



# FUNDING FRIDAY: BUDGET BREAKDOWN

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# CREATING A BUDGET

# BUDGET ELEMENTS

*Each grantor is different so make sure you read the budget requirements for your grant.*

Here are some standard budget categories:

- Salaries & Wages
- Benefits
- Consultant Fees
- Travel
- Supplies & Materials
- Services
- Indirect Costs



# SALARIES & WAGES

*Determine the effort you will be putting into the grant.*

## Course Releases

- Grants may fund your salary that is already being paid to you and you can request a course release(s) to have time to work on the grant. This benefits the University as it results in budget savings. Make sure to obtain approval for course release(s) from your Dean.
  - **College of Arts and Sciences:** 1 course release = 16.67% effort (1/6), 2 course releases = 33.33% effort (2/6), etc.
  - **School of Business:** 1 course release = 16.67% effort (1/6), 2 course releases = 33.33% effort (2/6), etc.
  - **School of Education:** 1 course release = 7.5% effort (1/8 \* 60%), 2 course releases = 15% effort (2/8 \* 60%), etc.

## Summer Work/Stipend

- Grants can fund your time above and beyond your regular contract work.
  - Any work done in summer months outside of your regular contracted months is paid to you.
  - Work done above and beyond your regularly contracted hours, with some limit, may be funded.



# SALARIES & WAGES - SAMPLE CALCULATIONS

*Example: CAS Faculty salary is \$80,000 and faculty is on a 9-month contract*

## Course Releases

- Scenario: Faculty is requesting one course release per year over the three year grant period.
- Year 1 Cost:  $\$80,000 \times 16.67\% \text{ effort} = \$13,336 + \text{Benefits at } 26\% = \$3,467$  for a **TOTAL YEAR 1 COST = \$16,803**
- Year 2 Cost:  $\$13,336 \times 1.03 \text{ inflation factor} = \$13,736 + \text{Benefits at } 26\% = \$3,571$  for a **TOTAL YEAR 2 COST = \$17,307**
- Year 3 Cost:  $\$13,736 \times 1.03 \text{ inflation factor} = \$14,148 + \text{Benefits at } 26\% = \$3,678$  for a **TOTAL YEAR 3 COST = \$17,826**

## Summer Salary

- Since the Faculty member is on a 9-month contract, the Faculty member has 3 months that are eligible for summer salary.
- Monthly salary is  $\$80,000 / 9 = \$8,889$  (this is true regardless of whether Faculty is paid over 9 months or over 12 months)
- Examples:
  - 100% effort for one summer month =  $\$8,889 + \text{Benefits at } 26\% = \$2,311$  for a total cost of \$11,200.
  - 50% effort for three summer months =  $\$8,889 \times 0.5 \times 3 = \$13,334 + \text{Benefits at } 26\% = \$3,467$  for a total cost of \$16,801.
  - NOTE – these are the estimated costs charged to the grant and not the take-home pay for the faculty member.



# STUDENT WORKERS

*Any undergraduate or graduate students paid on the grant will be included in the Salaries & Wages category.*

- How many hours/week and total weeks will they be working during the grant period?
- Undergraduate student workers
  - Minimum wage rates:
    - 2021 - \$14/hour
    - 2022 - \$15/hour
- Graduate Student Workers - \$15/hour
- Benefits rate of 10%

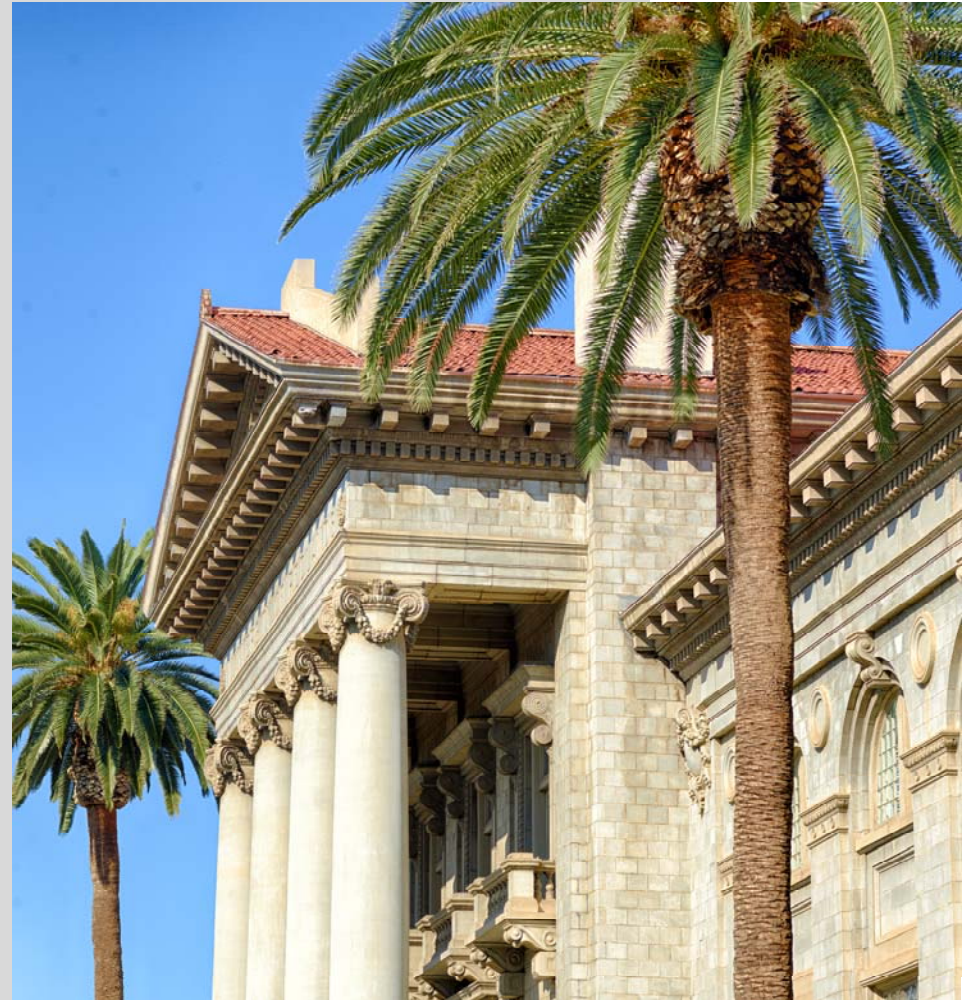


# BENEFITS

Benefits are part of the cost of paying employees and must be included in your budget:

- Full-time Faculty: 26% of salary
- Part-time Faculty: 15% of salary
- Administrative Staff: 28% of salary
- Staff/Administrative (Non-Exempt): 35% of wages
- Students: 10% of wages

Benefits include employer taxes, medical, retirement, etc. These are based on the average rate for each class of employee.



# PERSONNEL

*How should I classify the personnel on my grant?*

## Employees

- Anyone already employed by the University must be paid as an employee through the University's payroll.
- Anyone hired to work on the grant where the University controls most of their work/schedule must be paid as an employee.
- Benefits must be built into the budget.

## Consultants

- Third party consultants can be paid through Accounts Payable and will receive a 1099, if applicable.
- Consultants dictate their own hours/work schedule.
- Make sure your budget includes a realistic hourly rate and number of hours (effort).
- For consultants the grant budget does not have to include any benefits or taxes (unless an out-of-state consultant physically performs work within the State of California)





# SUBAWARDS

*Transferring a portion of the programmatic work under a grant award to another institution or organization, a subrecipient.*

- The University can be a subrecipient of a grant award from another institution, or another institution can be a subrecipient of funding from the University.
- Either way, the subrecipient institution must submit a budget to the prime awardee institution.
- Letter of support often required.
- Typically involves coordination with other institution's grant office.



# TRAVEL

Travel may be an allowable expense on your grant – maybe you are travelling to a conference or just commuting.

- Mileage – For 2021, the IRS approved mileage rate is \$0.56/mile.
- Per Diem Rates– see <https://www.gsa.gov/travel-resources>

**FY 2021 Per Diem Rates for San Francisco, California**

I'm interested in: [Lodging Rates](#) [Meals & Incidentals \(M&I\) Rates](#) [New Search](#)

### Lodging by month (excluding taxes) | October 2020 - September 2021

Cities not appearing below may be located within a county for which rates are listed. To determine what county a city is located in, visit the National Association of Counties (NACo) website (a non-federal website).

Filter Results...

Primary Destination	County	2020			2021								
		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
San Francisco	San Francisco	\$288	\$288	\$288	\$333	\$333	\$333	\$270	\$270	\$270	\$270	\$270	\$288

Showing 1 to 1 of 1 entries

### Meals & Incidentals (M&I) Breakdown

Use this table to find the following information for federal employee travel:

**M&I Total** - the full daily amount received for a single calendar day of travel when that day is neither the first nor last day of travel.

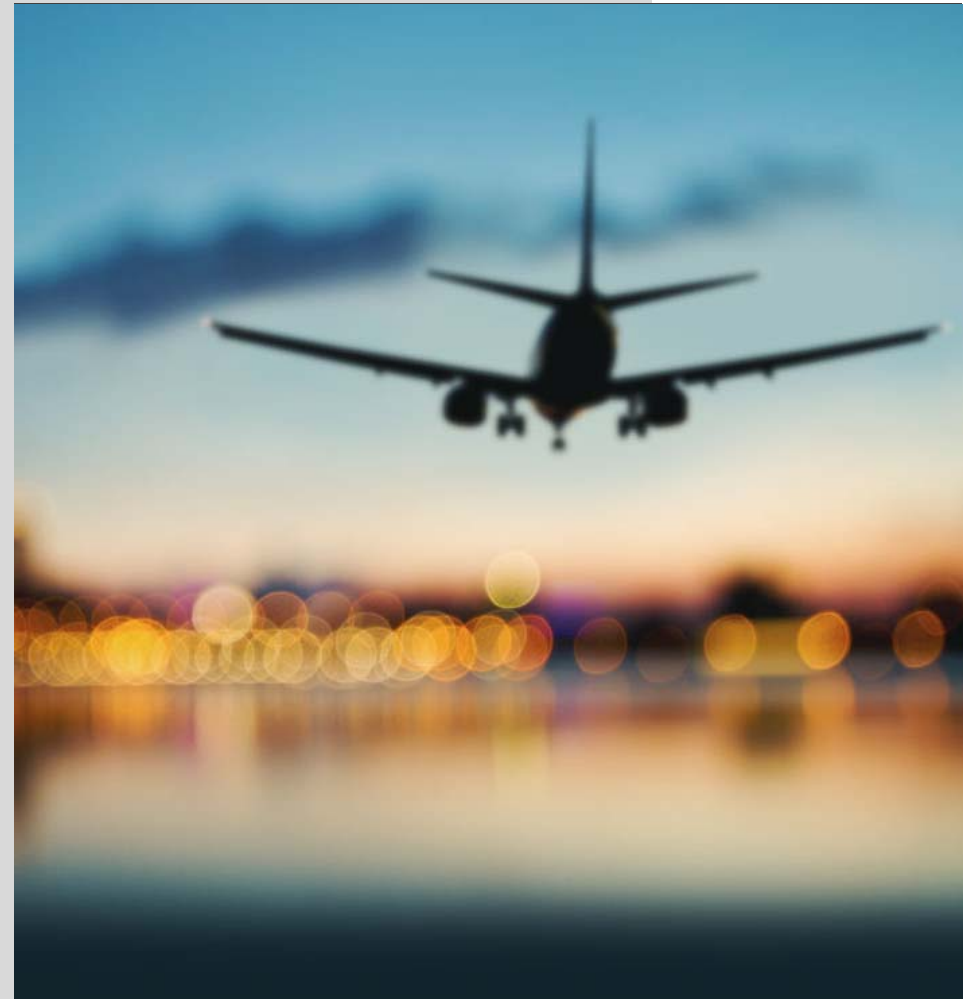
**Breakfast, lunch, dinner, incidentals** - Separate amounts for meals and incidentals. M&I Total = Breakfast + Lunch + Dinner + Incidentals. Sometimes meal amounts must be deducted from trip vouchers. See More Information

**First & last day of travel** - amount received on the first and last day of travel and equals 75% of total M&I.

Filter Results...

Primary Destination	County	M&I Total	Continental Breakfast/Breakfast	Lunch	Dinner	Incidental Expenses	First & Last Day of Travel
San Francisco	San Francisco	\$76	\$18	\$19	\$34	\$5	\$57.00

Showing 1 to 1 of 1 entries



## OTHER COSTS

*Provide details and specific costs for items in your budget. Do your research!*

- Supplies and Materials - Do your research! Calculate the actual cost of what you are planning to purchase. Make sure to include other relevant costs such as sales tax, shipping, or maintenance agreements.
- Services – Be specific! List vendor names and get quotes as necessary.



# INDIRECT COSTS

Indirect costs are the primary financial benefit the University receives from grant work.

- Indirect costs help provide budget support to the University and cover overhead and administrative oversight expenses associated with grants.
- Federal grants use the University's federally negotiated indirect cost rate of 51.4% on a basis of salaries & wages (not including benefits).
- Private/Foundation grants may offer a lower rate, such as 8% or 10% on a basis of total direct costs.
- Waiving indirect costs requires the approval of the Dean.
- Each grant is different, so make sure to review the grant's unique requirements.



# SAMPLE BUDGET FORM

## Plan it out!

- Lay out the details of your grant budget on a sample template or a template provided by the grantor. This template is available on the Sponsored Programs site.
- Use budget categories prescribed by grantor.
- Calculate percent effort for personnel.
- Consider the grant period (if multiple years, you may want to build in inflation of 3%).

UNIVERSITY OF <b>Redlands</b>		Budget Form									
		Applicant Institution: University of Redlands		Project Director:		Project Grant Period:					
Computational Details/Notes	(notes)	Year 1		Year 2		Year 3		Project Total			
		Enter Dates		Enter Dates		Enter Dates		Project Contributors			
		Grantor	COST SHARE	Grantor	COST SHARE	Grantor	COST SHARE	Grantor	COST SHARE		
<b>1. Salaries &amp; Wages</b>											
Employee 1	Director	33%	\$ -	\$ -	33%	\$ -	\$ -	33%	\$ -	\$ -	
Employee 2	Co-Director	33%	-	-	33%	-	-	33%	-	-	
Student Workers											
<b>Total Salaries and Wages</b>											
<b>2. Fringe Benefits</b>											
Employee 1	Director		-	-		-	-		-	-	
Employee 2	Co-Director		-	-		-	-		-	-	
Student Workers											
<b>Total Fringe Benefits</b>											
<b>3. Consultant Fees</b>											
<b>Total Consultant Fees</b>											
<b>4. Travel</b>											
<b>Total Travel</b>											
<b>5. Supplies &amp; Materials</b>											
<b>Total Supplies &amp; Materials</b>											
<b>6. Services</b>											
<b>Total Services</b>											
<b>7. Other Costs</b>											
<b>Total Other Costs</b>											
<b>8. Total Direct Costs</b>											
<b>Total Direct Costs</b>	Per Year										
<b>9. Total Indirect Costs</b>											
	Indirect Cost Rate Agreement based on direct salaries & wages; agreement with Department of Health and Human Services (HHS)										
51.4% Salaries & Wages		51.4%			51.4%			51.4%			
<b>10. Total Project Costs</b>											
								(Direct and Indirect costs for entire project)			
								\$ -	\$ -	\$ -	

# COST SHARE

Sometimes a grantor will require a cost share or matching requirement as part of the grant's budget. They want to see that the University is also invested in this project.

- A cost share is a cash or other in-kind contribution that the University is contributing to that grant in addition to what is being requested from the grantor.
- Examples include:
  - Course Release
  - Gifts
  - Donated Supplies and Materials or Services



# SAMPLE BUDGET JUSTIFICATION

## Provide details!

- Let the reviewers know that your budget is thoughtful and that costs are accurate and support your project objectives.
- Include details such as specific names, hourly rates, etc.
- Show calculations on how you arrived at amounts.
- Make sure the categories on your Budget Justification match the categories on the grantor's budget form/template.



### Budget Justification

<Project Name>

<Project Dates>

#### Salaries and Wages: \$xxx,xxx

<Name>, Project Director, will be responsible for <describe responsibilities>. He/She will devote x% effort during the grant period. \$xx,xxx will be contributed by the University.

<Name>, Project Co-Director, will be responsible for <describe responsibilities>. He/She will devote x% effort during the grant period. \$xx,xxx will be contributed by the University.

<Undergraduate/Graduate> student workers will be hired to <describe roles and responsibilities>. \$xx,xxx (x students \* \$x/hour \* hours/week \* x weeks) is requested from <Grantor>.

Overall, \$xxx,xxx is being requested from <Grantor> and \$xx,xxx is being contributed by the University.

#### Fringe Benefits: \$xx,xxx

Benefits are calculated at the institutional rates of 35% for staff/administrative (non-exempt) employees, 26% for full-time faculty, 15% for part-time faculty, 28% for administrators and 10% for student workers.

\$x,xxx is requested from <Grantor> for the staff/administrative (non-exempt) employees; \$x,xxx is requested from <Grantor> for the full-time faculty; \$x,xxx is requested from <Grantor> for part-time faculty; and \$x,xxx is requested from <Grantor> for administrators and \$x,xxx is requested from <Grantor> for student workers.

\$xx,xxx is being contributed by the University for administrative employees; \$x,xxx is being contributed by the University for full-time faculty.

Overall, \$xx,xxx is being requested from <Grantor> and \$xx,xxx is being contributed by the University.

#### Consultant Fees: \$xx,xxx

Consultants will be hired to <describe roles and responsibilities of contractors>. \$xx,xxx (\$x/hour \* x hours) is requested from <Grantor>.




# GRANT ROUTING FORM

## Get approval!

- Internal routing form to provide University approval prior to submission of grant application.
- Requires approval from Principal Investigator, Budget/Sponsored Programs, Dean/Provost, and Vice President for Finance/CFO.
- Get pre-approval for any commitments (course releases, waiving of indirect costs, cost shares/matches, etc.)
- Can now route electronically, but please don't wait until the last minute!

Date Rec'd:



**PROPOSAL ROUTING FORM**

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**Principal Investigator**

Name:  Phone:   
 Department:  Email:

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**Proposal Information**

Sponsor:  Primary Funding Source:   
(If Federal Sponsor, CFDA #  (If other than Sponsor))  
 Sponsor Deadline:  Electronic Submission:  Yes  No  
 Website for RFP or Announcement:   
 Proposal Title:

Proposal Type:  New  Continuation/Supplement  
 Activity Type:  Research  Instruction  Equipment  Other:   
 Funding Source:  Federal  State  Foundation  Industrial  University

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**Course Release Time, Cost Sharing, and Indirect Costs**

Course Release Time:	Cost Sharing:	Indirect Costs:
<input type="radio"/> Yes <input type="radio"/> No	<input type="radio"/> None <input type="radio"/> Voluntary \$ <input type="text"/> <input type="radio"/> Mandatory \$ <input type="text"/>	<input type="checkbox"/> HHS (51.4% Salary & Wages) <input type="checkbox"/> Other: <input type="text"/> <input type="checkbox"/> None

Please submit documentation from sponsor if indirect costs are other than federally-negotiated rate.

The Dean/Provost and Senior VP of Finance and Administration signatures on page two of this form indicate approval of course release time, cost sharing, and indirect cost specifications in this proposal.

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**Proposal Budget Summary**

<b>Period of Performance:</b>	<b>Total Sponsor Support:</b>
Start Date: <input type="text"/>	Direct Costs: \$ <input type="text"/>
End Date: <input type="text"/>	Indirect Costs: \$ <input type="text"/>
	Total: \$ <input type="text"/>

Rev 8/4/2020 Note: Total is automatically calculated.

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**Institutional Review and Checklist**

**Project:** Describe the status of human subjects, vertebrate animals, and/or biohazards: approvals being sought:

require collaboration with any foreign organization?  
 involve shipment of materials, equipment, or software outside US?  
 require use of another party's proprietary information or materials?

**Conflicts of Interest, Assurances and Disclosures:**  
 suspended from Federal funding?  
 on any Federal debt?

have a significant financial interest in the Sponsor/Agency that could affect or be perceived to affect the results of the research, educational or other activities proposed?  
 being submitted to a company in which one or more of the researchers hold an administrative or scientific role in the company (paid or unpaid)?

have, or plan to have, a financial relationship with the Sponsor/Agency that is not the one proposed in this application?

proposal present an apparent, actual or potential conflict of interest as defined in the University's Conflict of Interest policy?

required Conflict of Interest disclosures been submitted and/or updated with the University's Grants and Contracts and approved by the appropriate University?

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**Certifications**

I, , certify that the information provided in this proposal and corresponding proposal is true and correct.

I certify that the project complies with University policies and procedures.

Principal Investigator

I certify that the project complies with University policies and procedures.

Sponsored Programs

I certify that the project's activities and purpose are consistent with the mission of the University and Academic unit.

Dean / Provost

I certify that the proposal meets the requirements and standards of the University for grant submission.

Vice President for Finance/CFO

Rev 8/4/2020



# QUESTIONS?

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✉ [katie\\_millsom@redlands.edu](mailto:katie_millsom@redlands.edu)

🔗 <https://sites.redlands.edu/sponsored-programs/>

