Seeking Grant Funding

Preparing your budget and budget justification is a vital part of the grant application process.
Agenda

• Definitions of Common Terms
• Developing your Budget
• Developing your Budget Justification
• Key Takeaways
• Q&A
Definitions: Personnel

- **Project Director/Principal Investigator (PD/PI):** The individual(s) who have the authority and responsibility of directing the project and ensuring proper conduct of the project and submission of all required reports.

- **Co-Investigator/Collaborator:** An individual involved with the PD/PI in the scientific development or execution of the project.

- **Consultant:** An individual who provides professional advice for a fee, but normally not as an employee of the University.

- **Senior/Key Personnel:** The PD/PI and other persons who contribute to the scientific development or execution of a project in a substantive, measurable way (usually hold doctoral or other professional degrees; can include consultants & postdocs).

- **Other Personnel:** can include postdoctoral scholars, lab technicians, research assistants, student workers, etc.
Definitions: Award Terminology

- **Sponsor (or Prime Sponsor):** The entity providing funding for a project. Sponsors can be federal, state, foreign, non-profit, etc.

- **Recipient/Awardee (or Prime Recipient/Prime Awardee):** The organization receiving an award directly from the sponsoring entity.

- **Subrecipient/Consortium Site:** An organization that receives a subcontract/subaward from the Prime Recipient to carry out a portion of the work.
Definitions: Cost Categories

- **Fringe Benefits**: the cost of employee benefits (e.g., health insurance, retirement contributions)
- **Direct Costs**: costs that directly benefit a specific project (e.g., personnel salaries & fringe benefits, equipment, supplies)
- **Facilities & Administrative Costs (F&A)/Indirect Costs (IDC)/Overhead**: operating and other costs that are not easily assignable to a specific project (e.g., administrative personnel, utilities, IS&T and library services, etc.)
  - Chapman’s current federally approved F&A rate is 36.8%.
- **Modified Total Direct Costs (MTDC)**: the total of all direct costs, minus specific expense categories that do not incur F&A (such as equipment, patient care costs, the portion of each subaward over $25k, etc.).
  - F&A is calculated on the MTDC base
  - Example: A proposal budget includes $12,000 total Direct Costs. Of that, $2,000 is for equipment which is excluded from the MTDC base. The MTDC base is $10,000.
    - $10,000 x 36.8% = $3,680 Indirect Costs
    - $12,000 Direct + $3,680 Indirect = $15,680 Total Costs
- **Cost Share**: a portion of the project’s cost not paid by the Sponsor.
  - May be paid by the University or by a third party
  - 3 Types: Mandatory, Voluntary Committed, Voluntary Uncommitted
  - Strongly discouraged unless required by the Sponsor
Developing Your Budget: Getting Started

- Carefully read the Funding Opportunity Announcement (FOA) to determine if there are restrictions on the budget
  - Are there any limits (min/max) to the amount of funding you can request?
    - Does the limit include F&A? Does the limit include Subaward F&A?
  - How many years of funding can you request?
    - Are there limits (min/max) to the amount you can request per year?
  - Are there any unallowable expenses?
    - Entertainment, Equipment, Foreign Travel, F&A, etc.
  - Are there any limits on specific budget items?
    - Salary caps, effort requirements, etc.
  - Does the opportunity require cost sharing?
- Check sponsor’s grant policies, website, etc. for additional guidance
Federal Cost Principles

• If you are applying to a Federal sponsor (e.g., NIH, NSF, DoEd), costs must be:
  • Allowable
  • Allocable
  • Reasonable
  • Necessary
  • Consistently applied regardless of the source of funds

• **Caution!** PI/Institution may have to repay funds if sponsor determines costs did not meet the requirements.
Developing Your Budget: Personnel

• Who will perform the work?

• What are their current base salaries, and is any escalation expected over the course of the project period?

• How much of their time will the project require?
  • Effort can be expressed in percentages or “person months”
  • Think of a person’s effort like a pie. Each commitment represents a slice.
  • No extra slices!
    • i.e., no more than 100% effort or 12 person months per individual

![Pie chart showing personnel budget]

- Teaching (6 months) 50%
- Grant A (3 months) 25%
- Grant B (1 month) 8%
- Other (2 months) 17%
- Other (2 months) 17%

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teaching</td>
<td>50%</td>
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<tr>
<td>Grant A</td>
<td>25%</td>
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<td>Grant B</td>
<td>8%</td>
</tr>
<tr>
<td>Other (2 months)</td>
<td>17%</td>
</tr>
<tr>
<td>Other (2 months)</td>
<td>17%</td>
</tr>
</tbody>
</table>
Developing Your Budget: Equipment

- Understand your institution’s definition of Equipment
  - **Chapman’s definition:** Tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of $1,000 or more per unit (per our current federal cost rate agreement)
  - **Examples:** computers, lab equipment, etc.
- Obtain quotes and consider the cost of taxes, shipping, and other fees
Developing Your Budget: Travel

• Specify whether you are requesting **Domestic** or **Foreign** travel.
  • Sponsors may require prior approval for foreign travel.

• **Ask for what you’ll really need**
  • Obtain quotes for air travel, car rental, etc. to substantiate your request.
  • Use the U.S. General Services Administration (GSA) website to find per diem rates (lodging, meals, & incidentals) by city and state.
Developing Your Budget: Other Direct Costs

• What else will you need to complete the proposed project?
  • Other Direct Costs
    • Materials and Supplies
    • Publication Costs
    • Consultants/Professional Services
    • Alterations/Renovations/Rental Use
    • Human Subject Payment
    • Animal Costs & Vivarium Per Diems
    • Data Management and Sharing Costs (required by some sponsors)
  • Participant Support Costs (excluded from F&A calculation)
    • Paid to (or on behalf of) participants or trainees (but not employees) in connection with conferences or training projects
      • Stipends, travel allowances, registration fees, etc.
    • NOTE: Does NOT include costs related to human research subjects.
Developing Your Budget: Subawards

• Will a portion of the work be subcontracted out to another institution?
  • If so, discuss expectations, scope of work, etc. with your collaborator.
  • Work with your Research Administrator(s) to collect necessary subaward documentation prior to the submission deadline
    • Subrecipient commitment form
    • Subrecipient budget and budget justification
    • Scope/Statement of Work
    • Letter(s) of Support/Collaboration
    • Other sponsor-specific items (e.g., NIH biographical sketches, etc.)

• Subawards will prepare their budgets using their fringe and F&A rates
  • Subawards’ F&A may count toward your Direct Cost limit (varies by sponsor)
  • Only the first $25,000 of each subaward counts towards Chapman’s MTDC
Put Your Knowledge to Use!

- We’ll target the National Institute of Mental Health (NIMH) for our submission.
- By reviewing the FOA and associated links, we find the following budgetary limitations and requirements:

  - **Award Project Period**: The total project period may not exceed 5 years.
  - **Level of Effort**: At the time of award, the candidate must have a “full-time” appointment at the applicant institution. Candidates are required to commit a minimum of nine person months of effort (i.e., 75% of full-time professional effort) to their program of career development.
  - **Indirect Costs**: Indirect Costs (also known as Facilities & Administrative [F&A] Costs) are reimbursed at 8% of modified total direct costs.
  - **Salary Support**: Up to $90,000 plus fringe benefits per year.
  - **Research Support**: Up to $50,000 per year.
Budget Templates

- Budget templates are available on our SPS Resources page.
  - [https://www.chapman.edu/research/sponsored-projects-services/sps-resources.aspx](https://www.chapman.edu/research/sponsored-projects-services/sps-resources.aspx)
  - Select the appropriate template for your proposal:
Let’s Review a Completed Budget

- [https://chapman0-my.sharepoint.com/:x:/g/personal/mfaulkne_chapman_edu/EUbcv0P5mEFPtKRdVPtbwVkBYYX5wQS0oKiBhgY6KmaDTRQ?e=hH5tKG](https://chapman0-my.sharepoint.com/:x:/g/personal/mfaulkne_chapman_edu/EUbcv0P5mEFPtKRdVPtbwVkBYYX5wQS0oKiBhgY6KmaDTRQ?e=hH5tKG)

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<th>Personnel</th>
<th>Current Base Salary</th>
<th>% Effort</th>
<th>Person. Months</th>
<th>FY Base Salary</th>
<th>Salary Requested</th>
<th>Fringes</th>
<th>Totals</th>
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<td>85,000</td>
<td>66.67%</td>
<td>6.00</td>
<td>87,550</td>
<td>58,367</td>
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<td>100.00%</td>
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<td>29,183</td>
<td>29,183</td>
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<td>32,333</td>
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<td>FT Staff (including postdocs)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FT Staff (including postdocs)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Part-Time/Temp Staff/Faculty</td>
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<td>37.50%</td>
<td>4.60</td>
<td>47,133</td>
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<td>-</td>
<td>76,634</td>
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<td>Student Worker (usually UG)</td>
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<td>10.00%</td>
<td>1.20</td>
<td>34,278</td>
<td>3,428</td>
<td>171</td>
<td>3,599</td>
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<td><strong>Total Personnel</strong></td>
<td><strong>108,553</strong></td>
<td><strong>21,318</strong></td>
<td><strong>129,971</strong></td>
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Budget Justification: Getting Started

- This is your chance to convince reviewers that your budget is appropriate for the work you’ve proposed.

- Be specific!
  - Explain why items are essential for the success of your project.
  - Explain how the estimated costs were calculated.
  - Organize your justification in the order of the detailed budget pages.
  - Make it clear that your request is reasonable and consistent with sponsor and University policies.
Budget Justification: Personnel

- Who will receive pay from the project?
  - Specify name (or indicate TBN), degree, role on project, and effort committed
  - Describe what the person will contribute to the project (i.e., what are their responsibilities?)
  - Categorize by Senior/Key Personnel and Other Personnel

- Include pertinent details
  - Salary caps
  - Fringe rates
  - Salary escalation in the “out years”
Budget Justification: Travel

• Why is the travel necessary to the success of the project?
  • Training, recruitment, data collection, etc.
  • Scientific meetings/conferences to disseminate study results

• How many trips will you take per year?
• How many days and nights will you stay during each trip?
• Where will you go?
  • If destination is unknown (such as for conferences in later grant years), explain how you estimated the costs.
Budget Justification: Other Direct Costs

• List categories of Other Direct Costs separately (e.g., Materials and Supplies, Animals, Subject Payment) and provide a detailed justification for each category

• Itemize expensive items; include quotes if you have them

• Always refer to the FOA guidelines as well as general sponsor guidelines/policies for any specific instructions about what to include in your justification
Budget Justification: Subawards

• For most applications, each subaward site will provide their own detailed budget justification
  • Review for accuracy and consistency with the scope of work
• In the primary (Chapman) budget justification, only a brief statement about the subaward is typically needed.

Subawards/Consortium/Contractual Costs = $1,205,340
The portion of each subaward more than $25,000 is excluded from the Modified Total Direct Cost (MTDC) base calculation.

University of California, Irvine = $796,876 ($507,565 direct; $289,311 indirect)
A subaward will be issued to the University of California, Irvine for five years. Please refer to the R&R subaward budget attachment form for detailed justification of costs.

University of Rochester = $259,568 ($168,550 direct; $91,018 indirect)
A subaward will be issued to the University of Rochester for five years. Please refer to the R&R subaward budget attachment form for detailed justification of costs.

Northwestern University = $148,896 ($93,060 direct; $55,836 indirect)
A subaward will be issued to Northwestern University for five years. Please refer to the R&R subaward budget attachment form for detailed justification of costs.
Put on Your “Reviewer Hat”

• Which would help you evaluate the appropriateness of the proposed budget?

**Human Subject Remuneration = $8,000**
Each subject will receive $100 for their participation in the study.

**Human Subject Remuneration = $8,000**
Each study participant will receive a $75 gift card to compensate them for their time and effort in completing one fMRI study visit lasting approximately 1 hour, and a $25 gift card for completing the 3-month post-visit health behavior questionnaire ($100/subject x 80 subjects = $8,000). As noted above, 10 subjects per year are anticipated in Years 1 and 5, and 20 subjects per year are anticipated in Years 2 – 4.
What are the Consequences?

• An insufficient justification may give reviewers and sponsor administrators (e.g., Grants Management Specialists) the impression that your study is not well-thought-out, decreasing the likelihood of funding.

• The sponsor is also under no obligation to award the full amount requested.
  • Costs can be questioned, and budgets can be reduced as part of the award negotiation process.

• **Real** budget cuts to grants recently awarded to Chapman:
  • NSF stripped travel out of Year 1 saying it didn’t appear to be necessary.
  • NIH removed a full-time project staff member from Year 5 and questioned the need for Consultant costs.
Key Takeaways

• Familiarize yourself with the sponsor and the specific opportunity
  • Always read the FOA carefully!

• Let the **science** drive the budget
  • Ask for what you really need to accomplish your aims (no more, no less)

• Utilize University resources available to you
  • Your **Research Administrators** are here to help guide you!

• And Most importantly…
  • **Start early!** (especially if you have subawards)
Thank You!

Questions?

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sp@chapman.edu

Office of Research (OOR):
oofficeofresearch@chapman.edu

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