Objectives

• Participants will:
  – Demonstrate understanding of all parts of a budget
  – Accurately explain what makes a strong budget and justification
  – Demonstrate effective use of UNL’s budget templates
Why, and What Makes it Good? Questions

• Why should you create a proposal budget
• What can it be used for
• What makes a “good” budget
• What’s a budget justification/narrative, and some common pitfalls to avoid between the budget and justification
• Does OSP just make this stuff up? Where do they get the idea that some things are o.k. in a budget and others aren’t

Why, and What Makes it Good? Answers

• Project scope dictates financial needs
  – Reflect project goals financially
• Maps successful work progress
• Clear
• Realistic
• Conforms to regulations and policies
Cost Principles (OMB A-21 & UG Subpart E)

• Allowable
• Reasonable
• Allocable
• Treated consistently across the institution

Cost Principles (OMB A-21 & UG Subpart E)

• Allowable
  • Necessary for the performance of the federal project
  • By sponsor, UNL, state and federal government
  • Permitted under sponsor’s terms and conditions, direct and indirect
  • Adequately documented
Cost Principles (OMB A-21 & UG Subpart E)

- Reasonable
  - “Prudent person”
  - Necessary for project
  - Follow laws, regulations and established practices

Cost Principles (OMB A-21 & UG Subpart E)

- Allocable
  - This agreement only (not other projects)
  - OR this plus other UNL work, in proportions you can reasonably estimate
  - OR necessary to overall operation of UNL, a portion of which is assigned to this project
Cost Principles (OMB A-21 & UG Subpart E)

- Treated Consistently
  - Same type of costs treated the same across UNL
  - Regardless of source of support
  - Can’t be both direct and indirect unless specifically authorized

Real Life!

- A PI has budgeted the following on a federal project:
  - New computers for a Postdoc and GRA ($5,025 each)
  - Half the cost ($7,000) of a Spectrophotometer
  - 50% of dept. staff responsible for HR processing for dept.
  - a journal subscription
  - a wine and cheese opening event
  - two UNL faculty paid as consultants at a daily rate
Activity

Budget Template

UNL -> Office of Research & Economic Development -> Sponsored Programs -> Forms & Templates

http://research.unl.edu/sponsoredprograms/forms-templates/
Real Life!

• UNL is submitting a proposal to NIH. The budget includes personnel time and benefits (including 1 GRA), equipment, supplies, study subject payments and 2 subs (1 to UNMC and 1 to Kansas State).

• If the sponsor allows our negotiated rate of 51% MTDC, what would be excluded from F&A?

Real Life!

• Your PI says she needs someone outside UNL to help with the project she’s proposing. She wants to choose the method that will include the least amount of F&A in UNL’s budget.

• Why is this inappropriate, and what are the options and appropriate decision points?
Budget Justification Activity

Budget Justification

• Why is this expense needed
• Personnel:
  – Effort
  – Role
  – COLA
• Benefit estimates, actual cost charged
• Equipment:
  – Project-specific
  – Vendor quote(s)
Budget Justification

- Travel: Who, where, when, why, estimates
- Supplies: Project-specific
- Subawards: Minimal if requires separate budget with proposal
- Consultant: Role, rate
- Facilities & Administrative: Specific language

Real Life!

- A solicitation states that federal per diems must be used for travel.
- How would you address this in the budget and justification?
Cost Share

- Project costs not paid by the sponsor; “Match”

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<th>Uncommitted</th>
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Cost Share

- No federal to federal cost share
- Must be tracked and reported
- Can cost share an item only once
- Approved in NUgrant before submission
- Third-party cost share
  - Entity other than UNL contributes the cost share
  - Third-party tracks and reports to UNL
  - UNL responsible if third-party doesn’t meet its obligation
  - Include in amount routed in NUgrant

Real Life!

- A proposal states that an individual will work .25 person months on the project, but this doesn’t appear in the request budget. It also states that a piece of specialized equipment will be provided by UNL
- What are the implications of including these items?
Cost Share

• Justification wording to avoid quantifying
  – The PI will devote the time necessary to complete the project
  – The department of X will provide the equipment necessary to accomplish the proposed research
  – Computer support for the project will be provided by the College of X

• As a general rule, avoid cost share, if possible

Questions
NURAMP: Budget Preparation and Development

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