

Building Blocks for Effective Proposal Budgeting, Part 1

Kelly Basner

Grant Officer, Research Administration

Dana Chyung

Grant Officer, Research Administration

Juan Carlos Hincapie

Director - Pre-Award Administration, COE

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**Northeastern
University**



Sponsor Types

The **sponsor** is the agency or organization that provides funding for a grant or funded agreement. Common sponsor types include:

- **Federal, State, or Local Government**

Examples: NIH, NSF, ONR, NOAA

- **Foundations and Non-Profit Organizations**

Examples: BMGF, Ford Foundation, AHA

- **Industry and For-Profit Organizations**

Examples: DuPont, Raytheon, Merck



Sponsor Types, Cont'd

FEDERAL

- R&R Detailed Budget, Modular Budget, etc.
- Allowable costs: Uniform Guidance/ Agency Regulations unless otherwise specified in FOA
- Use Northeastern negotiated rate unless otherwise specified



FOUNDATIONS

- Each organization is different
- Check FOA and foundation website for allowable costs
- Many foundations do not support F&A charges or pay a reduced rate



INDUSTRY

- Every case is different. Funding restrictions may be communicated on the company website, in email conversations with the PI, etc.



Funding Mechanisms and Budget Requirements

- Solicited and unsolicited applications
- Before deciding to apply, review the Sponsor guidelines and award terms & conditions.
- Will the budget guidelines adequately support the work of the proposed project?



Sponsored Projects vs. Gifts

Sponsored Projects are externally-funded activities in which a formal written agreement, i.e., a grant, contract, or cooperative agreement, is entered into between NU and the sponsor and include:

- A specified period of performance
- Statement of work with identified deliverables
- A budget which may include direct and indirect costs



Gifts award unrestricted funds and do not have a period of performance or deliverables.

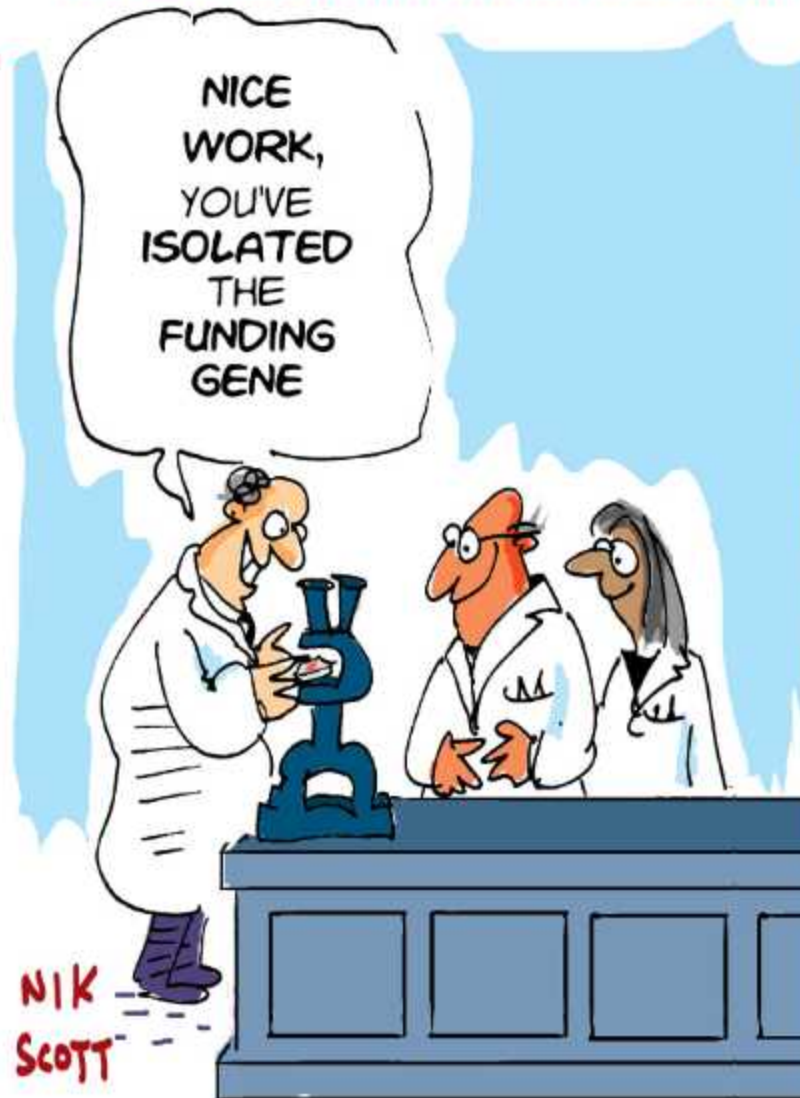


Types of Award Mechanisms

- **Federal Grants, Contracts, Cooperative Agreements**
- **Other types of award mechanisms**



GREAT MOMENTS IN SCIENCE



Other Research Support Sources

- **Research Related Funding**
- **Gifts and In-Kind**
- **Fee for Service – from external parties – Industry.**



"Spare a dollar for some lab consumables, buddy?"



Other Research Support Sources Cont'd

Gifts and In-Kind for research and education

- Appropriate to NEU's mission and needs.
- Impose no undue financial, legal, or other risks or burdens.
- May be restricted or unrestricted.
 - If restricted, are written in reasonably broad and flexible terms.




Tips:

- NEU President is ultimately responsible for the acceptance of all gifts.
- Consult as needed with College, NU-RES, Advancement regarding process/approvals.



Other Research Support Sources Cont'd

Fee for Service / Lab Testing Agreement


- To provide services or products to industry.
- Benefit to the general public.
- Advance teaching and training –must be supported by budget.
- Not for commercial profit.
- Not allowed in some NEU Facilities.
-  IRS reporting: “unrelated business income”.



Other Research Support Sources Cont'd



Identifying Fee for Service:

- Does NEU own the resulting IP?
- Is NEU allowed to publish?
- *If either answer is “No”, then you have an FFS agreement.*
-  **Tips:**
- Contact NU-RES for expert decision-making.
- Determine your College’s approvals and process.
- Ensure budget requirements are met.



Typical Steps to Developing a Budget

- Consult the sponsor's requirements or agency announcement.
- Work with the Principal Investigator to determine project needs.
- Draft a budget in MS Excel to enable the proposal team to evaluate the calculations.
- Transfer the budget into the sponsor's required forms or submission system.
- A basic budget template is provided by NU-RES:
[Proposal Budget Forms and Templates | Research Enterprise Services \(NU-RES\)](#)



Anatomy of a Sponsored Research Budget

A **budget** is a financial proposal that reflects the work proposed. It outlines the expected project costs in detail and should mirror the project description. A budget is comprised of:

DIRECT COSTS

Costs that are specifically associated with a particular sponsored project or activity and that can be directly assigned to that project or activity with a high degree of accuracy.



INDIRECT COSTS

Costs incurred for common or joint objectives, and which cannot be identified readily and specifically with a particular sponsored project.



Anatomy of a Sponsored Research Budget, Cont'd

SUMMARY PROPOSAL BUDGET		YEAR 1		FOR NSF USE ONLY	
ORGANIZATION Northwestern University		PROPOSAL NO.		DURATION (months)	
PRINCIPAL INVESTIGATOR / PROJECT DIRECTOR Dr. Jane Husky		AWARD NO.		Proposed / Granted	
A. SENIOR PERSONNEL: PVPD, Co-PIs, Faculty and Other Senior Associates		SUBSEQUENT		Funds Requested by proposer	
		CR	ACAD	PI	PI (Others)
1.	Dr. Jane Husky	0.00	0.00	2.00	\$30,000
2.					
3.					
4.					
5.					
6. (0) OTHERS LIST INDIVIDUALLY ON BUDGET JUSTIFICATION PAGE:		0.00	0.00	0.00	
7. (1) TOTAL SENIOR PERSONNEL (1-6)		0.00	0.00	2.00	\$30,000
B. OTHER PERSONNEL (SHOW NUMBERS IN BRACKETS)					
1.	(1) POST DOCTORAL SCHOLARS	12.00	0.00	0.00	\$60,000
2.	(0) OTHER PROFESSIONALS (TECHNICIAN, PROGRAMMER, ETC.)	0.00	0.00	0.00	0
3.	(0) GRADUATE STUDENTS				0
4.	(0) UNDERGRADUATE STUDENTS				0
5.	(0) SECRETARIAL - (CLERICAL IF CHARGED DIRECTLY)				0
6.	(0) OTHER				0
TOTAL SALARIES AND WAGES (A + B)					0
C. FRINGE BENEFITS (IF CHARGED AS DIRECT COSTS)					\$22,950
TOTAL SALARIES, WAGES AND FRINGE BENEFITS (A + B + C)					\$112,950
D. EQUIPMENT (LIST ITEM AND DOLLAR AMOUNT FOR EACH ITEM EXCEEDING \$5,000.)					
TOTAL EQUIPMENT					\$5,500
E. TRAVEL					\$0,000
1. DOMESTIC (INCL. U.S. POSSESSIONS)					
2. INTERNATIONAL					\$0,000
F. PARTICIPANT SUPPORT COSTS					
1. STIPENDS \$ _____ \$1,500					
2. TRAVEL _____ \$3,000					
3. SUBSISTENCE _____					
4. OTHER _____					
TOTAL NUMBER OF PARTICIPANTS (2)		TOTAL PARTICIPANT COSTS			\$4,500
G. OTHER DIRECT COSTS					
1. MATERIALS AND SUPPLIES					\$5,500
2. PUBLICATION COSTS/DOCUMENTATION/DISSEMINATION					
3. CONSULTANT SERVICES					
4. COMPUTER SERVICES					
5. SUBAWARDS					
6. OTHER					
TOTAL OTHER DIRECT COSTS					\$5,500
H. TOTAL DIRECT COSTS (A THROUGH G)					\$143,450
I. INDIRECT COSTS (F&A) (SPECIFY RATE AND BASE)					
(Rate: Base: \$133,450)					
TOTAL INDIRECT COSTS (F&A)					\$76,067
J. TOTAL DIRECT AND INDIRECT COSTS (H + I)					\$219,517
K. FEE _____					0
L. AMOUNT OF THIS REQUEST (S) OR (I) MINUS (K)					\$219,517
M. COST SHARING PROPOSED (LEVEL 0) _____		AGREED (LEVEL 1) IF DIFFERENT \$ _____			
PVPD NAME Dr. Jane Husky		FOR NSF USE ONLY		INDIRECT COST RATE VERIFICATION	
ORG. REP. NAME*		Clear	Checked	Date of Prior Check	Initial: CRG

Dr. Jane Husky's NSF Proposal Budget

- Total Direct Costs: **\$143,450**
- Modified Total Direct Costs: **\$133,450**
- Indirect Costs: **\$76,067**

Total \$219,517

**Current NU Negotiated Rate: 57%
(Off Campus: 26%)*



Compliance requirements (2-CFR Part 200, FASB, GAAP)

A Brief Introduction:

UG



Generally Accepted Accounting Principles



Dr. Huskie's Sponsored research Budget



Dr. Huskie is applying for a 3-year NSF grant for her research project.



Her project involves:

- Field work for one-month in Alaska
- Two undergraduate student participants per year.
- Taking soil samples where the permafrost in Alaska has begun to defrost.



Dr. Huskie's Sponsored Research budget



Sponsored budgets must include costs that are:

- Allowable
- Allocable
- Reasonable
- Consistent

It's a really long flight to Alaska from Boston. Can Dr. Huskie fly 1st class?

Dr. Huskie's Sponsored Research Budget



Is a laptop computer a supply or equipment?

Dr. Huskie may encounter bears in Alaska. Is a shotgun an allowable supply?



A truck is needed for transporting the team and equipment to the field site. Where does this cost go?

alamy





Questions?



Contact



Kelly Basner

Grant Officer, Research Administration

k.basner@northeastern.edu

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Grant Officer, Research Administration

d.chyung@northeastern.edu

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j.hincapie@northeastern.edu



Thank You!

**LVX
VERITAS
VIRTUS**