



Budgeting

OFFICE OF GRANTS AND RESEARCH SERVICES

Katherine Decker, Office of Grants Accounting

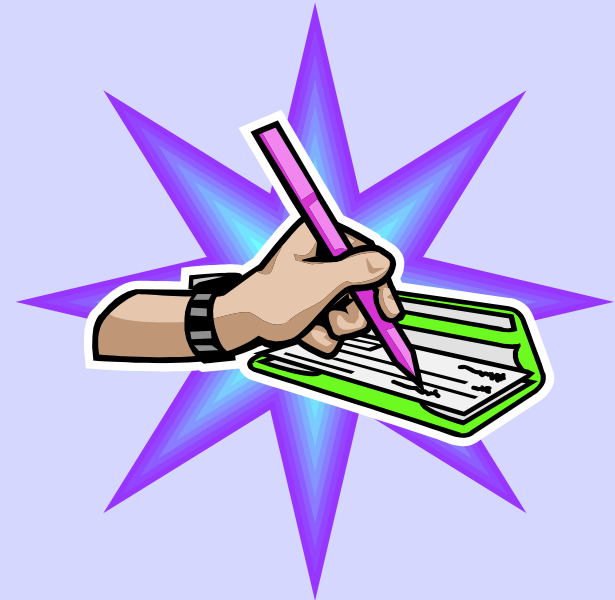
Robert De Martino, Office of Grants and Research Services

We Will Cover

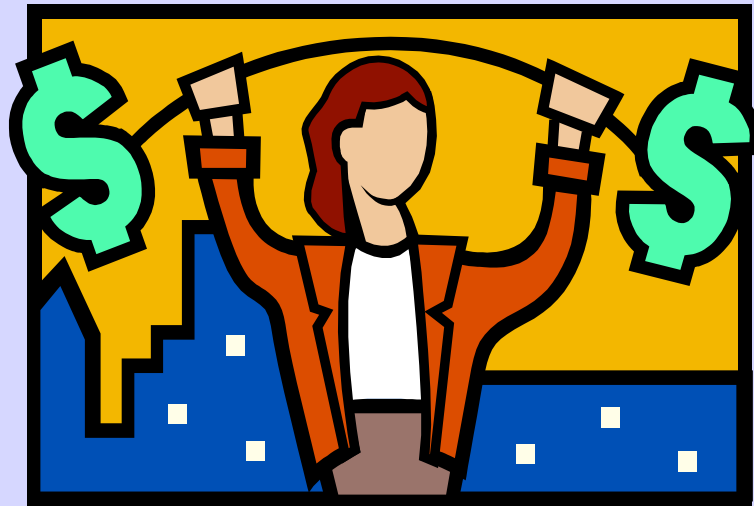
■ Budget Preparation

- Elements of a Budget
- Special Concerns when Budgeting
- University Policy and Procedures

■ Post-Award Administration



BUDGET PREPARATION





Purpose of Budgets

- Represents a basic proposal component
- Identifies the costs of a project
- Reflects the scope of a project
- Demonstrates the investigator's capability to plan and manage a project

Budget Section

Should:

- reflect the project's objectives
- provide answers - not lead to questions
- contain reasonable estimates



Types of Costs

■ Direct

- e.g. salary, fringe benefits, travel, equipment
- easily identified for specific project

■ Facilities & Administration

- e.g. utilities; library; administrative support (Human Resources, Payroll, Purchasing, etc)
- costs associated with many or all sponsored projects
- formerly known as indirect costs or overhead

Salaries

- Include
 - All University personnel
 - Titles
 - Percentage of time
 - Rate of pay
 - Time/Effort report
- Time should be expressed as
 - percent of effort
 - person months
 - not hours

More Salary Items

- Academic year personnel may charge up to 2.0 months for summer time (July 1 to August 31)
 - Use salary rate for fall semester
 - University policy limits summer salary to 2/10^{ths} (Note: New Provost's Initiative)
- Other professional research staff and technicians may be compensated

More Salary Items

Administrative or staff personnel may be charged ONLY under special circumstances

- Graduate Assistants

- Must Include Stipends and Tuition

- Sponsor Salary Caps

- e.g NIH, AID, DOD



Fringe Benefits

- Include Seton Hall's contribution to :
 - Social Security
 - Retirement Programs
 - Health Insurance
 - Unemployment Compensation
 - Tuition Remission
 - Other

Fringe Benefits, cont.

- Postdocs: Must use SHU postdoc policy (NIH minimum for salary, and 21.3% fringe benefit rate)
- Amount budgeted is an estimate - SHU does not have a rate agreement for fringe benefits

Fringe Benefits, cont.

- Faculty Summer Salary: 9%
- Full-Time Employees 37.7%
- Law School Faculty 37.7%
- Part-Time Employees Over 25 Hours 29.3%
- Part-Time Employees Under 25 Hours 9%
- Adjunct Professors 9%
- Post Docs 21.3%
- Students 0%

Equipment

- Permanent equipment must be:
 - identified and justified
 - not already available within University
 - \$5,000 or over
 - lifetime of one year or more
 - American made preferred
 - Bids
- Cost generally includes needed accessories, installation, and delivery costs but must have academic discount




Consultant Fees

- May be paid to experts **outside** the University who contribute unique skills
- Seton Hall faculty and other employees are **not** eligible to receive compensation for internal consulting services



More: Consulting Fees

- Federal funds may not be used to pay Federal employees for consulting
- Consulting fees must be reasonable and justifiable
- Include travel and per diem costs



Supplies & Expendable Equipment

- Need to be identified and justified
- Includes such things as
 - chemicals/glassware
 - small electronic components
 - software
 - animals and animal rations
 - office supplies

Travel

- To consult with colleagues, conduct research, or disseminate knowledge at professional meetings
- Must be relationship between the funded project and professional meeting
- May include
 - transportation, room, board or “per diem” expenses

More Travel

- Federal funds require use of U.S. air carrier; foreign travel with agency approval
- Costs need to be detailed when traveling to various locations to perform work on a project (detailed receipts and conference description)
 - collecting samples from various localities
 - interviewing respondents
 - special collections and libraries



Publications

- Include

- manuscript illustration
- cost of reprints
- page charges
- technical reports
- No membership fees for individuals



Copying & Duplication

- Allowable ONLY for unusual costs
 - large survey instrument
 - tests and questionnaires
 - workshop procedures

Subawards

- Subawards provide substantial programmatic contribution
- Approval of sponsor required
- Include
 - work statement and budget
 - institutional endorsement
- Justification for selection (Sole Source may be required Seton Hall retains responsibility)
- Federal Demonstration Partnership forms

Other Direct Costs

- Renovation of space (not general office furniture)
- Rental of space (off-campus facilities)
- Maintenance of specialized equipment
- Long distance charges
- Lease of airplane, boat, or other vehicle
- Stipends for participants (training component)
- GA tuition

Facilities & Administrative (F&A) Costs

- F&A expressed as a percentage of all salary and wages in direct costs
- Rate negotiated with HHS
- Includes
 - Postdoc salaries, GA stipends/salary, and student salaries; but
- Excludes
 - fringe benefits and all other direct costs, including subawards, scholarship and fellowship stipends, equipment, consultant fees, fee for service, etc.

Facilities & Administrative (F&A) Costs

- All budgets must request full F&A costs
 - OGRS can accept an agency's written policy for rates different than SHU's negotiated rate
 - Request for waiver of part or all of F&A costs may be made for unique or extraordinary situations. Contact OGRS

On & Off Campus Rates

- Current F & A rates
- 64.5% of all salaries and wages is applied to all projects on-campus
- 25.5% for all projects off-campus

Do the Math



Cost Sharing or Matching

- When sponsor **requires** cost sharing
 - not a gratuitous gesture
- May come from
 - a portion of faculty salary, fringes, and F & A
 - contributed resources from department/college/University
 - other non-Federal support for the project


More: Cost Sharing

- Documentation of cost sharing must accompany proposal on OGRS Form: “Intent to Apply for External Funding.”
- Cost sharing must be identified by account number and form signed by Dean/Director **before** application may be sent to sponsor
- Administering department is responsible for accounting for cost sharing



Budget Format Issues

- How cost sharing is shown
- Third party matching?
- How much detail?
- “Budget justification” or “budget narrative”
always include



Budget Justifications

How Much Detail?

- How were costs determined?
- Identification of cost elements
- Price quotes for large dollar items
(include copies from vendor)
- Escalation factor for future years (Seton Hall salaries: 3% increase/yr.)

Budget Formats

- Standard sponsor forms
- Government budget-related forms
 - **SF 1411, SF 424, SF 424A**
- Budget Model
- NIH modular grants

Summary Checklist



- Start early
- Ask questions
- Gather information/resources
- Construct budget
- Review and check budget
- Incorporate budget into proposal
- OGRS review 3 days prior to submission



Revised Budgets

- May reduce scope of work
- May affect cost sharing
- Would not need to be routed unless an increase
- OGRS to countersign prior to submission sponsor



Post-Award Administration



Establishing a New Account

Upon receiving a grant award, the following documents must be submitted to the Grants Accounting department:

- Award Notice
- Signed Approval Form
- Budget
- Budget Narrative
- FUND NUMBERS FOR ALL COST SHARING
- Proposal

Once Grants Accounting receives these documents, it generally takes about one day to establish an account on the Banner Accounting System.



Establishing an Account cont'd.

The Grants Accounting office will notify the PI that a Fund has been established by:


- Providing the account number by E-Mail
- Providing Signature Cards and Establishment of Grant Sent to the Program Director



How to Hire New Employees on a Grant

The PI must complete the AOC
(Appointment or Change Form)

- Must be filled out for every employee paid on grant
- Form obtained from Human Resources



The following signatures are required on the AOC:

- Project Director
- Dean
- Provost
- Human Resources
- Grants Accounting
- Budget Office
- Payroll

PURCHASING SUPPLIES AND EQUIPMENT

Individual

Authorized Maximum Amount

Project Director

Up to \$1,000

Dean

Up to \$10,000

Provost/Vice President

Over \$10,000

If your school or college has a different policy, it must be followed. Check with your dean.



Check Requisitions “Reqs”

- Used to pay vendors (company or individual)
- Forms Available from Banner Website
- Individual Check Reqs Requires
 - Social Security Number
 - W-9 Form
 - Bill from Individual
 - Employees CANNOT be paid for services on a Check Requisition – AOC for employee payment
- Vendor Check Reqs Require
 - Bill from Vendor
- All Check Reqs Requires Grants Account Approval
- See Signature Authorization

Reporting Expenses

Travel and Expense Reports (T&E)

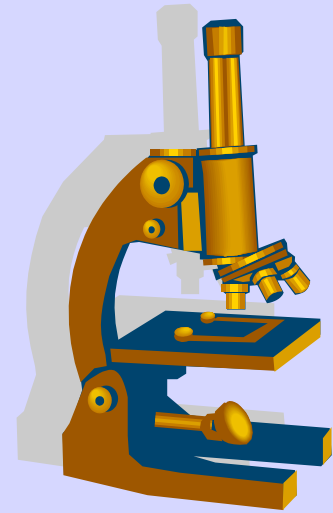


- Used for Employee Reimbursement
- Requires Purpose of Travel (explanation as to why you are going)
- Requires Original Receipts Attached
- Employees Cannot Sign for Themselves – Must be Signed by Supervisor
- All T&E Requires Grants Accounting Approval
- See Signature Authorization
- Automobile mileage is \$.485

Reporting Expenses

Equipment and Supplies:

- PURCHASE ORDERS**
 - Used to Encumber Funds
 - All POs Require Grants Accounting Approval
 - See Signature Authorization





Closeout Procedures

- Notifications of Status of Grant Sent to Project Director 6 Months, 2 Months and 1 Month Before Grant Ends
- Submit All Bills Prior to End Date
- Most Grants Allow an Additional 2 Months for Bills that Arrive After End Date
- All Bills Must Be for Items Ordered Before End Date

Closeout Procedures

- Purchase Orders Should Be Set Up for Items Ordered but not Received Prior to End Date
- All Purchase Orders are Disencumbered 2 Months After End Date of Grant
- AOC required to end payment of employees on grant
- Grants Accounting Prepares Financial Reports
- Project Director Responsible for Program Reports



Miscellaneous Items

- Project Director Should Meet With Grants Accounting After the Award is Received and Grant Set Up
- Grants Accounting will Supply a Listing of University Subcodes
- Travel Mileage Effective 1/1/07 - \$.485
- Project Director can Receive Access to accounting system
- Any Questions, Contact Kathy Decker (9324) or Margo Phillippi (9761)



QUESTIONS?

BUDGETING EXERCISE

