
• 15 UG students winterim (\$1,500 ea)	\$22,500	\$22,500	\$22,500	\$67,500
Fringe Benefits				
• PIs @ 50%	\$13,703	\$14,251	\$14,821	\$42,775
• Students @ 3%	\$675	\$675	\$675	\$2,025
Travel				
• PI + 1 UG to conference (\$850 ea)	\$1,700	\$1,700	\$1,700	\$5,100
Materials and Supplies				
• Chemicals and glassware (\$125/UG)	\$2,500	\$2,500	\$2,500	\$7,500
Direct Costs	\$68,484	\$70,129	\$71,839	\$210,452
Indirect Costs @ 45% Salary + FB	\$28,928	\$29,668	\$30,438	\$89,035
TOTAL REQUEST	\$97,412	\$99,797	\$102,277	\$299,487



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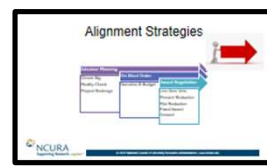
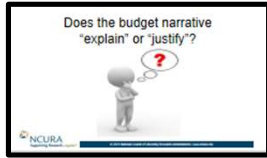
On Short Order



Award Negotiations

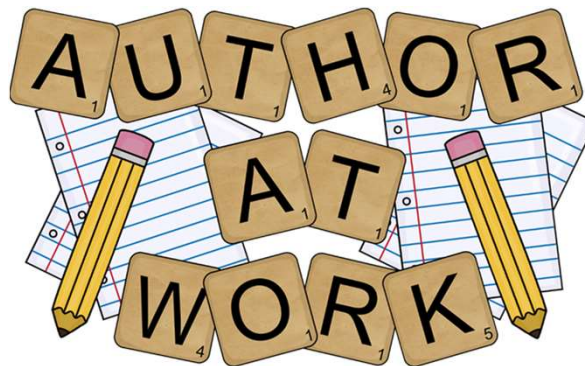


Recap & Questions



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Go Write Your Best Grant Ever!



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