

# NU-RES Conference 2024

## Proposal Budget Basics

June 11, 2024

### Presenters:

Kelly Basner - Senior Grant & Contract Officer, NU-RES

Bridget Carney - Grant and Contract Officer, NU-RES

Dana Chyung - Grant & Contract Officer, NU-RES

Tessa Dinnie - Pre-Award Grant Administrator, Bouve



**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*



FORD  
FOUNDATION

SIMONS  
FOUNDATION

BILL & MELINDA  
GATES foundation



# 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 allowable costs
- Many foundations do not support F&A charges or pay a reduced rate
- Check the organization's website and submission portal for any additional requirements not listed in the FOA
- Every case is different. Funding restrictions may be communicated on the company website, in email conversations with the PI, etc.



website for

## INDUSTRY



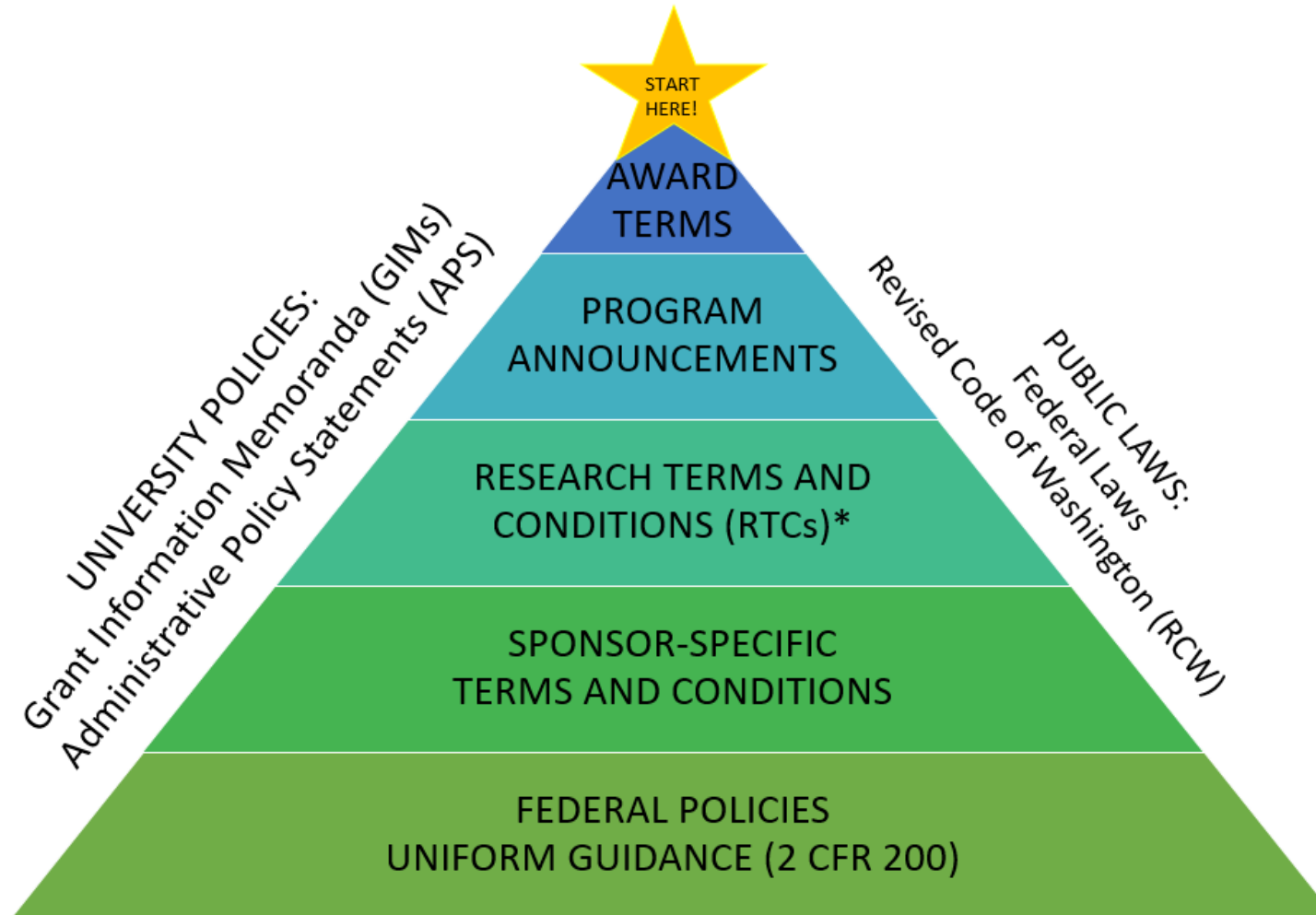
# Which instructions do I use for my application?

---

- The Notice of Funding Opportunity (NOFO) or Request for Proposal (RFP) instructions.
  - Where there are differences between an agency's general proposal instructions, the opportunity guidance takes precedence over the general instructions.
- Northeastern University's institutional policies also apply and must be taken into consideration; example: IBS, PI effort, cost sharing.

# Order of Precedence pyramid

---



\*The RTCs apply only if the Sponsor has implemented them and OSP has designated the Award type as "Research" in the Project Details/Sponsored Program Activity Type field on the eGC1.



# Where do those Federal policies come from anyway?

---

Uniform Guidance (UG) is the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” or 2 CFR 200:

- UG streamlines and supersedes guidance that was previously contained in eight different OMB Circulars, including A-110, A-21, and A-133. As with the previous circulars, UG consists of definitions, uniform administrative requirements (both pre- and post-award), cost principles, and audit requirements.
- UG applies to all new federal awards issued on or after December 26, 2014.
- On April 4, 2024 the OMB issued an updated version of UG, which will become effective October 1, 2024.



# 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

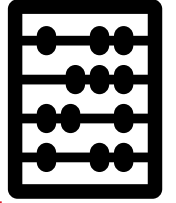
Costs that are specifically associated with a particular sponsored project or activity and that can be directly assigned to that project or activity with a high degree of accuracy.



## INDIRECT COSTS

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





# Budget Preparation

---

- Many sponsors require specific budget forms or a specific format.
- Even if a detailed budget isn't required at proposal stage, NU-RES will still need an internal budget.
  - This is required so we can confirm the indirect rate is applied appropriately (more on this later!).
- It is important to adhere to sponsor instructions when preparing the budget – some sponsors may have additional restrictions on the costs that can be charged.
- Sponsored budgets must include costs that are:
  - Allowable
  - Allocable
  - Reasonable
  - Consistent



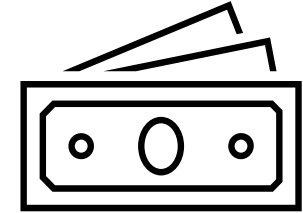


# Direct Budget Categories

---

- Personnel costs:
  - Salary
  - Fringe
- Equipment\*:
  - Items with a life of greater than 1 year and cost \$5K or more.
- Travel costs:
  - Domestic
  - Foreign
- Participant Support costs\*
  - Costs are for trainees or conference/workshop participants

\*excluded from Indirect Cost base (IDC base)





# Participant Support Costs

---

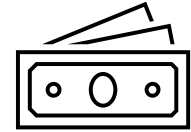
- Participant Support Costs are direct costs for items such as stipends, subsistence allowances, travel allowances, and registration fees **paid to or on behalf of participants or trainees** (but not employees) in connection with conferences, or training projects (note: they do not apply to NIH training grants).
- Different sponsors allow Participant Support Costs in different ways, for example:
  - NIH – only allowed when specified in the Funding Opportunity Announcement (FOA) for a specific conference or training project
  - NSF allowed on proposal as long as there is a training *component* to the project.
- Participant support costs defined under this guidance **should not** be confused with costs associated with participants in a clinical trial/research project (**human subject payments**).
- Similarly, this guidance **does not** apply to participants in courses or conferences expected to produce a deliverable or provide a benefit to the research.



# Direct Budget Categories

---

- Other Direct Costs – include but not limited to:
  - Lab supplies
    - Expendable items under \$5k; includes computers and peripherals less than \$5K;
  - Human Subject costs
  - Tuition remission for graduate students\*
    - Must be budgeted personnel on the project
  - Publication costs
  - Subaward costs
  - Consultant costs
  - Vendor service costs



\*excluded from Indirect Cost base (IDC base)





# Which Indirect Cost rate do I use?

Most proposals will use the "on-campus" rate; the "off-campus" rate is only used in very specific circumstances:

The **off-campus rate** is applicable to all extramurally funded sponsored activities where documentation in proposal/award materials confirms:

1. There are multiple performance sites and the Preponderance of the Time and Effort related to the extramurally funded sponsored activity is conducted at a site that is not Northeastern owned or leased; and
2. The cost of the leased or rented space is included as a direct cost in the project budget and is paid as a direct cost by the funding agency.

## Exceptions to Federally-negotiated rate:

- Federally-sponsored Training grants (T32), Fellowships (F31/F32), Mentored Research (K awards):
  - 8% IDC rate, see NOFO-specific requirements.
- Sponsor mandated rate: Foundations and other non-Federal sponsors - follow the application instructions
- Voluntary reduced IDC rate: a PI may request a reduced rate, which requires college-level approval at the time of application.



# Northeastern University's Rate Agreement

---

- Current agreement is dated [March 16, 2023](#)
- Current approved Research indirect rate: 59.5%
- Research indirect rate **effective July 1, 2024**: 60%
- Current fringe rates:
  - 25.9% full-time faculty and staff
  - 7.65% part-time staff and students
- This information and other institutional info is on the [NU-RES Quick Facts page](#)



# Upcoming changes to Uniform Guidance

---

- A revised version of Uniform Guidance will be effective October 1, 2024.
- Thresholds for assessing F&A will change for some categories, including equipment and subawards.
- The thresholds in use now are based on NU's current rate agreement, so even though U.G. will be changing, you MUST keep using the current thresholds until NU's rate agreement has been changed!



# Budgeting Example #1

---

- PI salary, fringe, supplies and human subject payments. Modified Total Direct Costs (MTDC) are the same as Total Direct Costs since there is nothing budgeted that is exempt from Indirect costs (F&A):

	<b>Effort</b>	<b>Salary</b>	<b>Fringe</b>	<b>Total</b>
Principal Investigator	1.2 academic months	\$ 10,000	\$ 2,590	\$ 12,590
Supplies				\$ 50,000
Human Subject payments				\$ 10,000
<b>Total Direct Costs</b>				<b>\$ 72,590</b>
Modified Total Direct Costs				\$ 72,590
<b>Indirect Costs</b>	<b>60%</b>			<b>\$ 43,554</b>
<b>Total Costs</b>				<b>\$ 116,144</b>



# Budgeting Example #2

---

- PI salary, fringe, Grad student salary, fringe, supplies, tuition and participant support costs. Modified Total Direct Costs (MTDC) are different than the Total Direct Costs because tuition & participant support costs are exempt from Indirect costs (F&A):

	Effort	Salary	Fringe	Total
Principal Investigator	1.2 academic months	\$ 10,000	\$ 2,590	\$ 12,590
Graduate Student	12 calendar months	\$ 42,573	\$ 198	\$ 42,771
Supplies				\$ 50,000
Tuition				\$ 5,000
Participant Support Costs				\$ 5,000
<b>Total Direct Costs</b>				<b>\$ 115,361</b>
Modified Total Direct Costs				\$ 105,361
Indirect Costs	60%			\$ 63,217
<b>Total Costs</b>				<b>\$ 178,578</b>









# Examples – can I budget/spend X, Y, Z on the proposal/award

---





It's a really long flight from Boston to South Africa. Can Dr. Huskie fly 1<sup>st</sup> class?

- Allowable 
- Allocable 
- Reasonable 
- Consistent 

Travel cost points to keep in mind:

- Must be allowed by formal organizational policy
- The lowest reasonable commercial airfares must be used
- Airfare charged on Federal awards must comply with Fly America Act: [Fly America Act](#) and [Fly America Act FAQs](#)

I need to purchase new iPads for my research participants. Is this ok even though I already have iPads? They no longer support the app that is needed for my project.

- Allowable 
- Allocable 
- Reasonable 
- Consistent 



# Institutional Base Salary

---



- **Definition**

Institutional base salary means the annual compensation paid by Northeastern University for an individual's appointment(s), whether that individual's time is spent on research, teaching, administration, or other activities. IBS includes regular salary as well as administrative and endowed supplements for additional appointment(s) such as dean, chair, and/or center or institute director.

- **Institutional Policy**

Effective date of policy is July 1, 2019. You may find it here:

[NU IBS POLICY](#)

- Uniform Guidance: 2 CFR §200.430 and 2 CFR §200.431



# IBS and appointment types

---



## Appointment types:

- 8-month, 9-month Academic appointments
- 12-month Calendar year appointments
- Most faculty appointments at NU are 8-month appointments covering the period from September – April; these appointments allow faculty to charge off-contract salary for up to 3.2 person months in the summer.
- Students, Postdoctoral researchers and Research Scientists all have 12-month appointments.

## Person Months

- Designating effort as Calendar Months, Academic Months, Summer Months depends on an individual's appointment type
- Academic and Summer months are applicable to faculty appointments only
- Academic and Summer months refer to where the salary is charged (effort may be ongoing throughout the year)



# Calculating IBS - example

---

Dr. Huskie has an 8-month faculty appointment and is serving as Chair of her department, which is a 12-month administrative appointment that will last for 3-years.

Faculty salary: \$120,000

Chair supplement: \$40,000



Dr. Huskie plans to commit 1.5 summer months effort on her upcoming NIH proposal

Calculating monthly salary:

- $\$110,000/8 = \$13,750$
- $\$30,000/12 = \$2,500$
- Total monthly IBS = \$16,250 (this is under the NIH salary cap)
- Salary requested on grant proposal for 1.5 SM = \$24,375



# Salary Cap guidance for proposal budgets

---

- Current salary cap information is available on the [NU-RES Quick Facts page](#).
- The use of the Federal Executive Salary Cap may apply to your proposal budget – make sure to check agency guidance, RFP, etc.
- Certain Federal agencies including the agencies under DHHS (e.g., NIH, AHRQ, SAMHSA) and the DOJ mandate the use of the salary cap.
- The DOJ salary cap allows for an additional 10% above the cap.

NU-RES guidance is to apply a standard 3% cost-of-living increase in the out years for proposal budgets;

- Do not apply the cost-of-living increase to the NIH cap;
- For NIH proposal budgets where a PI is not at the salary cap in the first year of the proposed budget, apply the 3% increase in the subsequent budget periods until the current salary cap reached, then use the salary cap.



## DOs and DON'Ts

---



- **DO** make sure that you are using CURRENT salary rates for the DHHS salary cap and for NU employees.
- **DON'T** recycle an old budget template with outdated information.
- **DO** verify salary for non-tenure track faculty and other NU employees with a copy of an appointment letter

# Key Personnel Effort compliance

---

All Sponsored Research Activities require Senior/Key Personnel to have committed effort that is both allocable & measurable, in order to complete the scope of work as proposed.



# Committed Effort

---

- Measurable Effort means quantifiable and greater than de minimis, i.e., not less than 1%. The minimum of 1% is calculated based on the Budget Period.
  - **Example:** for a 12-month budget period, the minimum effort is 1% or .12 person months
- Committed effort means the amount of time a researcher will devote to the specific research project. An investigator's proposed level of effort should reflect an estimate of what is reasonably necessary to complete the research aims and goals of the proposal. Committed effort is measured in person months.
- Salary support requested on the budget at the time of proposal should correspond to the proposed level of commitment.
- Salary not charged to an extramurally-funded award IS considered cost share.
  - **Exception:** Federal Salary cap



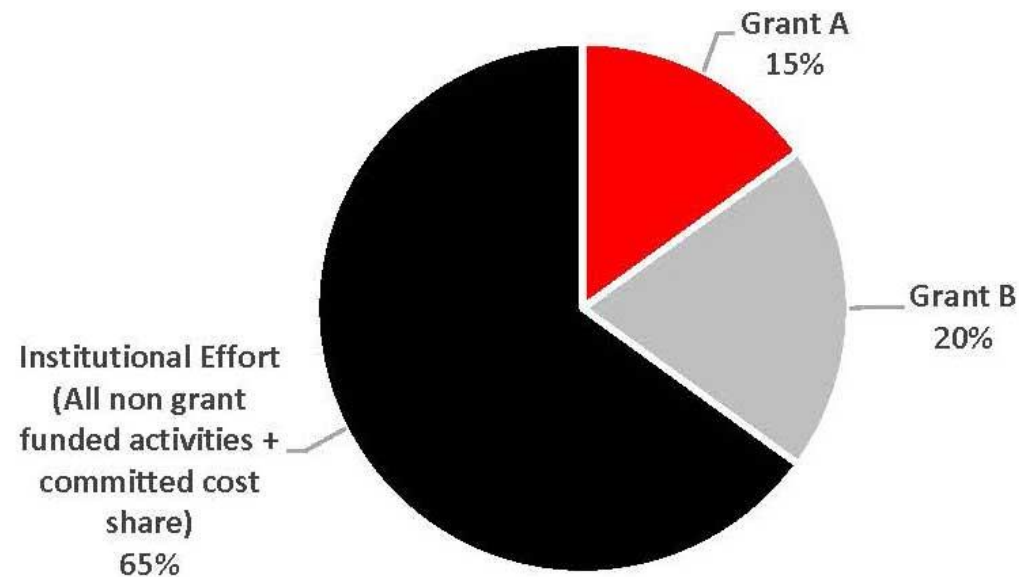


# The Effort Pie

---

University effort: may include both sponsored and non-sponsored activities: organized research, instruction, administration (e.g., serving on committees);

100% Effort refers to the total Time devoted to all activities compensated via university payroll.



# DOs and DON'Ts

---



- **DO:** make sure to charge your effort as appropriate to the grant.
- **DON'T:** inadvertently commit to uncompensated effort in your proposal

# Effort compliance: when does cost share apply?

What if a Faculty member's Committed Level of Effort does not correspond with the amount of salary support requested on their proposal? When does cost share apply?



- **Uncommitted Effort**
- **Salary Cap**
- **Sponsor-Stipulated Salary Limitation**  
(e.g., NIH K08 and K23 awards)

Questions? Check out [NU-RES Guidance "Measurable Effort and Salary Support on Grants"](#)

# What is Cost Share?

---



**Cost Share** is the portion of the total project costs that is contributed by Northeastern and/or other third-party sources, but not reimbursed by the sponsor.

## Types of Cost Share

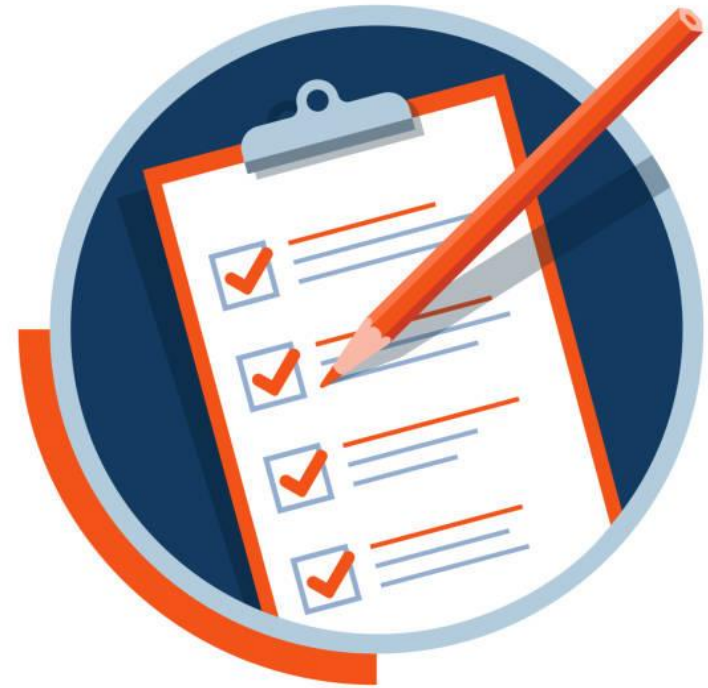
- **Mandatory Committed:** cost share that is required by the sponsor as a condition of obtaining funding, and is documented in the proposal.
- **Voluntary Committed:** cost share that is not required by the sponsor, and is documented in the proposal. Please remember, not all sponsors allow proposals to include voluntary committed cost share.
- **Voluntary Uncommitted:** cost share that your college did not have to include in the proposal. This type of cost share is not formally tracked or reported by NU-RES.



# Friendly Reminders for Including Cost Share

---

- Always check the funding announcement and sponsor guidelines
- Create a cost share budget
- Identify the departmental account or third-party source
- Obtain college approvals as early as possible
- Include all documentation on the ePAWs record



# Additional Cost Share Resources

---

- NU-RES Cost Sharing Page: <https://nu-res.research.northeastern.edu/lifecycle-management/develop-proposal/cost-sharing/>
- NU-RES Cost Share Approval Form: <https://nu-res.research.northeastern.edu/all-resources/>
- NU Cost Share Policy: <https://policies.northeastern.edu/policy507/>
- For federal requirements for cost sharing, see the Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards:

2 C.F.R. Section 200.29

2 C.F.R. Section 200.99

2 C.F.R. Section 200.96

2 C.F.R. Section 200.306



# Budgeting Resources – web links

---

- Uniform Guidance: <https://nu-res.research.northeastern.edu/omb-uniform-guidance/>
- Common Budget Elements: <https://nu-res.research.northeastern.edu/lifecycle-management/develop-proposal/budget-templates/>
- Allowable Cost Guidelines: [https://nu-res.research.northeastern.edu/wp-content/uploads/2019/01/Allowable-costs\\_guideline\\_2015-10-21.pdf](https://nu-res.research.northeastern.edu/wp-content/uploads/2019/01/Allowable-costs_guideline_2015-10-21.pdf)
- Budget Templates: <https://nu-res.research.northeastern.edu/lifecycle-management/develop-proposal/budget-templates/proposal-budget-forms-and-templates/>
- Northeastern’s Policy on Institutional Base Salary (IBS) for Extramurally-Funded Sponsored Projects: <https://policies.northeastern.edu/policy511/>
- Northeastern’s Policy on Cost Sharing: <https://policies.northeastern.edu/policy507/>
- DHHS Salary cap: [https://grants.nih.gov/grants/policy/salcap\\_summary.htm](https://grants.nih.gov/grants/policy/salcap_summary.htm)
- Fly America Act: <https://www.gsa.gov/policy-regulations/policy/travel-management-policy-overview/fly-america-act> and Fly America FAQs: <https://nu-res.research.northeastern.edu/fly-america-act-2/>



Thank you!

---

