How Do I Organize A Budget?

Examine Guidelines

The agency guidelines will identify requirements and restrictions on budget items. The guidelines may also indicate the agency’s policies on F&A costs.

Frequently Used Federal Agency Forms and Application Guides

 [A-Z Index of U.S. Government Departments and Agencies](https://www.usa.gov/federal-agencies/a)
                    [AHRQ: Agency for Healthcare Research and Quality](https://www.ahrq.gov/funding/index.html)
                    [CDC: Centers for Disease Control and Prevention](https://www.cdc.gov/grants/index.html)
                    [DOE: United States Department of Energ](https://science.energy.gov/grants/)y
                    [EPA: Environmental Protection Agency](https://www.epa.gov/grants)
                    [NEH: National Endowment for the Humanities](https://www.neh.gov/grants)
                    [NIH: National Institutes of Health](https://grants.nih.gov/grants/about_grants.htm)
                    [NSF: National Science Foundation](https://www.nsf.gov/funding/index.jsp)
                    [USDE: United States Department of Education](https://www2.ed.gov/fund/grants-apply.html?src=pn)

Frequently Used Non-Federal Agency Forms and Application Guides

 [American Cancer Society](https://www.cancer.org/research/we-fund-cancer-research/apply-research-grant.html)
                    [American Diabetes Association](https://professional.diabetes.org/research-grants)
                    [American Heart Association](http://professional.heart.org/professional/ResearchPrograms/ApplicationInformation/UCM_316909_Application-Information.jsp)
                    [Cancer League of Colorado](http://cancerleague.org/grants)
                    [Cystic Fibrosis Foundation](https://www.cff.org/)
                    [JDRF: Juvenile Diabetes Research Foundation](http://grantcenter.jdrf.org/)
                    [National Multiple Sclerosis Society](http://www.nationalmssociety.org/For-Professionals/Researchers/Society-Funding/Research-Grants)
                    [PCORI: Patient-Centered Outcomes Research Institute](https://www.pcori.org/funding-opportunities)

Establish Format

Many agencies provide a format to follow and may even provide online tools to use (e.g. NSF FastLane or NIH SF424 Forms). In those cases it is important to review the agency format first before beginning to work on your budget. You can avoid extra work if you begin with the categories and subtotals that the agency requires.

A separate detailed budget must be provided by the department if the following information is not required by the sponsor: Name of all personnel requesting salary, proposed effort, institutional base salary, appropriate fringe benefit rate, and any other individual line items (e.g. equipment, travel, supplies, publication costs, subrecipient costs, and indirect costs).

If the sponsor does not require the level of detail requested above or provide a budget template, you can follow the OGC sample format or provide a detailed budget with the required categories. The key is to group items by type of cost rather than activity.

Identify Project Costs

1. Salary and Wages – determine the level of effort and corresponding salary requested for each individual participating on the proposed grant.
	1. Institutional Base Salary – *Coming Soon*
	2. COLA Guidelines- if the budgeted rate of pay exceeds the employee’s current rate of pay by more than 5%, please provide an explanation from the appropriate assigned appointing authority in either email or memo format.
2. Fringe Benefits- rates vary depending on the type of appointment. Please see fringe benefits link for complete details.
3. Consultant Costs- Include a daily or hourly rate and the number of days or hours the consultant will be working on this project. The consultant's qualifications should be included in the proposal or budget narrative. Include a letter of support for the proposal.
4. Equipment- Itemize and justify all equipment. Describe how it is needed in relation to the technical work to be performed. It is a good idea to provide the source of your estimate. For example, you may have received a vendor quote for an item or the estimate may be based on prior experience. At CU Denver the current threshold for equipment is $5000.

Computers are not normally supported on grants, but if they are needed for the project they must be very carefully justified.

1. Travel- CU Denver reimburses lodging at reasonable and actual costs. Per diem is reimbursed at the rates used by the federal government unless limited by the agency. Mileage should be based on the established CU Denver rate multiplied by the number of miles. Special rules apply if international travel is involved. Airfare should be budgeted at the coach rate for domestic travel.

Think about the needs for each trip and provide the detail for each expense item. It is also important to describe the purpose of the travel in the budget narrative. Agencies vary greatly in their requests for detail concerning travel. Keep this in mind when deciding how much detail to provide. Think about the reviewer's point of view in providing justification. You want to make their job as easy as possible by providing enough information to understand the basis for costs for the funds requested.
2. Patient Care Costs- Expenses for this category include costs of any laboratory or clinical procedures that are conducted in an out-patient clinic or in-patient facility.
3. Participant Support- Expenses for this category include costs of transportation, per diem, stipends, and other related costs for participants or trainees (who are not CU Denver employees) in connection with conferences, meetings, training activities, or workshops.
4. Supplies- expendable items used for the project. Include a description, estimate and subtotal for the category. Examples of supplies include: laboratory supplies, computer software costing less than $5000, film, medical supplies, computer supplies, and pharmaceuticals. These costs should usually be grouped rather than each item listed individually so as to allow flexibility when the award is set up (i.e. computer supplies $150 rather than 5 flash drives $100, computer cables $50).
5. Subcontractors- Projects with subcontractors need to obtain the following:
* Detailed Budget
* Budget Justification or budget narrative
* Scope of Work Statement
* [Statement of Intent to Establish a Consortium Agreement](http://www.ucdenver.edu/research/Research%20Administration%20Documents/Subrecipient%20Form%20-%20HSC%20As%20Prime%202011.doc); or
* [Proposal Stage Subrecipient Commitment Form](http://www.ucdenver.edu/research/Research%20Administration%20Documents/Subrecipient%20Commitment%20Form%20%28Proposal%20stage%29_2016Sept.docx)

The total of the subcontractor's budget is included in the CU Denver budget on one line called subcontractor or consortium costs. If you have more than one subcontractor, the documents are required for each and the total for each subcontractor is listed on the CU Denver budget.

1. Other Costs- This category is used to include various items such as telephone long distance tolls, photocopy costs, tuition remission, expendable equipment, contractual services, honoraria, and subject payments.
2. F&A- All projects should include facilities and administration costs unless the agency restricts these costs in their guidelines. F&A can also be referred to as overhead or indirect costs. Refer to the F&A link for complete details.
3. Budgeting for Future Years- All costs can be increased by a modest percentage, historically 3% has been used.

Costs Share

1. Determine Requirement- Agencies sometimes require that the grantee institution share in the cost of projects. This is stated in the agency guidelines and in those cases the University contribution must appear in the budget.

Contributing a portion of the salaries, fringe benefits, and applicable indirect costs can usually provide the cost share. The cost share may also be made by the contribution of other direct cost items such as supplies, printing and duplicating, or travel. If these types of items are used for matching, adequate documentation must be available for audit purposes.

In order to include an item as cost sharing it must be:

* verifiable
* not included as cost share to another grant or contract account without agency approval
* necessary and reasonable to the project
* allowable and allocable under applicable cost principles
* not funded from another grant or contract without agency approval
* incurred within the time frame of the project

All cost share must be approved at the time of proposal submission. It is required that the availability and commitment of funds to be used for the match be documented in writing by a person in the submitting unit who has authority to do so. All third party matches (those to be made by funds from outside the University) must also be documented in writing.

In-kind contributions, that is, contributions of goods or services by third parties (parties other than the grantor or grantee) in lieu of dollars may also be used as a form of matching when allowed or otherwise required by the funding agency. Examples include the waiver of a consultant's normal fee, the free use of an auditorium, or the contribution of supplies that would otherwise have to be purchased from grant funds. In all cases, documentation in the form of a statement or receipt from the contributor must be obtained and kept for audit purposes. Many times a letter of support/commitment from the contributing agency needs to be submitted with the proposal.

**Note:** Contributions of salaries, supplies, and indirect costs by CU Denver are "cash" contributions, not "in-kind" contributions. These contributions are actually charged to some University budget and are documented for bookkeeping and audit purposes. Nevertheless, agency guidelines should be checked carefully as agency definitions and uses of the term "in-kind" vary. To be certain of the correct interpretation, check with the PreAward Services staff.

1. [Institution Policy](http://www.ucdenver.edu/research/Research%20Administration%20Documents/Cost%20Sharing%20Presentation.pdf)

What are Facilities and Administration Costs?

Most institutions have a federally negotiated Facilities and Administration (F&A) Rate that should be used on all proposals. F&A also known as “indirect costs” or “overhead” are broad categories of costs. The following kinds of expenses are used to determine an institution’s F&A rate:

Facilities –

* Depreciation and use allowances (buildings, capital improvements to land and buildings, and equipment)
* Interest (interest on debt associated with certain buildings, equipment and capital improvements)
* Operation and maintenance expenses (janitorial and utility services, repairs, furniture and equipment, grounds, maintenance and operation of buildings, security, disaster preparedness, environmental safety, hazardous waste disposal, insurance, planning and management, central receiving)

Administration-

* General Expenses (such as those expenses incurred by administrative offices that serve the entire university system of which the institution is a part; central offices of the institution such as the President’s or Chancellor’s office, the offices for institution-wide financial management, business services, budget and planning, personnel management and safety and risk management; the office of the General Counsel, and the operations of the central administrative management information systems)
* Departmental administrative expenses (these include administrative and supporting services that benefit common or joint departmental activities or objectives in academics deans’ offices, academic departments and divisions, and organized research units. Organized research units include such units as institutes, study centers, and research centers.)
* Sponsored projects administration (covers expenses incurred by a separate organization(s) established primarily to administer sponsored projects, including such functions as grant and contract administration, special security, purchasing, personnel, and administration)
* Library expenses (includes the cost of books and library materials purchased for the library, less any items of the library income that qualify as applicable credits)
* Student administration and services (such as administration of student affairs and services to students, including expenses of such activities as dean of students, admissions, registrar, counseling, and placement services, student advisers, student health and infirmary services, catalogs, and commencements and convocations)

When is a Budget Approved?

1. All budgets should be pre-approved by PreAward Services prior to submitting the completed proposal to the sponsor.
	1. Please contact the Grant Specialist assigned to your department with any questions you have about preparing budgets and submitting proposals.
2. Please refer to the routing procedures for instructions on what and when to route a sponsored project proposal
	1. <http://www.ucdenver.edu/research/OGC/awardadmin/preaward/Pages/routing.aspx>
3. All proposals must be routed to Grants and Contracts electronically. See below ERA training materials
	1. <http://www.ucdenver.edu/research/OGC/era/Pages/training.aspx>