



Office of Research Development and Education

UNIVERSITY OF COLORADO
DENVER | ANSCHUTZ MEDICAL CAMPUS

Proposal Budget Checklist

This checklist provides principal investigators with a budget development tool for external funding support. Costs fall into two major categories – direct costs and facilities and administrative costs. When developing your budget, be certain to refer to and understand the University’s Direct Charges Policy, available on the University of Colorado Denver (UCD) Office of Grants and Contracts' (OGC) web site at <http://www.ucdenver.edu/academics/research/AboutUs/GrantsContractsOffice/policies-procedures/Pages/default.aspx>.

Direct Costs (costs directly related to the specific project)

Personnel Costs

- Senior Personnel Salaries
 - Principal Investigator (PI) and co-Principal Investigators (co-PI) that are employed by the University would be accounted for in this category. NIH also recognizes the concept of Multiple PIs.
 - Percentage of effort or person-months (as required by sponsor) should be noted for all senior personnel on the project.
 - Many agencies including the National Institutes of Health and NASA do not recognize the concept of co-PI but rather refer to personnel in these positions as co-Investigators (co-I).

- Other Personnel Salaries
 - Employees of the University who will be working on the project, aside from the PI and co-PIs, are included in this category.
 - Note that this category may include people who are currently employed by the University as well as those that will be hired when the project is awarded.
 - Classifications for Other Personnel may include other faculty involved on the project, professional staff such as a project director or data analyst, technicians, postdoctoral fellows, graduate and undergraduate research assistants.
 - Percentage of effort or person-months (as required by sponsor) should be noted for all employees on the project.

- ❑ Fringe Benefits
 - All University employees paid to perform work on a grant or contract are entitled to receive fringe benefits.
 - Fringe benefit rates are updated yearly and are available on the OGC website at <http://www.ucdenver.edu/academics/research/AboutUs/GrantsContractsOffice/award-administration/preaward/Pages/FringeBenefitRates.aspx>.

Other Direct Costs Typically Associated with Research and/or Training Projects

- ❑ Travel
 - Domestic and foreign travel associated with the proposed project should be specified.
 - If foreign travel is not specified in the budget, the University must request **prior** approval for such travel from the sponsor.
 - Some agencies define Mexico and/or Canada as domestic travel.
 - Typical travel costs supported by sponsors include airfare, lodging and incidental expenses (per diem), conference registration costs, local travel costs such as car rental.
 - It is highly recommended that principal investigators be as specific as possible when providing justification for proposed travel costs (for example, discuss the professional conferences that fit best in terms of disseminating information about the project, where they will be occurring and costs associated with each.) Travel is often one of the first line items sponsors automatically reduce, but a complete explanation of the necessity to the project may convince the sponsor otherwise.

- ❑ Materials and Supplies
 - This line item details tangible materials and supplies costing less than \$5,000 per unit that are for project specific purposes.
 - Agencies generally require itemization of proposed purchases under this category.
 - Most computing equipment now falls under this category. Note that purchase of general computing equipment is not an allowable cost on federal grants and contracts; rather, purchase of computing equipment requires a clear explanation of its importance to the project (for example, the project involves large datasets and requires a high-end workstation for analysis.)

- ❑ Publication/Page Charges
 - Costs of producing publications required by the sponsor such as monographs would be under this category.
 - Typical costs also included in this category are graphic design, photography, journal page charges and other mechanisms for dissemination of research results.

- ❑ Communication Charges
 - This category usually consists of long-distance telephone charges directly associated with the project. For example, projects involving telephone surveys of participants throughout the United States would be an allowable charge.
 - Other potential items under this category may include mobile telephones or other electronic devices **under special circumstances**. For example, if the proposed project involves project-related travel in rural areas and mobile telephones are necessary to maintain contact with project personnel, this may be an allowable expense. Expenses of this nature will need to be carefully justified in the proposal and specifically approved by the sponsor.

- ❑ Consultants
 - A consultant is an individual who will provide professional advice or services for the project not available elsewhere within the University.
 - A person in a consultant status is not supervised by project personnel.
 - For budgeting purposes, sponsors require specifics as to what tasks the consultant will perform on the project as well as the consultant's daily consulting rate, travel costs, etc.
 - Additional information necessary from a consultant includes a signed letter and CV.
 - Personnel employed by any University of Colorado unit, regardless of campus, may not serve as consultants on a University of Colorado project. University of Colorado Denver personnel are included under the Personnel budget line items; other CU personnel would be handled as subcontractors.

- ❑ Subcontracts
 - If a collaborator is located at another institution (including other institutions within the University of Colorado System), the usual method of inclusion on the project is a subcontract.
 - Sponsors typically require a subcontractor scope of work, budget and budget justification for the portion of the project to be conducted by the subcontractor.
 - The University requires a letter of collaboration signed by the subcontracting institution's authorized representative, the detailed budget and justification and a scope of work outlining the subcontractor's role on the project.
 - Proposals typically include the subcontractor key personnel CVs.

- ❑ Postage
 - General postage costs are not allowable on federal grants and contracts.
 - Activities specific to the project such as a mail survey or outreach efforts to participants and their families would qualify postage as a legitimate grant or contract charge.

- ❑ Photocopy Charges
 - General copying charges are not allowable on federal grants and contracts.
 - Copying charges for materials directly related to the project, such as training materials or survey instruments, would be allowable charges.

- ❑ Computer Software
 - Specialized software necessary to the project should be itemized and justified.
 - General purpose software (e.g., word processing or spreadsheet software) is not an allowable expense on grants and contracts.

- ❑ Rental/Equipment Fees
 - Costs associated with rental of equipment directly related to the proposed project should be outlined and fully justified.

- ❑ Permanent Equipment (\$5,000 or over per unit)
 - Equipment is defined as any item costing \$5,000 or more and having a useful life of more than one year. (Note that some sponsors define this concept differently.)
 - Freight charges, installation costs, subcomponents or peripherals needed to make the equipment operational should be considered part of the equipment cost.
 - Sponsors generally require manufacturer quotes as part of the proposal.
 - Permanent equipment is exempt from assessment of Facilities and Administrative Costs.

- ❑ Capital Expenditures
 - Costs associated with alteration or renovation of buildings would fall under this category.
 - Any costs of this nature should be fully justified.
 - This is an unusual expenditure on grants and contracts.

- ❑ Rental Costs
 - Costs of renting space to house a project that cannot be accommodated on the UCD campuses may be requested.
 - An example would be a sponsored project involving an outreach project that will be housed in a local facility to increase subject participation. The local facility requires payment for such space which would be, with agency approval, an allowable expense.
 - The rationale for this item should be very apparent.
 - Rental costs are exempt from assessment of Facilities and Administrative Costs.

- ❑ Participant Support Costs
 - This category includes items such as research subject payments or incentives.
 - The methods for providing such incentives should be outlined thoroughly in the budget justification.
 - Some sponsors, most notably the National Science Foundation, use this category to denote project trainees or workshop attendees and there are specific costs associated such as stipends, travel and material costs for participants.

- ❑ Tuition
 - Tuition assistance can be included in the budget for graduate and undergraduate research assistants on the project when allowed by the sponsor.
 - The University, as a state agency, is prohibited from paying tuition costs for international and out-of-state students.
 - Specify maximum credit hours per semester per student.
 - Tuition is exempt from assessment of Facilities and Administrative Costs.

- ❑ Stipends
 - Stipends are monetary assistance provided to students who have no obligation to work for the money they are provided.
 - Note that stipends are only allowed by the University when required by the sponsor; the vast majority of students involved as research assistants on sponsored programs will be paid salary and fringe benefits rather than a stipend.
 - Stipends do carry tax implications for the recipients.

Facilities and Administrative Costs (aka indirect costs, overhead)

Facilities and Administrative Costs

- Information about the University's federally negotiated Facilities and Administrative Costs Rate is available from OGC at <http://www.ucdenver.edu/academics/research/AboutUs/GrantsContractsOffice/policies-procedures/Pages/default.aspx>.
- These are real costs of doing business for the University but cannot be attributed to any one project with any degree of accuracy. Therefore, the University negotiates a rate with a federal agency (UCD's cognizant agency is the U.S. Department of Health and Human Services) to help defray such expenses.
- If an agency has a published, consistently applied policy dictating a rate lower than the University's authorized rate, see the F&A Waiver Process on the OGC web site at <http://www.ucdenver.edu/academics/research/AboutUs/GrantsContractsOffice/award-administration/preaward/Pages/FacilitiesAdministrativeRecovery.aspx>.

Other Budget Considerations

UCD Cost Share

- Depending on the sponsor and proposed project, it may be required that the University be responsible for providing a contribution to the project, known as cost share or matching funds.
- Cost share can be in the form of a cash contribution. Examples would be if the University commits to purchase supplies for a project, pay for a 9-month faculty member's effort during the summer, pay for a graduate student's salary or tuition or fund travel costs.
- Cost share can be in the form of in-kind costs. In-kind costs are ones which the University is already committed to pay such as a faculty member's academic year time and effort. Required waivers of Facilities and Administrative Costs can, at the discretion of the sponsor, be used as cost share.
- UCD's Cost Share Policy is available from OGC at <http://www.ucdenver.edu/academics/research/AboutUs/GrantsContractsOffice/policies-procedures/Pages/default.aspx>.

Third Party Cost Share

- If a collaborator outside of the University will be responsible for providing cost share on a project, the PI should arrange for a letter of commitment from this third party source outlining the cost share they will be contributing as well as any restrictions.
- This letter will normally be included as part of the University's proposal to the sponsor.

Other sources of information related to budgeting:

Office of Management and Budget Circular A-21, *Cost Principles for Educational Institutions*
(http://www.whitehouse.gov/omb/circulars_a021_2004/)

Office of Management and Budget Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*
(http://www.whitehouse.gov/omb/circulars_a110/)