

## Proposal Budget Formulas

Prepared: March 13, 2019

Note: AY = Academic Year; FY = Fiscal Year

### **Effort Commitment**

If the effort commitment is the same for all 12 months of the year and the investigator has a 12-month appointment, no calculation is needed.

Total Months Worked = Appointment Months + Summer Months = Total Months Worked

*Basic Formula (use when effort commitment is the same for all working months)*

1.  $(\text{Total Months Worked} \times \text{Effort\%}) \div 12 = \text{Annual Effort Commitment\%}$
2.  $\text{Total Months Worked} \times \text{Effort} = \text{Annual Effort Commitment in person-months}$

*Advanced Formula (use when effort commitment is different for Academic vs. Summer months)*

1.  $(\text{Appointment Months} \times \text{Effort\%}) \div 12 = \text{AY Effort Commitment\%}$
2.  $(\text{Summer Months} \times \text{Effort\%}) \div 12 = \text{Summer Effort Commitment\%}$
3.  $\text{AY Effort} + \text{Summer Effort} = \text{Annual Effort}$

*Shortcut:  $[(\text{AY Months} \times \text{Effort\%}) + (\text{Summer Months} \times \text{Effort\%})] \div 12 = \text{Annual Effort\%}$*

### **Annualized Salary**

1.  $\text{Salary} \div \# \text{ of Appt. Months} = \text{One Month Salary}$
2.  $\text{One Month Salary} \times 12 = \text{Annualized Salary}$

*Shortcut:  $\text{Salary} \div \text{of Appointment Months} \times 12 = \text{Annualized Salary}$*

### **F&A/Indirect Costs**

MTDC:  $\text{MTDC} \times \text{F\&A Rate} = \text{F\&A Costs}$

- MTDC does not include equipment, first \$25K of non-UC outgoing subawards or outgoing subawards
- Most commonly used indirect base at UC Davis

TDC:  $\text{TDC} \times \text{F\&A Rate} = \text{F\&A Costs}$

- TDC includes all direct costs

*TC: There are two formulas to choose from based on if costs are known*

- If costs are known:  $(\text{TDC} \div (1 - \text{F\&A Rate})) - \text{TDC} = \text{F\&A Costs}$
- If costs are unknown:  $\text{TC} - (\text{TC} \times (1 - \text{F\&A Rate})) = \text{F\&A Costs}$

### **Split Rates**

1.  $\text{Annual Costs} \div 12 = \text{One month of costs}$
2.  $\text{Months before end of FY (before June 30th)} = \text{Months at Rate 1}$
3.  $\text{One Month of Costs} \times \text{Months at Rate 1} \times \text{Rate 1} = \text{Costs to charge at first rate}$
4.  $\text{Months after start of next FY (after July 1st)} = \text{Months at Rate 2}$
5.  $\text{One Month of Costs} \times \text{Months at Rate 2} \times \text{Rate 2} = \text{Costs to charge at first rate}$
6.  $\text{Costs at Rate 1} + \text{Costs at Rate 2} = \text{Cost for PY}$

*Shortcut:  $(\text{Cost} \div 12 \times \text{Months at Rate 1} \times \text{Rate 1}) + (\text{Cost} \div 12 \times \text{Months at Rate 2} \times \text{Rate 2}) = \text{Costs for PY}$*