



**HUMBOLDT STATE UNIVERSITY**

Sponsored Programs Foundation

## **Developing Budgets for Sponsored Programs**

*A Guidebook for Principal Investigators and Project Directors*

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### **BACKGROUND**

This guidebook provides information to assist Principal Investigators in developing budgets for grant and contract proposals that sufficiently support the projects that are accurate and implementable under all the rules and regulations, and that will be appealing to potential funders. Humboldt State University Sponsored Programs Foundation (HSUSPF) maintains this guidebook. Our Pre-Award Staff at HSUSPF are happy to assist you with any aspects of budget development and implementation. Any question regarding budgets or any aspect of this guidebook should be directed to our staff at (707) 826-4189.

## Table of Contents

### I. GUIDEBOOK

Pre-Award Budget Considerations.....	3
Pre-Award Office Responsibilities .....	3
Principal Investigator’s Responsibilities.....	5
Salary Information.....	5
Supplies.....	6
Travel.....	6
Sub-contracts.....	6
Cost Share.....	6
IRB and/or IACUC.....	7
Formatting Documents.....	7

### II. APPENDIX

A. <a href="#">Budget Template</a> .....	A-1
B. <a href="#">Release Time Form</a> .....	B-1
C. <a href="#">Purchasing Policy</a> .....	C-1
D. <a href="#">Institutional Routing and Authorization Form</a> .....	D-1

## Pre-Award Budget Considerations

As a prospective Principal Investigator (P.I.) or project director, your primary concern about developing your budget is probably twofold. You want to develop a budget that will sufficiently support your project while impressing the reviewers of the reasonableness and cost efficiency of your proposal. Although these two goals may appear contradictory, they are not. Potential funders will review your budget with one simple question in mind. Can the author(s) accomplish what they propose with the resources they outline in their budget? As long as you do not exceed the funder's limits on maximum award size, and as long as you do not include costs in your budget that are not allowed by the funder, your proposal and its budget will be given serious consideration. Most funders will negotiate the final budget for their awards. You should be prepared for the question, "If we give you \$10,000 less, what will you cut and what will you accomplish with the remainder?"

Never underestimate the importance of the **Budget Narrative**. The budget narrative is the description most funding sources request as an explanation of your budget. This is where you get the opportunity to explain and justify your budget, and to provide details that are important to anyone considering your budget but that will not fit into the format of a budget table. Depending on the format required by the prospective funder, the budget narrative may be the only space you have to explain your match. When a peer reviewer has read your budget narrative, he/she should have no unresolved questions regarding the relationship between things in your budget and the objectives of the project.

Four Simple Rules for Building a Credible Budget:

- Be clear and complete -- Answer every question that your budget raises.
- Be accurate -- Use the correct rates and check your math.
- Know the budget limitations of the funder -- don't exceed the maximum and don't ask them to fund things they exclude.
- Maintain a realistic and clear relationship between your budget and your objectives.

## Pre-Award Office Responsibilities

When a faculty or staff member have identified or have questions regarding submission of a proposal they should contact the HSU-SPF Pre-Award Office for information and help.

Principal Investigators may not submit proposals to funders without review by the Director of Sponsored Programs.

The current Interim Director of Sponsored Programs is Kacie Flynn and can be contacted at (707) 826-4189 or by email: [kef16@humboldt.edu](mailto:kef16@humboldt.edu)

There are two Pre-Award Specialists each assigned to different faculty. To determine who you would contact to seek help please contact the SPF at (707) 826-4189.

The Pre-Award Office is available for drop-in during normal business hours from 8-12 and from 1-5 p.m., or you can schedule an appointment. The Pre-Award Specialists will be happy to come to your office to work with you as well.

Once the Request for Proposal is identified by the P.I. the Pre-Award Specialist will schedule a meeting to discuss the submission process. Please be prepared to either send the Pre-Award Office the RFP electronically or identify the funding agency and solicitation number to locate the RFP.

Questions to think about prior to the meeting could include:

- What is the deadline submission?
- Is this a single or multi-year award?
- Is there a page limitation on the Proposal?
- What is the budget limitation if any stated in the RFP
- Will you be hiring Undergraduate and/or Graduate Students to conduct your research?
- If you are going to hire students, how many, during what time period? I.e. Academic Year or summer or both;
- Does the RFP allow for faculty salaries, buyout or overload and/or summer pay? If allowable, always provide for faculty salaries.
- Are there going to be sub-contractors? Who are they?
- Is Travel involved? If so for whom and how many trips?
- What type of supplies will you need to purchase? How much should you budget?
- Are you going to purchase equipment over \$5,000.00, does the RFP allow for equipment purchases?
- What is the published indirect cost (IDC) rate?
  - The HSU-SPF's federally negotiated IDC rate is 45% on-campus and 22.5% off-campus.

HSU-SPF will honor the funders published rate. Exceptions to the federally negotiated rate will be documented and approved in the Institutional Routing document. In addition, the P.I. should not negotiate the IDC rate with a funder without first contacting the Executive Director, Kacie Flynn.

The Pre-Award Specialists will work with you on developing the budget based on the RFP's budget guidelines. The proposal itself should be built around the budget, to ensure that the narrative and the budget reconcile with the award timeframe. [See Appendix A- Budget Template.](#)

The Pre-Award Office will help you build your budget based on the meeting and will review the final budget with you prior to submission.

### **Principal Investigator's Responsibilities**

For each project, it is necessary to identify an appropriate responsible individual to oversee the project to completion. Appropriate individuals must be accountable to the University and the Sponsored Programs Foundation to assure that the contractual obligations of the University and Sponsored Programs Foundation to the sponsoring agent are met. All grants and contracts must have either a full-time Humboldt State University or Sponsored Programs faculty or staff member who is at least a co-principal investigator on the project. To see our Principal Investigator's Policy in full [click here.](#)

The Principal Investigator is responsible for providing the following if required, depending on the RFP:

- Abstract
- Proposal Narrative
- DATA Sets
- Literature Review
- CVs
- Data Management and Dissemination Plan
- The RFP may require additional documents. This will be discussed at the time of the scheduled meeting, i.e. IRB, IACUC, Letter of Support, etc...

## **Salary Information**

Buyout/Release Time- Either the Principal Investigator or the Pre-Award Specialist will contact the budget analyst in the college and obtain the salary and benefit information for buyout:

- If Buyout is a part of the budget, the Pre-Award office will prepare a Release Time/Buyout form based on the budgeted amount. The form will need to be signed by the P.I., the College Budget Analyst, the Chair of the Department, and the Dean of the College to be submitted with the Routing Form. [See Appendix B- Release Time Form.](#)
- Summer Salary/Overload – is based on an hourly rate.
- The benefit rate for overload/summer pay is currently 14.02%, contact the SPF to verify.

Student employment information- Salary and benefit rates as of July 01, 2019:

- Undergraduate students - \$12.00-\$16.00 per hour
- Graduate Students - \$12.00-\$18.63 per hour.
- Undergraduate/Graduate students can only work up to 8 hours per day or 20 hours per week during the AY
- The student must be carrying at least 6 units as an Undergraduate or 4.5 units as a Graduate to be hired as a “student” employee.
- Benefit rate to be used during the AY for both Undergraduate and Graduate students:
  - Unemployment is 4.70%
  - Worker’s Compensation – 1.97%

Summer employment - During the summer students both Undergraduates and Graduates can work up to 40 hours per week:

- The benefit rate during summer is the following:
  - Social Security – 6.20%
  - Workman’s Compensation – 1.97%
  - Unemployment Insurance – 4.70%
  - Medicare – 1.45%
- Please contact the Pre-Award Office to verify.

## **Supplies**

If the budget allows this line item, please estimate based on current rates. In addition, please include sales tax and shipping costs if the item(s) need to be shipped to your research site.

TERO tax - If the Agreement or Contract is with a Native American Tribe please add a “TERO” tax into the budget.

Equipment Costs - Equipment is defined by federal agencies as equipment that costs \$5000.00 or more. Equipment costs must be kept in strict adherence RFP. Please refer to the HSU-SPF for Purchasing Policy, including the question regarding the three bids and/or sole source purchases. [See Appendix C- Purchasing Policy.](#)

## **Travel**

Verify that travel is allowable by the funder.

If travel includes foreign travel include travel insurance costs into the budget. Contact HSU-SPF for the information.

Please note any special conditions including required travel for P.I.’s and Co-P.I.’s for mandatory Agency Conferences.

## **Sub-Contracts**

P.I.’s who are going to be enlisting an outside institution or vendor to perform services in the event an award is granted need to budget for sub-contracts in the proposal and budget template.

If the award is granted, the Pre-Award Office will work with the P.I. to issue the Sub-Contract. As part of the sub-contract process, potential sub-contractors will be contacted by HSU-SPF and asked to complete a Sub-Recipient Monitoring Form and return the form to our office. In order to accommodate for final reporting requirements, sub-contracts should have a period of performance that ends at least 30 days prior to the prime award’s end date.

## **Cost Share**

Unless the RFP requires, please do not include voluntary Cost Share.

If in fact Cost Share is required and there are external entities committing the Cost Share, a detailed letter, signed by the Authorizing Official of the external entity must be included in the Proposal package. Proposals will not be submitted or forwarded for review without the signed Commitment Letters.

If the source of the cost share is internal, then Part 3 of the Routing Form must be completed and signed by the appropriate authority, i.e., Dean for College, Executive Director of SPF or other.

## **IRB and/or IACUC**

If the project includes research where human subjects or vertebrate animals are involved, please be prepared to register with the appropriate entity.

The P.I. should prepare the necessary paperwork for approvals of the IRB and/or IACUC.

Please note, if the award is funded and either one of these two permits are required; the fund will not be established until the permit(s) are in the project file.

## **Formatting Documents**

In the event that the funding agency requires the P.I./HSU-SPF to complete interagency forms, including the SF 424 and others, the Pre-Award Office will complete those forms. The P.I. is expected to send via email all the necessary documents for upload into the application package.

If possible all documents to be uploaded into the application package should be in PDF and conform to the required font and format as prescribed by the RFP.

The Principal Investigator is responsible for the preparation and submission of the Institutional Routing and Authorization Form. Proposals may not be submitted to a funder before the Institutional Routing and Authorization Form is circulated and approved by all signatories. [See Appendix D- Institutional Routing and Authorization Form.](#)