

**Sponsored projects** are university projects funded by outside agencies designed to accomplish public good not furthering commercial gain. When compiling information to use in a sponsored project budget it is important to know what resources you have available to insure that what is submitted is accurate. Our ultimate goal is to prepare new research administrators to for budget creation, review and submission using the Office of Grant and research development recommended budget template, understanding basic regulations governing grant budgets and assist Principal Investigators in submitting successful proposals.

There are several funding or sponsor sources. These include federal and state agencies, foundations and private industry. Examples of specific agencies include but are not limited to: National Science Foundation, National Institute for Health, Boeing, Pacific Northwest National Laboratory, King County. ETC.

When a Principal Investigator (PI) chooses to submit a proposal for consideration to one of these agencies, their first resource will be you as their Research Administrator (RA). The first resource an PI/RA should turn to is the Response for proposal (RFP) this will have the general information for what the agency is looking for not only for the science but more importantly for the RA formatting of the proposal as well as what they consider allowable cost such as salary limits, travel and laboratory equipment. You may also find that the agency will refer you back to a general proposal guideline such as the NSF GPG. Other resources and information to take into consideration are the OMB Circulars soon to be the Uniform Guidelines (UG), and the OGRD Guideline 2. Even with the change to the UG it is important to understand the basic cost accounting principles. These are the understanding that allow expenses on a grant should be REASONABLE, ALLOCABLE, CONSISTENT, and ALLOWABLE. In other words a fiscally prudent person would consider the purchase within reason and necessary to complete the project. The cost incurred is solely to advance the project and benefits both the sponsored project and other work of the institution and reasonable methods were used to allocate the cost to the project. The practices used to estimate costs are consistent with the practice for accumulating and reporting the cost and the cost incurred are for the same purpose, in like circumstances. The proposal guideline for proposal preparation will typically state what the agency will accept on the budget, this is one reason why it is important to read the guidelines.

In addition to reading the guideline and knowing where to find information it is important to understand the difference between direct and indirect costs and what to include in both when preparing a budget. Direct cost are those which directly benefit a specific project and can be tracked easily. An indirect cost will benefit more than one project and it is difficult to determine the amount contributed to a specific project. This is why a PI can contribute one month salary to a specific project he is working on because the effort can be shown by the work accomplished where a research administrator is usually spread across many projects worked on by many PI as well as general activities that are for the benefit of just the institution.

Once you have the background for what needs to go into a budget, OGRD recommends using the OGRD budget template. It has been designed to address the needs of most of the budgets an administrator may need to develop. We will work through broad and itemized budgets in this presentation, touching on Cost share. We will be planning additional trainings to address more questions not only about Broad and itemized categories but how to use a modular budget and more about cost share.

Aside from reading the RFP and knowing what is in the UG, your most important resource is the PI themselves.

Work with the PI to determine what the needs of the project are. Who will be working on the project, how much time are they devoting to the project, what are the correct salaries and wages? What equipment is needed, can you rent the equipment on campus for less? Are they wanting to travel or charge cost share when it is not allowed by the agency? Will the majority of work be on or off campus, is it part of a CESU? Will there be subawards?

All of these questions need answered and reviewed and the research administrator needs to know if the items are allowable. Remember you are the front line in helping the PI put together a successful budget.

There are eight broad budget categories we will be discussing going into a bit of itemized budgeting for goods and services, capital equipment and travel. It is important to know that WSU may not require an itemized budget but that doesn't mean that an agency will not ask for it at some point.

From ORSO guideline 2: <http://www.orso.wsu.edu/guidelines.asp>

## SALARIES AND WAGES

### Faculty and Administrative/Professional

Use the current faculty salary amount with an estimated 4% increase effective July 1 of each year thereafter. If a WSU faculty member will only be consulting on a project, it will still be calculated as a percentage of the appointment.

The current faculty salary shall be defined as the full-time monthly base salary without stipends or ADRs (Ad Person Months)

There are agencies (NSF, NIH, etc.) which require the PI, faculty and other senior personnel to report the amount of time spent on a project in Person Months. A person month is the metric used to report this time rather than reporting it as a percentage of time and effort (%FTE). The effort is based on the type of appointment of the individual with their organization; e.g., calendar year (CY), academic year (AY), and/or summer term (SM); and the organization's definition of such. For instance, some institutions define the academic year as a 9-month appointment while others define it as a 10-month appointment. WSU defines the academic year as a 9-month appointment.

To calculate percent of time and effort to person months, use the "Person Months Calculator" worksheet on the ORSO Budget Template. For more information on the usage of person months, please go to [http://grants.nih.gov/grants/policy/person\\_months\\_faqs.htm#q4](http://grants.nih.gov/grants/policy/person_months_faqs.htm#q4).

### Classified Staff

Calculate classified staff salaries at Step L of the associated range for the position title listed on the proposal budget, calculating an estimated 4% increase each July 1. Appropriate salary ranges and steps for each Classified Staff Job Title can be found on the HRS website at <http://www.hrs.wsu.edu/Class-Comp+Plans>.

### Graduate Research Assistants

Use the current matrices for Graduate Research Assistantship Appointments for all proposals, with the exception of proposals that are for the College of Science or include assistantships for DVM, Nursing, PharmD, and MBA assistantships; include an estimated 4% increase on all but QTR each July 1. QTR has separate inflation rates for each type of assistantship offered, please see the OGRD Budget Template for further guidance on inflation rates. For the assistantships with individual QTR inflation rates, graduate matrices can be found at <http://www.orso.wsu.edu/guidelines.asp>. Note: If you wish to hire a Graduate Research Assistant at a higher level than the minimum step listed on the matrices as listed above, use Graduate School Document No. 12 and the Assistantship Salary Grid (located at <http://www.gradsch.wsu.edu/graddoc.htm>). Calculate salary with a 4% increase each July 1. The minimum steps for GRA Appointments are as follows:

STEP 26 for Masters Candidates

STEP 32 for PhD Candidates

STEP 42 for College of Sciences Masters Candidates

STEP 47 for College of Sciences PhD Candidates

STEP 49 for College of Pharmacy Masters Candidates

STEP 60 for College of Pharmacy PhD Candidates

Graduate Research Assistants cannot be appointed for partial semesters; if you are requesting funding for a partial semester, you are responsible for committing other funds outside of the grant to cover the remainder of the partial semester funded by the grant.

Wages/Temporary Employees

Use hourly rates as appropriate for the type of work performed within the guidelines issued by Human Resource Services. You may or may not choose to use a 4% increase effective July 1 each year; this is your decision. You can find the hourly rate ranges by title at <http://www.hrs.wsu.edu/Class-Comp+Plans>.

NOTE: If existing personnel are being used, show their names. If a position is to be filled by a new hire, please indicate this on your budget.

FRINGE BENEFITS

Staff, Faculty, and Research Associates

Faculty, Post Doctoral/Research Associate(s), and Staff benefit rates can be found on the current budget template at <http://www.ogrd.wsu.edu/guidelines.asp> under "Budget Template". These are the current estimated rates provided to OGRD by the budget office; these rate(s) are updated on a regular basis.

If you have reason to believe the current rate is too low for an individual in your budget, please contact OGRD; we may need to calculate actual benefits in some cases.

Note: Faculty members are required to make TIAA/CREF payments for summer appointments from grant funds. The grant budget must also include the WSU contribution paid toward employee benefits.

Graduate Research Assistants. GRA benefits include Medical Aide, Qualified Tuition Reduction and Health Insurance.

Medical Aide. Graduate Research Assistant Medical Aide benefit is calculated at 1.5% of salary.

Qualified Tuition Reduction. Use the Matrices for Graduate Research Assistantship to locate the appropriate rate of QTR based on the GRA appointment start date. Use an 8% increase effective 7/1/13 for FY14 and each projected year for QTR, until further notice. For a single semester, use one half of the amount listed for a 9 month appointment.

Health Insurance. Use the Matrices for Graduate Research Assistantship to locate the appropriate health insurance rate based on the GRA appointment start date. Use a 4% increase for each subsequent year. For a single semester, use one half of the total amount for one year.

Note: Health insurance is paid during the academic year only. Summer coverage is through the premium paid the semester prior to summer appointment. If a GRA is appointed with a summer start date, he/she is not covered for that summer.

Time Slip Employees. There are many types of time slip employees; each type has a different fringe benefit rate. Please refer to the budget template for current rates.

Part-time Student Time Slip

Non-student Time Slip (Temporary) benefits are calculated depending on the number of hours they work and how many months of work during a 12 month period. Benefit rates are based on amounts with or without PERS, health and medical insurance.

## GOOD AND SERVICES

When budgeting for goods and services it is important to review items listed, understand what their purpose is for the project and if they are allowable. For example; normally paper would be considered part of F&A as it is a general office supply. However, for a survey project it may be necessary for the research being conducted, in which case it could be budgeted as a research supply. Also you will want to check price estimates to insure that there aren't typos which may affect where an item is budgeted. If you are unsure of what an item is it never hurts to ask the PI or conduct a Google/internet search. To find out if any cost is inconsistent you can also do an internet search, look at vendor catalogs and check service center pricing for items located on campus. Remember to discuss with the PI any concerns before changing a budget, ultimately it is their decision what is proposed. Getting in the practice of googling prices may help when the UG finally is rolled out. Although it is still under review there may be a requirement of three price documents for items over \$3,000.

## TRAVEL

There are a few things to consider when budgeting for travel. It must be allowable by the agency and necessary for the project. Most federal agencies will allow a conference trip, but it is not guaranteed always check the rfp. Estimating travel cost can be difficult especially when the trip may not be for a year. To assist with insuring that enough funding is budgeted for a particular trip, if they are flying google what the flight would be if they were taking it in two weeks, check pricing for different departure days (traveling from Monday to Wednesday may be dramatically different in price from traveling

Thursday to Saturday) check different carrier prices. It doesn't hurt to keep copies of these comparisons in case you are ever asked to justify travel budgets by an agency. If foreign travel is included make sure to follow the 'Fly America Act' which simply says to use American flag carriers no matter the cost. All federal agencies will require this and it is a best practice to follow no matter the funding source. There are some exception to the Fly America Act which include: If using an American flag carrier will increase the number of aircraft changes you must make outside the U.S. by 2 or more; or Extend your travel time by at least 6 hours or more; or Require a connecting time of 4 hours or more at an overseas interchange point. Neglecting to follow the 'fly America Act' may result in the PI having to personally bear the full cost of the flight. The full federal travel regulations can be found on the U.S. General Services Administration (GSA) website <http://www.gsa.gov> .

As with Flying all other aspects of travel are subject to price change, the cost of fuel alone changes daily and varies widely from state to state. For personal vehicles this is taken into consideration with the mileage allowance. The current rate is .56 per mile, but this can change always check with travel services website at <http://www.wsu.edu/travel/> as well as the GSA website mentioned above. This site is also usefully to find out current per diem rates per city as well.

Rental cars and hotels will vary in each location always inquire about the government rates as they may be less expensive. Keep in mind that you may charge fuel to a rental car but not a personal car.

Helpful Websites for travel:

<http://www.wsu.edu/travel/>

<http://www.gsa.gov>

<http://www.kayak.com/>

<http://www.tripadvisor.com/>

EQUIPMENT (from the OGRD Guideline 2)

Capital Equipment. Only individual items costing \$5,000 each should be listed as capital equipment. Cost estimates should include sales tax and shipping; identify each piece of equipment with a corresponding cost.

Please note that while high end software may cost over \$5,000 per item, software purchases are almost always a license for use and therefore categorized under object 03 – Goods & Services, software is only included in capital equipment if it is embedded in the hardware of an item of capital equipment. If you have questions about whether or not a specific item should be defined as capital equipment, please contact your budget person or ORSO Coordinator for assistance.

Fabricated Equipment: The need to fabricate an asset arises when the equipment does not already exist or additional functionality needs to be added to an existing piece of equipment. Certain criteria must be met in order to fabricate equipment. See BPPM 40.12 and BPPM 20.50 for reference.

The departmental equipment coordinator should notify Property Inventory of the intent to fabricate equipment. Property Inventory then issues an inventory number and tag, and can continue to add purchase costs until the fabricated equipment is finished. The Business Services/Controller's Office recommends referencing the inventory number in the comments sections on all Purchase Orders, P-

Card transactions, and departmental charges related to the fabrication process, to capture all costs and code expenses directly to object 06 using the property number. Based on the guidance above, OGRD recommends budgeting fabricated equipment that will have a completed cost in excess of \$5,000 as object 06, normally excluded from F&A.

Non-Capital Equipment consists of non-expendable equipment costing between \$500 and \$4,999 per item. Cost estimates should include sales tax and shipping; identify each piece of equipment with a corresponding cost.

Note: Object 16 is utilized for Property Inventory Items less than \$5,000 that are determined to be 'Small and Attractive', i.e., licensed vehicles, firearms and laptops (regardless of cost).

NOTE Regarding Budgeting for Laptops: Object 16 categorization for laptops is provided herein for informational purposes only. OGRD notes that A-21 treats laptops as General Purpose office equipment, not allowable as a direct cost, normally treated as F&A; OGRD's budget template specifies agency approval is required for laptops. SPS will require documentation of agency approval, along with justification in the budget narrative, prior to approving laptop expenditures posting to object 16. Please refer to BPPM 20.50 and 20.51 for the criteria. Object 03 Materials and Supplies is the budget allocation object for all non-capitalized equipment that does not apply to these criteria.

Tax Exemption for Research Equipment. Per BPPM 70.42, equipment over \$2,500 per item may qualify for tax exemption under Washington State RCW 82.08.02565. For more information on criteria for this tax exemption, please see BPPM 70.42. If you still have questions as to whether or not to budget for taxes for a specific item of equipment, please contact Purchasing Services at 335-3541.

Other Equipment Related Costs. Other considerations to include in estimating project costs related to equipment:

Installation and start-up costs (normally include in object 06 cost estimate as part of the cost of placing a piece of capital equipment "in service")

Contact Physical Plant for estimated charges related directly to setting up or accommodating equipment use above and beyond typical Physical Plant services

Contact Facilities Planning for estimated charges for consultation on construction or alteration of capital facilities when it is necessary to allocate new university space to the project.

If the equipment is already available on campus, make sure to provide an adequate explanation for the need for duplication in the proposal budget justification

Budget costs for necessary maintenance, repair, or upkeep of equipment (including Maintenance Service Contracts) which neither adds to the permanent value of the property nor appreciably prolongs its intended life, but keeps it in an efficient operating condition. These costs should be budgeted in Object 03. Contact the Purchasing Department for further information on Maintenance Service Contracts.

**Cost Sharing:** If Cost Sharing obligations are not required, they should not be listed on the budget page and should not have a dollar value assigned in the narrative. Lab space should not be shown as a WSU contribution. Be sure you are not over-committing a person's time beyond 100% effort; if a person is being paid 100% on other projects and that situation will not be changing, do not commit him/her for additional effort unless it is clearly shown and stated as extra compensation and has been approved as such prior to proposal submission. As a general rule, cost share the minimum amount required by the agency. Cost share that is not required by the agency however and is listed on the REX and/or in the budget and/or in the proposal project description is considered voluntary committed cost share. Voluntary committed cost share is not recommended, therefore must be approved by departmental heads through signatures provided on the REX form and will be tracked and accounted for by Sponsored Programs. Voluntary committed cost share is reviewed in our audit processes.

It is highly encouraged that an investigator **not offer university cost sharing** in categories other than salaries. Since cost sharing is auditable, it must be possible to document without excessive record keeping. Normally the salary of the Principal Investigator and/or other University staff pledged to the project, with related employee benefits and F&A costs, is more than sufficient to show an acceptable level of cost-sharing. **Third-party** cost sharing/matching commitments must be in writing, incorporated into the proposal, and signed off by an authorized representative from the entity committing the cost share/match amount. In certain situations, WSU may require cost share agreements with third-party agencies committing funding.

Facilities and Administrative Costs: **On-Campus:** A project is considered on-campus if the activity is conducted in any facility owned and/or leased by the University and direct costs are associated with maintenance and use of the physical plant and libraries. **Off-Campus:** Per the WSU F&A Rate Agreement, a project is considered off-campus if the activity is conducted at locations other than in University owned or operated facilities and indirect costs associated with physical plant and library are not considered applicable to the project.

Note: the rates listed below are the DHHS Federally Negotiated Rate approved 6/16/11 effective 7/1/10-6/30/15 Note: As of July 1, 2015, WSU is under a provisional rate agreement which allows WSU to use the previously negotiated agreement.

On-Campus Organized Research — 52% MTDC (7/1/16-6/30/17) On-Campus  
— 53% MTDC (7/1/17-6/30/19) On-Campus

Other Sponsored Activity — 36% MTDC On-Campus

On-Campus Instruction — 57.5% MTDC

Off-Campus Organized Research — 26% MTDC

Off-Campus Other Sponsored Activity — 26% MTDC

Off-Campus Instruction — 26% MTDC

**Agency Restriction of F&A:** All sponsored programs are to include facilities and administrative costs at the rates as approved by DHHS and listed above for on and off campus activities with the exception of federal and non-federal sponsors that publish a rate that cannot be exceeded and is followed by all institutions submitting to that source of funds. This information will be found in printed sponsor guidelines or procedures and may vary from program to program within a sponsor. Consideration will be given on WSU's ability to support those un-recovered costs prior to the submission of the proposal or

request for funding. Please see “Charging F&A Costs as Direct Costs on Nonfederal Projects” for additional information.

Note: **Except as provided otherwise by sponsor regulations**, F&A costs on flow-through funds must be included at the appropriate F&A rate. Please note USDA-NIFA Indirect Costs: Section 7132 of the Food, Conservation, and Energy Act amended section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310) on recovery of indirect costs. The recovery of indirect costs on awards made by NIFA under this program area may not exceed the lesser of the institution's official negotiated indirect cost rate or the equivalent of 30 percent of total Federal funds awarded (42.857% TDC).

**CONSULTANT SERVICES:**

Consulting that cannot be accomplished by existing departmental staff or university service departments may be obtained from firms or individuals outside the university on a fee for service or contract basis, provided a proper request is made and approval obtained PRIOR to rendering of the service, whether WSU or agency approves. Consultant fees are a separate category of direct costs and are not listed as part of the personnel budget. Specific provisions should be made in proposals for the compensation of consultants who are vital to the success of the proposal.