

**Budget Basics**

The following sections are included in proposal budgets:

**Direct Costs**

**Personnel: Salaries and Wages**

The budget detail should include the title, name and percentage of time/number of months, summer or academic for each person listed on the budget. If a specific person is identified on the budget then their projected actual salary rate should be used. For projected years, use a 3% increase in salary.

Faculty

* Actual salary x percent effort x number months (4.5 per semester)
* Consultant across departmental lines – any dollar amount

Staff (100% grant-funded positions)

Graduate Students – 50% Graduate Research Assistant: $1317.22/month; 50% Doctoral Research Assistant: $1,544.00

Undergraduate Students - $7.25 - $14.00

**Personnel: Fringe Benefits**

Upon award, actual rates will be applied and vary according to health insurance withholding status. Fringe Benefits for faculty and staff include: FICA/Medicare, Retirement, Unemployment, workman’s comp, lump sum vacation pool, and health insurance.

Faculty & Staff: 28%

Graduate Students: 17%

Undergraduate Students: 1.25%

**Equipment**

Capital Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

**Travel**

* Transportation (airfare, mileage and/or automobile rental expenses)
* Subsistence (per diem and hotel expenses)
* Conference registration

**Materials and Supplies**

Indicate in general terms the type of expendable materials and supplies required along with estimated costs. When the cost is substantial, a detailed breakdown can be listed on the budget explanation page.

**Other Direct Costs**

* publication costs
* professional services
	+ Anticipated professional services should be justified and information furnished on each individuals’ expertise, primary organizational affiliation, daily compensation rate, and number of days of expected services. A letter from the professional stating their willingness to participate, as well as their actual daily rate with proper documentation, is occasionally required for submission.
* computer services
* subcontracts
* animal care
* human subjects care
	+ Monetary payments made to an individual for their participation in a project.
* participant support
	+ Participant support costs are direct costs for items such as stipends, travel subsistence allowances, and registration fees paid to or on behalf of participants or trainees (not PI's or university employees).

**Subaward (Subrecipient, Subcontract, Subgrant) or Procurement**

**Determining a Sub-award**

Does the entity receiving a portion of the funds from you:

* Have their programmatic involvement identified as a separate scope of work, with separate budget and organization approval?
* Have their performance measured against whether the objectives of the project are met?
* Have responsibility for programmatic decision-making?
* Have responsibility for adherence to applicable program compliance requirements?
* Use the sponsored funds to carry out a program of their organization as compared to providing goods or services for a program at this university?
* Have responsibility for assisting in completion of project deliverable and/or technical report?
* Have the right to publish project results or serve as a co-author?
* Have the option to develop patent-able technology?

If your answers to these questions are "Yes," this activity should be classified as a sub-award.

**Determining a Procurement**

Does the vendor/entity receiving a portion of the funds from you:

* Provide the goods and services your project requires within their normal business operations?
* Provide similar goods or services to many different purchasers? (this includes fabrication of new goods, consultants, editors, etc.)
* Operate in a competitive environment? (a for-profit organization or an entity/ university providing a testing service)
* Not subject to terms and conditions/compliance of the sponsoring agency?
* Not involved in the programmatic work of the project, including project deliverable or technical report?

If your answers to these questions are "Yes," this activity should be classified as a procurement from a vendor.

**Indirect Costs**

**Facilities and Administrative Costs (F&A) = Texas State University’s rate is 49.5% as of September 2016**

The Facilities & Administrative cost rate is a predetermined and calculated according to the F&A Cost Rate Agreement for the university with the Department of Health and Human Services (DHHS) (our cognizant federal audit agency) for use on all federal awards. These rates are used for all proposals except those sponsors that limit F&A. Components of the F&A rate:

|  |  |
| --- | --- |
| **Facilities** | **Administration** |
| Building Depreciation | General administration and general expenses |
| Equipment Depreciation | Departmental Administration |
| Interest and debt associated with buildings | Sponsored Project Administration |
| Operation and Maintenance Expenses | Student administration and services |
| Library Expenses | Admin offices that serve the entire university |

**Next Steps**

* Calculate Total Direct Costs
* Multiply Total Direct Costs by 49.5% Indirect Costs (F&A)
* Add Total Direct Costs plus Indirect Costs to equal Total Project Cost

\* Ask your college Research Coordinator or Office of Sponsored Programs Sr. Proposal Coordinator about Modified Total Direct Costs. More detail about building budgets can be found on the [OSP's Training Guide: Preparing Research Proposal Budgets](http://gato-docs.its.txstate.edu/jcr%3A33234f02-a41e-4bd1-8f80-ed9feab81fee/Website%20Budget%20Training%20Guide.pdf).