Preparing a Proposal
Budget Toolkit

Presented by the Office of Research, Sponsored Programs
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Getting Started: Understand the Task
The Sponsored Programs office has developed tools to help get the information needed from the Principal Investigator (PI) and the funding announcement or other sponsor guidelines. These materials are available on the Sponsored Programs website.

Before starting the proposal budget, it is best to:

- Consider what a proposal budget is and why it is needed,
- Know the general guidelines/cost accounting standards,
- Understand specific sponsor rules,
- Discuss the budget with the Principal Investigator,
- Review the sponsor guidelines and
- Determine the project period.

What is a Proposal Budget, and Why is it Needed?
A budget is a financial proposal that reflects the work proposed. It outlines the expected project costs in detail, and should mirror the project description. A budget is presented as a categorical list of anticipated project costs representing the researcher's best estimate of the funds needed to support the proposed work. It is important to remember, however, that costs and plans will change between proposal submission and award, and even after an award is made (post award). Therefore, it is important to view the budget as a flexible tool to help you and your scientific team plan for the project and understand what can and cannot be accomplished with the available funding.

The budget is used by sponsors during the Technical Review of the project and should include details of how the Principal Investigator plans to complete the project. The budget will be evaluated to determine the reasonability of the project costs. Budgets should include just enough funding to complete the proposed work.

Prepare a detailed budget even for sponsors that accept lump sum budgets. Throughout the review process, sponsors may request additional details about how the overall figure was determined and/or where the money will be going. You may also need the details to help you complete the UCOP required budget justification.
Know the General Guidelines/Cost Accounting Standards

Researchers at UC Davis have a variety of cost accounting standards they must adhere to when spending extramural funds. These standards include:

- **Office of Management and Budget (OMB) – Uniform Guidance**,
- **Code of Federal Regulations (CFR)** and
- **UC Davis Charging Practices**.

**Office of Management and Budget – Uniform Guidance**

Because the majority of UC Davis’ research funding comes from the federal government, most of our cost accounting standards are based on federal regulations. These are listed in circulars provided by the Office of Management and Budget (OMB) in the executive branch of the federal government. The most relevant circular for UC Davis is OMB Uniform Guidance. All Federal sponsor policies that govern grant management (such as the NIH Grants Policy Statement) are based on the Uniform Guidance.

All costs in your budget should be **consistent, allocable, reasonable and allowable**. Uniform Guidance establishes principles for determining allowability of costs applicable to grants, contracts and other agreements with educational institutions.

1. **Consistent**
   Consistent treatment of costs is a basic cost accounting principle and is specifically required by Uniform Guidance to assure that the same types of costs are not charged to federally sponsored agreements both as direct costs and as facilities and administrative (F&A) or indirect costs. These cost elements cannot, under routine circumstances, be both. So, consistency in this context means that costs incurred for the same purpose, in like circumstances must be treated uniformly as either direct costs or as F&A costs. For example, charging local phone charges to some grants, and not others, would not be consistently treating the charges as direct or F&A.

2. **Allocable**
   Allocable costs are clearly associated with the particular project. For example, chemicals purchased for use on a specific project should only benefit that project. Restocking general chemical supplies used for a variety of purposes would benefit many projects and may not be easily allocated to individual projects. Consider whether the cost will be incurred solely to advance the work under the sponsored agreement. For example, travel costs incurred for the Principal Investigator to obtain data on the topic of the research would generally qualify, but travel costs to attend a conference on a topic not related to the research would not.

3. **Reasonable**
   Reasonable costs would generally be accepted as necessary per a “prudent” person’s review. For example, the purchase of a laptop computer for field research by a graduate student researcher on the project would generally be accepted as necessary, while the purchase of a laptop for non-project related coursework by a graduate student researcher would not be reasonable.
4. **Allowable**

Allowable expenses are permitted by institutional and sponsor regulations and are consistent with UC Davis charging practices. There are some costs which are specifically prohibited from being charged to a sponsored project, such as alcoholic beverages, advertising, lobbying or entertainment charges. These are known as "unallowable" costs. It is important to ensure that a cost is allowable before including it in a proposal budget because UC Davis will be spending the public’s money and is responsible for the proper stewardship of public funds and for upholding public trust.

**Code of Federal Regulations**

The [Code of Federal Regulations (CFR)](https://www.cfr.gov) is the codification of the general and permanent rules published in the Federal Register by the executive departments and agencies of the Federal Government. It is divided into 50 titles that represent broad areas subject to Federal regulation. Each volume of the CFR is updated each calendar year and is issued on a quarterly basis. These rules are found in the certifications and representations portion of a call for proposals or general sponsor guidelines. The Sponsored Programs review of the proposal includes ensuring that the proposal meets the requirements set forth in the Code of Federal Regulations.

**UC Davis Charging Practices**

UC Davis Charging Practices take into account the rules of our largest sponsor, the federal government and the policies and procedures set forth in the University of California Office of Research Policy Analysis and Coordination [Contract and Grant Manual](https://www.ucop.edu/research-policy-analysis-coordination/). UC Davis Charging Practices are based on:

- [Cost Accounting Standards Board Areas of Consistency (CASB)](https://www.casb.org)
- UCOP Contracts and Grants Manual, Chapter 7

**Cost Accounting Standards Board Areas of Consistency**

As a recipient of federal awards, UC Davis is required to meet all of the guidelines in the applicable OMB circulars, such as Uniform Guidance. The federal [Cost Accounting Standards Board (CASB)](https://www.casb.org) has four cost accounting standards applicable to UC Davis which help to clarify what costs must be treated consistently.

- **Estimating, Accumulating and Reporting Costs**
  In order to permit comparisons of estimates to actual costs, the expenditure classifications used to estimate costs in contract and grant proposals must be consistent with those used to accumulate and report costs.

- **Allocating Costs Incurred for the Same Purpose**
  Costs incurred for the same purpose, in like circumstances, must be treated consistently as either direct or indirect costs. If a private industry sponsor allows us to direct-charge a cost that the Federal government states must be considered an indirect cost, in both cases, we must treat the cost as indirect to demonstrate consistency.
• **Accounting for Unallowable Costs**
  Unallowable costs must be identified and accounted for independently from allowable costs.

• **Cost Accounting Period**
  Consistent use of the same cost accounting period for purposes of estimating, accumulating and reporting costs is required.

*UCOP Contracts and Grants Manual, Chapter 7*

*UCOP Contracts and Grants Manual, Chapter 7* provides details about the University of California's (UC) policies and procedures related to budgets and expenditures. This chapter includes details about what costs are allowable, justifying and documenting expenditures, cost transfers, fixed price agreements and service facilities. Many of these are similar to the federal guidelines. However, it is important to read through these in order to identify areas where UC's policies differ (and are usually more cautious) than the federal guidelines.
Understand Specific Sponsor Rules
In general, each sponsor agency or entity has specific guidelines about how the funding they provide can be spent. Below is general information based on the type of sponsor providing funding:

- **Federal**
- **State of California**
- **Private**

**Federal Sponsors**
Many federal sponsors, such as the National Science Foundation (NSF) and the United States Department of Agriculture (USDA), have guidelines under the Federal Demonstration Partnership (FDP). The FDP is an association of federal agencies, academic research institutions with administrative, faculty and technical representation, and research policy organizations working to streamline the administration of federally sponsored research. Through their partnership with federal agencies, the FDP has developed costing guidelines which are consistent throughout the various participating federal agencies. As a member of FDP, UC Davis is able to utilize these guidelines. In addition to the standard guidelines through the FDP, each agency often has additional restrictions. These are often only referenced in the funding announcement, with directions to read the guidelines posted to the agency's website. For example, NSF's funding announcement states: "Proposals submitted in response to this program announcement should be prepared and submitted in accordance with the general guidelines contained in the NSF Grant Proposal Guide."

**State of California Sponsors**
Assembly Bill 20 (AB20 2009-2010) allowed for model contract terms for research, training and public service projects funded by State of California agencies and performed by the UC and California State University systems. However, not all State agencies have negotiated a model agreement. Check each funding announcement and funding agency website to determine whether there are any restrictions. Keep in mind that if the dollars are federal flow through (meaning that the federal government gave the money to the state, which would in turn be giving it to us), then all of the federal and state agency guidelines apply.

**Private Sponsors**
Private sponsors often have the most restrictions on how money can be spent, especially concerning indirect/overhead costs. Because not all private sponsors list their costing restrictions in their funding announcements, review the sponsor's website for any other guidelines. With any sponsor, if you are unclear about whether a cost is or is not allowed, call the contact person listed in the funding announcement or on the sponsor's funding website.
Discuss the Budget with the Principal Investigator

Department administrators or coordinators may not know the answers to all of the questions that arise when beginning a budget. Therefore, it is important to learn more from the Principal Investigator about the proposed project before beginning budget development.

Communication is the Key! Make sure that you get any materials needed to begin the budget development process, such as the funding announcement, any other sponsor guidelines and an outline of the proposed project.

A checklist (see Appendix) can be very helpful in organizing the process. As the Principal Investigator provides clarity regarding potential projects costs, begin an outline of the budget categories and develop a list of specific budget line items. This list should include all of the things or people the researcher will need for the project to be successfully completed. Before these items are compiled into a budget, evaluate which items will be allowed on the budget and where they should go on the budget form. Principal Investigators can use this checklist to help organize the information that the department administrator will need to provide budget assistance.

Review the Sponsor Guidelines

Read the program guidelines to make certain the budgeted expenses are allowable. This includes the general sponsor rules noted in the previous section and guidelines included in the program solicitation. It may be helpful to complete the Call for Proposals Checklist while performing this step. This tool helps identify budget areas to pay special attention to or sponsor restrictions. For example, certain expenses may not be allowed, others may be required (such as travel to meetings) and some expenses may have limits.

What questions should I consider while reviewing the sponsor guidelines?

Is there a maximum amount of budget you can request from the sponsor? Is it a total cost limitation (direct plus indirect costs) or a direct cost limitation? Are there other restrictions in the solicitation regarding what must be charged such as travel to an annual meeting? Or does it list specific costs that cannot be charged such as PI salary? Keep the limitations in mind or make a note of them, so they can inform your work as you develop the budget.

Determine the Project Period

The project period is important as it determines what fringe benefit rates, F&A rates and salary amounts to use. Project periods may be specified in the solicitation (earliest start date), the Principal Investigator may have a specific project period in mind (season or event dependent) or there may be start and end dates specified by the sponsor. Usually, the start date is no sooner than nine months from submission of the proposal but this varies greatly by opportunity.

Use Current Templates and Rates

It is important to use the current templates and rates when preparing proposal budgets. The current F&A and Fringe Benefit Rates can be found on the Sponsored Programs website. The OR Budget Templates include the current rates and tuition fees. Always download a new version
before starting your budget to ensure the current rates and fees are applied. See the Office of Research Budget Templates section for instructions on using the templates.

**Direct Costs**

Direct costs on a project will vary according to what is in the actual program or project. However, direct costs:

1) Benefit the specific project for which the budget is written,
2) Are necessary to complete the budget and
3) Are charged or recharged directly to the sponsored project.

**Salaries and Wages**

One of the major components of any budget will be accounting for the people who will be working on the project. The budget category "salaries and wages" is designed to account for ONLY UC Davis faculty or staff. Non-UC Davis employees will be listed on their appropriate subaward budget.

**Determine the Personnel Needs**

Senior/key personnel are the “non-replaceable” expertise on the project. These are usually all the faculty level investigators, but may also include others at the discretion of the Principal Investigator.

Common types of senior personnel include:

- **Faculty-level investigators** will design and conduct the project and have overall responsibility for its compliance and its success.

- **Consultants** can be said to contribute to a project with “brains and briefcases”. They offer advice, but do not have responsibility for completing the scope of work of a project. UC Davis employees should not be listed as a consultant on a proposal being submitted from UC Davis. See the Consultants section for more information.

- **Unpaid collaborators** may be integral to the project and listed as senior personnel or may simply offer occasional advice. It is important to find out their role on the project before determining which way to classify. If a non-paid collaborator will be senior personnel and is employed outside of UC Davis, it is important to get a letter from his or her university or institution approving the collaboration. This allows his or her institution to record committed effort and approve use of facilities for the project.

- **Co-PIs** have equal administrative authority with the Principal Investigator. It is important note that sponsoring agencies have very distinct definitions of Principal Investigators. For example, NSF allows one overall Principal Investigator plus 4 co-PIs.

- Senior personnel not in the official Co-PI or Principal Investigator role can be termed Co-Investigator (Co-I). This role is not scientifically diminutive; it just denotes a lessor administrative or management role for the project.
Calculate Salaries and Wages

If you know the specific person who will be working on a project, use their actual salary to calculate the total cost. If you do not have this information, ask the person in your department or area who processes payroll. You may also need to talk to the payroll staff in another department if an employee on the project works outside of your department.

If the position is not filled, use the relevant salary listed on the appropriate salary scale. When listing the salary of an employee, always make sure to use the Institutional Base Salary (IBS). This is the total amount of compensation (not including benefits) that the University provides for an individual in a given classification.

- UCOP Academic Salary Scales
- UC Davis Staff Salary Scales

Also report the salary or wage in the way that it is actually paid. For example, if someone is a salaried employee, list their salary. If someone is paid hourly, list their hourly wage.

When calculating the salary or wage for an employee, determine whether there are any known upcoming wage adjustments or merit increases for that person or classification. For example, was a new collective bargaining agreement signed which increases wages during the project period? Will the person be getting a promotion during the project period? If there is not a specific increase known, do not include one. In this case, use the UCOP standard 3 to 5% escalation rate.

Make sure to find out the type of appointment for each academic employee. Are they 9, 12 or summer months only? Ask the person in your office in charge of payroll if necessary.

Calculate Effort Commitment

Depending on the sponsor budget format, you may need to provide either the percent or the person-months effort for each employee. For example, 10% equals 1.2 calendar months of a 12-month appointment. Keep in mind whether this is academic year, calendar year or summer only. Remember that determining the amount of effort is the responsibility of the Principal Investigator. The local campus policy of the Office of Research requires that all federal research awards require some level, of a reasonable amount, of committed effort. The Principal Investigator is responsible for determining what constitutes a reasonable level of effort for each project. This does not apply to non-research projects.

Remember that if you state in the proposal that a certain amount of effort will be committed, and that proposal becomes an award, the people listed on the budget have now committed that effort to the project. This means that they are responsible for ensuring they meet that effort commitment. Uniform Guidance requires a certification as to the actual effort spent by all key personnel that committed effort to a sponsored project in a proposal. At UC Davis, this is done through our online effort reporting system. For more details about how this works, view the Effort Commitment and Cost Share Tracking page.
Using the percent or person-months effort and the salary or wage, calculate the total amount of money requested for each employee. One of the most common misconceptions about effort on sponsored projects is that it is equal to FTE. This may be true for staff or other personnel (such as programmers or lab technicians) but not for senior personnel. Regardless of the appointment percent or the number of hours a faculty member works, 100% effort equals all the activities for which he or she is compensated by the university. For example, if an investigator works 80 hours a week, 100% effort equals 80 hours. If he or she works 20 hours, then 100% effort equals 20 hours. Effort should be seen as a best estimate of the time it will take to complete the investigators work on the project.

If a faculty member is committing 10% effort to a project, this could be 0.9 academic, 0.9 summer months or 1.2 calendar months depending on his or her appointment. The type of salary determines the fringe benefit rate to use. Accounting & Financial Services site has additional information on calculating effort.

**How do I know how much effort to include for senior personnel?**

Sometimes a solicitation will indicate a certain % effort is required due to the size of the project, but more commonly the faculty member will indicate what percent effort they plan to commit to a specific project, such as 10%. Sometimes Principal Investigators may not know how much effort to indicate; a best estimate is fine.

**What do I need to know to calculate faculty salary on a sponsored project?**

Once you determine the % effort a faculty member plans to spend on a project, determine how to calculate salary and translate percentage of effort into person-months if needed. To do so, you need to understand appointment types. At UC Davis, the three academic appointments you will see are:

1. **9/12**: Academic year faculty that have three summer months. For one summer month or one academic month, calculate 1/9 of his or her salary.
   \[
   \text{Annual Salary} \times \left(\frac{1}{9}\right) = \text{Summer Salary}
   \]
   Example: $133,620 \times \left(\frac{1}{9}\right) = $14,847

2. **11/12**: Fiscal year faculty that have a one-month summer (e.g. most College of Agriculture and Environmental Sciences faculty). One summer month or one academic month is 1/11th of the annual salary in this case.
   \[
   \text{Annual Salary} \times \left(\frac{1}{11}\right) = \text{Summer Salary}
   \]
   Example: $133,620 \times \left(\frac{1}{11}\right) = $12,147

3. **12/12**: Most staff, School of Medicine faculty and School of Veterinary Medicine faculty. One summer month of a 12-month appointment is 1/12th of the annual salary.
   \[
   \text{Annual Salary} \times \left(\frac{1}{12}\right) = \text{Summer Salary}
   \]
   Example: $133,620 \times \left(\frac{1}{12}\right) = $11,135
Fringe Benefits

Fringe benefits are listed on a proposal budget as a set percent of salary. For all employees, use the Composite Benefit Rate schedule provided by Accounting and Financial Services. Each employee is assigned to a benefit rate code based on his or her title code. Look up the benefit rate code for each title code at the link above, using the Excel sheet link on the left of the page: “Rates summary for Charts 3&S/Look up by title code.” The main page of the Excel workbook will show a summary of rates by fringe benefit code, the subsequent tabs will show rate code by title code. Looking up fringe codes may seem time consuming at first, but you will soon memorize the rate codes for the titles you use most often.

Always view the current Composite Benefit Rate schedule before calculating the fringe benefits. Some common codes are as follows:

<table>
<thead>
<tr>
<th>Personnel Category</th>
<th>Code</th>
<th>FY 17/18 Rate</th>
<th>FY 18/19 Rate</th>
<th>Escalate by 3% for FY 19/20 +</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor/faculty AY &amp; FY (Not for SOM, GSM, Law)</td>
<td>C</td>
<td>38.9%</td>
<td>40.1%</td>
<td>41.3%</td>
</tr>
<tr>
<td>Professor/Faculty in GSM, Law, SOM (&lt;$200K/Yr.)</td>
<td>B</td>
<td>30.5%</td>
<td>31.45%</td>
<td>32.3%</td>
</tr>
<tr>
<td>Faculty Summer Salary</td>
<td>F</td>
<td>17.3%</td>
<td>17.8%</td>
<td>18.3%</td>
</tr>
<tr>
<td>SOM faculty (&gt;$200K/Yr.)</td>
<td>A</td>
<td>19.5%</td>
<td>20.1%</td>
<td>20.7%</td>
</tr>
<tr>
<td>Postdocs</td>
<td>F</td>
<td>17.3%</td>
<td>17.8%</td>
<td>18.3%</td>
</tr>
<tr>
<td>GSRs and Undergrads</td>
<td>G</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Academic Coordinators, Project Scientists, and Jr. Specialists</td>
<td>C</td>
<td>38.9%</td>
<td>40.1%</td>
<td>41.3%</td>
</tr>
<tr>
<td>Staff- analysts, SRAs, programmers</td>
<td>D</td>
<td>51%</td>
<td>52.5%</td>
<td>54.1%</td>
</tr>
</tbody>
</table>

UC Davis fiscal years run from July 1st through June 30th. All rates — both fringe and indirect — are valid for this period of time. Whether or not you break the composite benefit rates out by fiscal year on your budget using split-rate calculations, you will be charged the applicable benefit rate in place for each month of the project. Breaking out the information on your budget simply helps you to ensure you are not short of funds at the end of the project.
How do I calculate fringe benefit rates for project periods spanning multiple fiscal years?

1. Determine how many months are at each rate. If your budget starts October 1st, you will have nine months (October through June) at the first rate, and three months (July through September) at the second rate.

2. Calculate as follows:
   
   a. \((\text{Salary/12 x months at first rate x rate 1}) + (\text{Salary/12 x months at second rate x rate 2})\)

   \[
   \begin{align*}
   \text{Salary/12 x months at first rate x rate 1} \\
   + \\
   \text{Salary/12 x months at second rate x rate 2}
   \end{align*}
   \]

   Example: a programmer (rate D) is employed at 100% time (10/01/2015 through 09/30/16) for a salary of $45,000.
   
   \[\frac{45,000}{12} \times 9 \times 0.514 + \frac{45,000}{12} \times 3 \times 0.518 = 23,175\]

Unlike salary and wages, do not apply any escalation other than what is listed on the schedule of the fringe benefit rate. Because fringe benefits are listed as a percent, the dollar amount will increase at the same rate as the salary escalation. Escalation of costs has already been determined and is represented in the rate for each fiscal year.
Equipment and Capital Assets

It is important to understand what the university classifies as equipment or other capital assets because these items receive special treatment in the budget. The three most common capital costs you will run into are equipment, software and renovations or facilities improvements.

**Equipment**

According to UC Davis PPM 350-50, equipment is:

- Non-expendable (not used only one time),
- Standalone (not built into a wall; it has to be moveable),
- Has normal useful life of one year or more and
- Qualifies as tangible personal property with an acquisition cost of $5,000 or more.

The following can be included in the equipment total when a new piece of equipment is initially purchased:

- Invoice price of equipment, including any modifications, attachments, accessories or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired
- The cost to put it in place (excluding renovations)
- Minor spare parts and software acquired with the initial purchase if they are not itemized separately
- Taxes, freight and installation

An add-on can be considered equipment if it is an intricate functioning part of the equipment, significantly extends the useful life of the inventory equipment or significantly increases capacity, productivity or output of the existing inventory equipment and if the cost of the add-on is $5,000 or more. These must be specifically approved by the sponsor to be allowable.

Items that are NOT considered equipment include:

- Replacement or spare parts purchased subsequent to the initial equipment acquisition unless they significantly extend the useful life, increase productivity or increase the value of the equipment.
- Repairs are considered normal, regularly recurring disbursements to keep property in an efficient operating condition.
Software

Generally, software expenses will be budgeted one of two ways.

1) Capitalized and excluded from F&A. For example:
   a. Software purchase (not license) price is $5,000 or more per copy (consultant costs associated with readying the software for use may be included).
   b. Licenses where no period is mentioned (i.e., perpetual licenses) if the cost per license is $5,000 or more and the useful life of the license exceeds one year.
   c. Software costs included with the purchase cost of hardware (not separately identified on the vendor’s invoice) will be capitalized as hardware costs.

2) Treated as supplies and subject to F&A. For example:
   a. Annual software license fees and maintenance costs. This applies to software “leases” where the university does not own the software, but may operate it for as long as the license/maintenance fees are paid.

Renovations/Facilities Improvements

These are rarely included in proposals, but there are specific solicitations for these costs. For example, animal facilities renovation grants or upgrades to research facilities grants.

When deciding whether or not to capitalize facility expenditures, consider the following definitions (from Accounting Manual P-415-1).

✔ Improvements or Betterments: Significant alterations or structural changes which increase the usefulness, enhance the efficiency or prolong the life of property. This type of expenditure should be capitalized. If expenditures are determined to be capitalized (per the definitions above), the total cost (total cost of the job not per item) must be $35,000 or more.

✗ Repairs: Regularly recurring expenses to keep property in an efficient operating condition that do not significantly add to the value of the property or significantly lengthen the life of the entire asset (rather these costs ensure the asset retains its value). This type of expenditure should NOT be capitalized.

✗ Replacements: Replacing component parts of buildings or structures that do not significantly lengthen the life of the entire asset (again these costs help the asset retain its value). This type of expenditure should NOT be capitalized.
Materials and Supplies

Materials and supplies are tangible items that do not meet the definition of equipment, such as laboratory, office and specialty supplies, which the researchers need to complete the project.

If a lump dollar sum for “general supplies” is requested with an explanation of each item at time of proposal, the sponsor will most likely request to more detail before an award can be made — usually with very little turnaround time (one to two days). To preempt this request, it is beneficial to include a breakdown of dollars by supply category. The budget should be prepared in table format or in paragraph form depending on the sponsor requirements. Remember to not include miscellaneous or department (general) supplies, like copy paper, office chairs or pens, because these are included as F&A, or overhead, costs.

Example Budget Table:

<table>
<thead>
<tr>
<th>Estimated Expense Item</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer: A laptop computer is necessary to record the histories of village inhabitants</td>
<td>$1,500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Storage Devices will enable the storage of all histories and data associated with the project.</td>
<td>$2,000</td>
<td></td>
<td>$4,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software: Specialized software will be purchased to catalog personal histories of village inhabitants.</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Total</td>
<td>$8,500</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$9,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>5 Year Total:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$32,500</td>
</tr>
</tbody>
</table>

How do supplies differ from expenses?

Proposal budgets should distinguish between supplies and expenses even though in the university accounting system both costs are budgeted under Sub3- supplies and expense. Ideally, expenses (recharges, printing costs, publication costs and services) should be separated from supplies (tangible supply items). If it is difficult to separate supplies from expenses, using a best estimate will work. Always check non-federal sponsor guidelines to see if they have alternative instructions.

What if my supply costs vary per year?

Varying supply costs across years of a project is common, but an explanation should be provided. Indicating you are using this category to balance the budget to the limit is not a sufficient nor recommended justification (even if based on reality). Some common reasons supply budgets may vary by year include: (1) Supplies are bought in bulk initially and used over more than one year (to obtain a discount or best pricing); (2) The scope of work requires more supplies in some years than others based on needed sample size, etc.
**Travel**

General travel costs include a variety of expenses, such as ground and air transportation, communications, lodging and subsistence or per diem, currency exchange fees and passport and visa costs. Travel and accommodations for non UC Davis personnel can be charged directly to a sponsored project instead of sending the money via a subaward.

Use UC travel guidelines to determine the appropriate travel rates. Some sponsors may insist on using other rates, which is acceptable. However, these are often lower than the rates used by UC, so make sure you can manage the travel expenses before agreeing to the alternate rates.

For foreign travel, use US State Department travel rates. When booking flights, remember that to the maximum extent possible, US flag carriers must be used. In the actual budget, list the total cost of domestic and foreign travel separately. More details about allowability of travel expenses, rates and other travel related restrictions and guidelines are available on the [UC Davis Travel & Entertainment website](https://www.ucdavis.edu/).  

It is always best to cost out each trip. As a general guideline, a national two-three-day trip can be budgeted at $1,500 to $2,000; an in-state trip can be budgeted at around $1,200; and an international trip at $3,000 to $4,000 depending on location.

It is often important to show how the trip was costed in your justification. Consider the cost of:

- Mileage: Usually .545 per mile for 2018 (remember to check for updates!)
- Airfare: Based on actual cost; check online for rates for estimated time of year and destination
- Hotel: Domestic - Based on actual, reasonable costs up to $275 per night; Foreign - up to max per diem.
- Meals and Incidentals (domestic): Currently $62 per day with some restrictions based on length of travel. Check guidelines for details.
- Meals Per diem (foreign): Budget by destination city.
- Registration Fees: $300 to $600 dollars or more. Ask the investigator the usual cost for his or her society meetings, or look up meetings online and budget an average rate.

A sample travel table in a budget justification looks as follows:

<table>
<thead>
<tr>
<th>YEAR 1 Itemized Trips</th>
<th>Purpose</th>
<th>Destination</th>
<th>Item</th>
<th>Rate</th>
<th># travelers</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel to relevant XY</td>
<td>TBD</td>
<td>Airfare</td>
<td>$779/Flight</td>
<td>2</td>
<td>$1,558</td>
<td></td>
</tr>
<tr>
<td>meeting to collaborate</td>
<td></td>
<td>Lodging</td>
<td>$224/night x2</td>
<td>2</td>
<td>$896</td>
<td></td>
</tr>
<tr>
<td>and disseminate</td>
<td></td>
<td>Meals &amp; Indic.</td>
<td>$71 per day x3</td>
<td>2</td>
<td>$426</td>
<td></td>
</tr>
<tr>
<td>information on research</td>
<td></td>
<td>Registration</td>
<td>$300 per person</td>
<td>2</td>
<td>$600</td>
<td></td>
</tr>
<tr>
<td>results.</td>
<td></td>
<td>Taxi/shuttle</td>
<td>$60 per person</td>
<td>2</td>
<td>$120</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Trip Total</td>
<td></td>
<td></td>
<td><strong>$3,600</strong></td>
<td></td>
</tr>
</tbody>
</table>
Participant Support Costs

Some contract and grant sponsors such as NSF include a budget category called “participant support costs”. Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia or training projects. These costs are allowable with the prior approval of the awarding agency. Amounts must be reasonable, based on the type and duration of the activity, and may be outlined in the program solicitation.

Who is a participant?

A participant is an individual receiving a service or training opportunity from a workshop, conference, seminar, symposium or other short-term instructional or information sharing activity funded by a sponsored award. A participant may be a UC Davis student/scholar, a student/scholar from another institution, a private sector company representative, a K-12 teacher or state or local government agency personnel.

Some personnel categories are NOT considered participants:

- Employees of UC Davis
- Students or project staff who receive compensation directly or indirectly from the grant
- Research subjects receiving incentive payments
- Federal employees

A participant does not perform work or services for the project or program other than for their own benefit. The participant is not required to deliver anything or provide any service to the university in return for these support costs.

Expenses

Determining what is allowable as a participant support cost is sometimes difficult. The guidance below is provided to assist with classifying the most common types of participant support. However, analyze the solicitation requirements and/or check with the program officer/contact to ensure allowability.

Participant support costs may include the following expenses:

- Tuition and registration fees if required to participate in the project
- Event registration fees
- Stipend (predetermined amount regardless of actual costs) for housing and subsistence
- Travel costs when the sole purpose of the trip is to participate in the project activity
- Event support costs for lodging and meal expenses paid directly to the event facility, only if the payment is made on behalf of, or reimbursed directly to, the participant
- Meals and incidentals when on travel status
- Training materials paid directly on behalf of the participant
- Lab supplies paid directly on behalf of the participant
All costs reimbursed or paid on behalf of the participant must be incurred within the project period and specifically allowed by the sponsoring agency. Participant support costs are budgeted on a separate line and must be accounted for separately. Funds provided for participant support costs that are not spent cannot be rebudgeted for use in other categories, except with the prior written approval of the sponsor. In most cases, unspent participant costs must be returned to the sponsor.

Equally important, the following are costs that should NOT be budgeted as participant support costs, except when specifically allowed by the award:

- Travel for project Principal Investigator or staff
- Multi-purpose travel (e.g., to perform research in addition to attending a project related meeting)
- Travel for a consultant who is providing service to the university
- Event support cost (e.g., facility rentals, media equipment rentals, food/refreshments) not made on behalf of or paid to participants
- Entertainment/food for non-participants
- Honoraria paid to a guest speaker or lecturer
- Incentive payment to encourage an individual to participate as a research subject
- Subaward to a provider for multiple training events (e.g., an ongoing contract with specific terms and conditions)
- Payments to a participant’s employer for reimbursement of the costs related to sending the employee to the project event
- Expenses related to meetings of an administrative nature
Patient Care Costs
For budgeting purposes, "Patient Care Costs" are the costs of routine and ancillary services provided by hospitals to individuals participating in research programs. The costs of these services normally are assigned to specific research projects through the development and application of research patient care rates or amounts.

The following are examples of what are not considered “patient care costs“:

- First doctor-patient visit
- Follow-up visits (Physician /Nurses)
- Physical Exam performed by the Physician
- Physical Exam performed by a Nurse
- Taking "patient's history" by a Physician or a Nurse
- Any other services provided by a Nurse, or a Medical Technician
- Referrals to other doctors within the hospital or department

Projects with patient care costs always involve human subjects, so the project must have IRB approval. See the following policies for more information.

- UCOP Contract and Grant Manual 8-512
- NIH policy regarding Patient Care Costs
Single Institutional Review Board (IRB) Fees
Sites and personnel who are not part of UC Davis are not covered by UC Davis’ Institutional Review Board (IRB) review unless certain agreements are in place. If the project involves sites and/or personnel from other institutions, work with the UC Davis IRB and the other individual/institution to ensure that all reliance issues are addressed. UC Davis IRB may opt to serve as the IRB of Record for collaborating research sites (or single investigators) or rely on another IRB for certain studies. Only certain NIH-supported or funded research requires a single IRB.

NIH proposal budgets should include the single IRB fees if multiple sites should have IRB review. The increased cost of Single IRB (sIRB) may be charged as Direct Costs.

UC Davis IRB will charge the following fees for each external site when acting as the IRB of Record for research funded by a federal funding agency, federal department or an industry sponsor. This table is from May 1, 2018. Always ensure you are using the most current rates by visiting the UC Davis IRB web page.

<table>
<thead>
<tr>
<th>Relying Institution</th>
<th>Using an Existing Agreement?</th>
<th>Initial Review</th>
<th>Continuing Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Campus</td>
<td>Yes</td>
<td>$1,000</td>
<td>$800</td>
</tr>
<tr>
<td>UC Campus</td>
<td>No</td>
<td>$1,600</td>
<td>$800</td>
</tr>
<tr>
<td>Non-UC Campus</td>
<td>Yes</td>
<td>$1,337</td>
<td>$1,070</td>
</tr>
<tr>
<td>Non-UC Campus</td>
<td>No</td>
<td>$2,139</td>
<td>$1,070</td>
</tr>
</tbody>
</table>
Graduate Student Fees and Tuition

Graduate students employed on a sponsored project are entitled to have their fees or tuition remitted on their behalf by the University. To be eligible for tuition and fee remittance, the student must have at least a 25% appointment. This can be a combined total of appointments across all sponsored projects. The fees and tuition remitted must be charged to the contracts or grants on which the student is appointed. The fees and tuition must also be charged in proportion to the effort charged to the project. For budgeting purposes, GSR tuition and fees may be escalated up to 10% per year. Because this rate of escalation can consume a large portion of the budget, some investigators choose to use a lower rate of 5% to 7% in their projections. See table below for options:

<table>
<thead>
<tr>
<th>Tuition and Fees Projections</th>
<th>Different rates can significantly change your budget, as shown below</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resident Student: (Fees + Health Ins)</strong></td>
<td></td>
</tr>
<tr>
<td>Escalation</td>
<td>Current</td>
</tr>
<tr>
<td>5%</td>
<td>$17,118</td>
</tr>
<tr>
<td>7%</td>
<td>$17,118</td>
</tr>
<tr>
<td>10%</td>
<td>$17,118</td>
</tr>
<tr>
<td><strong>Non-Resident: (Fees + Health Ins)</strong></td>
<td></td>
</tr>
<tr>
<td>Escalation</td>
<td>Current</td>
</tr>
<tr>
<td>5%</td>
<td>$32,220</td>
</tr>
<tr>
<td>7%</td>
<td>$32,220</td>
</tr>
<tr>
<td>10%</td>
<td>$32,220</td>
</tr>
</tbody>
</table>

Consultants

Consultants are often referred to as “brain and briefcase”, and typically work on an hourly basis. They do not use resources of an entity or own the resources of the entity for which they are consulting. If someone is labeled a "consultant" in the budget, but they will be utilizing University resources, evaluate whether they are, in fact, a subcontractor. Consultants provide advice, counsel or recommendations and NOTHING more. They do not have any authority over how their advice is acted upon.

Per UC, the use of consultants should be rare, because UC is the home of the experts. Before using a consultant, consider whether a person or department on campus can provide the same service. UC Davis employees should not be listed as consultants on a proposal from UC Davis. As a part of the budget, obtain a written scope of services and fee schedule from any consultants. Finally, determine whether there is any conflict of interest between the institution or Principal Investigator and the consultant. Examine whether the consulting agreement is with a current or recent employee, their near relatives or an entity in which an employee controls or owns a financial interest. Read the UC Davis Policy and Procedures Manual, Chapter 350, Section 90 which discusses UC policy in regards to employee vendor relationships.
Subagreements

There are two basic types of subagreements: subawards/subcontracts and procurement contracts/service agreements.

The table below provides basic guidance to help determine if a relationship is a subaward or procurement contract/service agreement. This is an important determination because indirect costs are charged on the entire amount of service agreements — just as if they were a purchase of supplies.

<table>
<thead>
<tr>
<th>Subaward vs. Procurement Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subaward</strong></td>
</tr>
<tr>
<td>Subaward organization lead is senior personnel on the project</td>
</tr>
<tr>
<td>Subject to federal audit requirements associated with Prime Award</td>
</tr>
<tr>
<td>Typically issued to an organization such as a university or other non-profit</td>
</tr>
<tr>
<td>Requires a detailed statement of work</td>
</tr>
<tr>
<td>Budget is detailed and effort of senior personnel is specified</td>
</tr>
<tr>
<td>Intellectual property ownership is shared when jointly created; publication is encouraged</td>
</tr>
<tr>
<td>Subrecipient performs substantive programmatic work as described in the proposal</td>
</tr>
<tr>
<td>Services are not commercially available on the open market</td>
</tr>
<tr>
<td>Subrecipient bears responsibility for programmatic decision making and has measureable performance requirements</td>
</tr>
<tr>
<td>Terms and conditions flow down from prime</td>
</tr>
<tr>
<td>Subrecipient has responsibility for adherence to applicable program compliance requirements (IACUC, IRB, COI)</td>
</tr>
</tbody>
</table>
Subawards/Subcontracts
Subawards/subcontracts can be in the form of a grant or a contract and are typically to another research institution or non-profit organization. Subawards outsource all or portions of the project tasks to another entity and typically include terms and conditions of the prime award. Subawardee costs will appear on the prime proposal’s budget as a lump sum per year by institution. This lump sum will be based on the Subawardee’s detailed budget, which will usually be placed in the proposal directly after UC Davis’ budget. It is important to know that all of the subawardee’s costs are UC Davis’s direct costs. Therefore, when there is a limit on direct costs, usually all subaward costs must be included within that limit (both direct and indirect). Always check the solicitation or with the program officer/contact if you have questions regarding what costs comprise the limit.

The UC Davis Subrecipient Commitment Form provides UC Davis with information needed to make compliance certifications to the sponsor, as well as identifying any areas where special attention must be paid. If the subrecipient is another UC Campus the Multiple Campus Award (MCA) Commitment form must be completed instead of the UCD Subrecipient Commitment form. For subrecipients that have certified compliance through the FDP Clearinghouse, the signed Subrecipient Commitment Form will confirm the compliance. A list of FDP institutions is available on the National Academies of Science website. This UC Davis Subrecipient Commitment Form must be received by Sponsored Programs before a subaward can be issued to a non-FDP institution. To expedite award processing time, Principal Investigators working with non-FDP institutions should request the Proposal-Specific Commitment Form when other subrecipient information is requested (e.g., scope of work and budget).

Finally, obtain institutional approval from the receiving institution. Approval from the receiving institution generally consists of a short letter agreeing to the terms and conditions and any required cost share. It should come from an institution contact with signature authority. For example, at UC Davis, this would be the Sponsored Programs office.

Procurement Contracts
Procurement contracts are typically to a self-employed individual or for profit organization, and can be for individuals or for-profit or not-for-profit corporations. Procurement contracts secure goods and services needed to support a project and typically do not include any of the terms and conditions of the prime award. The bottom line is that determining which category a subagreement belongs to is a gray area. Call the Sponsored Programs office if you are unsure!

Remember that when you write your budget, all costs associated with a subagreement should be listed separately from the costs incurred by UC Davis.

Lease Costs
When lease costs are charged directly to a sponsored project, the off-campus indirect cost rates may be used for budget calculations. Remember that the lease charges must still be allowable, allocable and consistent. The lease and other associated charges must also be documented.
Other Direct Costs

Other direct costs which do not have their own budget categories may also be required for the project. List these costs on the budget and describe them in detail in the budget justification.

Common types of other expenses include:

- **Tuition and Fees**: These costs are budgeted as “other expenses” but are explained above in a separate section.

- **Fee-for-Service Costs**: On-campus recharges such as those for Information & Education Technology, MediaWorks, Campus Event Services and Reprographics; and off-campus services such as printing, survey costs, web design, evaluation and photography should be included in “Other Costs” and will likely be determined via quotation or historical cost.

- **Publication Costs**: Page charges, book costs or other media costs are usually allowable but should serve a specific program purpose such as dissemination of research results.

- **Workshop Costs**: Costs for workshops are often divided between travel and other costs. Workshop costs may include facility rental, campus event services recharges, catering* and printing. Note that Campus Event Services offers a full menu of event planning support including registration services and assisting with facilities and housing.

Cost Sharing

Cost sharing occurs when the applicant institution (UC Davis) bears costs of a sponsored project of by other institutions or agencies. Cost sharing usually occurs with direct costs, but if the sponsor allows it, indirect costs can be used to meet a mandatory cost share requirement. Cost sharing may be in-kind, such as uncompensated effort or a “new” piece of equipment for the project or it can be cash.

Ensure cost sharing is appropriate before including it in the budget. *UC Policy: APM – 020* states that UC must recover all direct and indirect costs from extramural sponsors. When we cost share, the campus is essentially subsidizing the research. This is why it is not appropriate to cost share on most government contracts or in proposals to for-profit companies. Never cost share if the department or dean’s office does not allow it or cannot afford the commitment.

When submitting a proposal with cost sharing, include a formal letter or memo from the party that has authority to commit to the cost share, such as the dean or department chair. Authorization on the Cayuse SP Internal Processing Form (IPF) provide the necessary approvals for cost shared effort (or time spent on a project) only. If you are unsure who has the authority to commit to a cost share, contact your Proposal Team Leader in the Sponsored Programs Office. Always keep in mind that if cost sharing is in the proposal, and the proposal is awarded, that cost sharing is now mandatory as part of the award agreement.

More information about cost sharing is located at Chapter 5 of the UC Contract and Grant Manual and at the Contract and Grant Accounting Effort Commitment and Cost Sharing page.
Estimating Costs
Once the budget categories are identified, determine the budget line items. Identify and project the costs for a sponsored project using generally accepted cost estimation methods. For salaries and wages, use the methods discussed earlier. However, estimate your costs for other categories. Depending on the cost category, there may be multiple ways to do this. One way is to review historical costs for similar projects. Another method is to obtain current cost information. If using the latter method, the internet is a great source of information. If you are looking for supplies and materials, catalogues are especially useful. You might also use vendor quotes. Make sure to obtain a written copy of what the quote includes, so you can verify that all the costs are included. If the project includes a re-charge service performed on campus, obtain the approved campus recharge rates. Other methods for estimating costs are appropriate as long as the process is logical, can be explained to someone else and can be documented.

Escalating Costs
When estimating costs, remember that they increase over time. Because of this, consider including a modest escalation in the estimate of costs for direct charges.

Escalating costs is consistent with the University's cost principles and with the University's policy of recovering all costs of conducting sponsored projects. Escalation helps to ensure that the project receives adequate funding. Use an escalation rate of 3% to 5% for most direct costs. There are two exceptions to this. As mentioned, tuition and fees should be escalated at a rate of 10% per year. Additionally, do not include any escalation for subcontracts. The subcontracting institution or agency should include the appropriate escalation within their own budget.

Documenting Cost Estimation
Keep detailed documentation that supports how the costs were estimated and the reasons costs were proposed. This is the proof that the numbers are not being contrived.

Auditors rely on this information and will need more than just your memory to support your costs. Auditors will focus on the source documents that were relied upon during the preparation of the budget and budget justification. It is also possible that you will not be in your current position when an audit is conducted, so documentation should be clear and organized so that another person can follow the logic. Use any of the materials used for your cost estimation as documentation, such as payroll records, published merit and range increases, catalogues, vendor quotes, proposals or documentation of historical costs for similar projects.

If you are using web-based information as documentation, save either a printed copy or PDF version of the page, not just the link. The auditors will need to see the information you used when writing the proposal budget, and the website will most likely update the information, or may not be available at the time of an audit.
Facilities and Administrative (F&A) Costs

As discussed earlier, allowable costs can be either direct or indirect. Indirect costs (IDC) are also known as facilities and administrative (F&A) costs or overhead. The determination that a cost is indirect, rather than direct is primarily determined by its allocability with a specific cost objective (e.g., project) and consistency in how the cost is applied across the organization. F&A costs are associated with the general operation of UC Davis and cannot be readily assigned to individual projects. These costs include facilities and maintenance, general and departmental administration, clerical and administrative salaries and fringe benefits, general office supplies, general purpose equipment, routine postage, building maintenance and utilities and library expenses.

The F&A rate is a federally approved rate, applicable to all sponsors. The Federal government expects to pay the same or less for projects than other sponsors, not more. This includes overhead. The Office of Research website provides details about indirect cost rates, as well as the Federally Negotiated F&A Rate Agreement. View the current F&A rates on the Office of Research website.

Sponsored Activity Categories

The federal rate agreement lists three major sponsored activity categories, each with its own F&A rate. Understanding how these functional areas are defined will aid in determining which F&A rate applies to a proposed sponsored project.

1. **Instruction** includes all the teaching and training activities of an institution. This consists of departmental research, development and scholarly activities that are not separately budgeted and accounted for. It excludes research training, which is part of organized research.

![On-Campus Instruction Chart](image-url)
2. **Organized Research** is all research and development activities of an institution that are separately budgeted and accounted for. This includes sponsored research, which is all research and development activities that are sponsored by Federal and non-Federal entities, including activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities.

![On-Campus Organized Research = 57%
07/01/16 - 06/30/18](image)

- Bldg Depreciation
- Equipment
- Building Interest
- Operations & Maint.
- Library
- General Admin
- Dept. Admin
- Sponsored Programs Admin
- Student Services Admin
3. Other Sponsored Activities are programs and projects financed by Federal and non-Federal agencies and organizations that involve the performance of work other than instruction and organized research. This might be activities such as health service projects, like a community vaccination clinic, or community service projects, like literacy programs.

![Pie chart showing the distribution of F&A rates for On-Campus Other Sponsored Activity from 07/01/16 to 06/30/18. The chart indicates the following percentages: Bldg Depreciation 3.30%, Equipment 2.70%, Building Interest 1.30%, Operations & Maint. 16.20%, Library 5.50%, General Admin 0.70%, Dept. Admin 8%, Sponsored Programs Admin 1.30%, and Student Services Admin 1.30%.

**Location of Research**

The appropriate F&A rate is also determined by where the research or project will be conducted.

1. **On-Campus Rates**: This is the most commonly used rate. Use this rate if the project is research based (not a service) and involved faculty have offices on campus most appropriate rate as it requires resources to provide the infrastructure required for successful completion of research and other projects.

2. **Off-Campus Rates**: The off-campus rate applies to research and services primarily conducted somewhere other than a UC Davis facility. Lease costs are usually directly charged to the project. Projects with a subaward or with field work do not automatically count as off-campus, but rather all of the research has to be primarily associated with off-campus locations and resources. To ensure you have made the appropriate on/off campus classification for a particular project, contact your Sponsored Programs analyst early, so he or she can assist you based on the specific details of your project.
**F&A Rate Exceptions**

Sometimes, researchers ask to use a rate other than the Federal Negotiated rate for their sponsored research. Avoid this if at all possible. Remember that the money from the F&A portion of the budget is essentially reimbursing the University for costs related to the sponsored project. If a lower F&A rate is used, the expenses are still being generated, but the cost is absorbed by the University, rather than by the sponsor. This is especially problematic if the sponsor is for-profit. Allowing a lower F&A rate would essentially mean the University was subsidizing research for a private company which would be able to make money off of the results.

Some sponsors have established policies of not paying above a particular rate for overhead charges. If you encounter this situation, ask the sponsor for their indirect cost policy. This policy must be an actual, written policy which applies to all sponsored projects funded by that sponsor. If a sponsor does not ordinarily place a cap on the F&A rate used, asking for special consideration for this one project is not the same as an actual policy. Sponsored Programs requests exceptions from UCOP on a case-by-case basis.

**Calculating F&A**

Multiply the cost base by the appropriate F&A rate. The resulting number is the dollar amount of your indirect costs.

*A note on how to calculate F&A across multiple fiscal years*:

Project budgets are often subject to multiple indirect cost rates over the funding period.

1. Determine how many months are at each rate. If the budget starts October 1st, there will be nine months (October through June) at the first rate, and three months (July through September) at the second rate.

2. Calculate:

   a. IC Base/12*9*Rate 1 + IC Base/12*3*Rate 2

   *Example:* Projects costs for year 1 are $100,000 in supplies (10/01/2015 through 09/30/16).

   

   \[
   \frac{100,000}{12} \times 9 \times 0.565 + \frac{100,000}{12} \times 3 \times 0.57 = 56,625
   \]

**Modified Total Direct Costs**

All negotiated rates at UC Davis are applied on a Modified Total Direct Cost (MTDC) basis. This means we do not charge indirect cost % on all the costs listed on the budget. MTDC is defined as:

"Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships and fellowships as well as the portion of each subgrant and subcontract in excess of $25,000."
For example: If the budget includes $10,000 in salary, $20,000 in supplies, and $20,000 in equipment, indirect costs would only be charged on Salary and Supplies:

<table>
<thead>
<tr>
<th>Budget- MTDC</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$10,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>$20,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>$20,000</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$50,000</td>
</tr>
<tr>
<td>Indirect Cost Base</td>
<td>$30,000</td>
</tr>
<tr>
<td>Indirect Costs MTDC @57%</td>
<td>$17,100</td>
</tr>
<tr>
<td>Total Budget</td>
<td>$67,100</td>
</tr>
</tbody>
</table>

**Total Direct Costs**

Some sponsors limit the indirect costs, but allow applying indirect costs to all direct costs. This is a total direct cost basis (TDC). Total Direct Costs are calculated the same as MTDC. However, there are no direct cost category exclusions. Because this is not the cost base on which our negotiated rate agreement is based, this cost base should only be used if the sponsor specifically requires it. In this case, the budget above might look like:

<table>
<thead>
<tr>
<th>Budget-TDC</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$10,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>$20,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>$20,000</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$50,000</td>
</tr>
<tr>
<td>Indirect Cost Base</td>
<td>$50,000</td>
</tr>
<tr>
<td>Indirect Costs TDC @20%</td>
<td>$10,000</td>
</tr>
<tr>
<td>Total Budget</td>
<td>$60,000</td>
</tr>
</tbody>
</table>
**Total Costs**

As with Total Direct Costs, only use Total Costs (TC) as a cost base if the sponsor specifically requires it. This can seem complicated, but you can determine indirect costs with the following formula if only the direct costs are known: TDC/(1-IC%) or using this formula if only the total budget limit is known: TC*(1-IC%). Your simplified budget table would look like this:

<table>
<thead>
<tr>
<th>Budget-TC</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>$10,000</td>
</tr>
<tr>
<td>Supplies</td>
<td>$20,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>$20,000</td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td><strong>$50,000</strong></td>
</tr>
<tr>
<td>Indirect Cost Base =50,000/(1-.20)</td>
<td>$62,500</td>
</tr>
<tr>
<td>Indirect Costs TC @20%</td>
<td>$12,500</td>
</tr>
<tr>
<td><strong>Total Budget</strong></td>
<td>$62,500</td>
</tr>
</tbody>
</table>

Sponsors such as USDA require the lessor of our negotiated rate or a certain % TC be applied. You can see from the example above, using the negotiated rate of 57% MTDC could result in a smaller budget than using 20% TC if many costs were excluded from the MTDC base, such as subawards and equipment.

*Note: Indirect costs are never applied on subawards to other UC campuses — even if the base is TC or TDC.*
Budget Justification

After completing the budget, UCOP requires the researcher to create a written description of the estimated costs used to prepare a project budget, as well as an explanation and description of the types of individual costs that make up each larger budget category. This is known as a budget justification, and is required by the University, even if not required by the sponsor.

The budget justification provides the reviewer, and potentially an auditor, with an explanation of the cost estimation methods used to project the costs, an explanation of why the projected costs are necessary for the research or project, a description of the types of costs that make up a larger budget category such as "other" or "supplies" and a rationale for why this situation is special. The budget justification should also include some sort of accommodation for payment of unusual costs. This last portion is especially important if the budget includes something that might raise a flag for sponsors or auditors, such as equipment (especially any equipment that sounds like general purpose equipment) or non-resident graduate student fees and tuition, which is required by the UC Davis remission policy. Make it clear that all budget requests are reasonable and consistent with sponsor and UC Davis policies.

Remember that the person who is conducting the research is the person who should be justifying the project costs! If you are assisting a researcher in creating the budget justification, it may be helpful to discuss the project budget with them, using prompt questions such as "What will graduate student A be doing on the project?" or "How did you determine that piece of equipment B would cost $6,525?" The materials and information used during cost estimation will be invaluable in creating the budget justification, so it may be helpful to have them on hand.

Formatting and Completing the Justification

There is no University-required format for budget justifications, but in general, they should follow the same line item format and contain the same costs as the budget form. A reviewer should be able to place the two documents next to each other and see the connection between each item.

For each person listed on the budget, describe their role, their % effort, any changes to personnel costs (such as for merit increases), anything else needed to explain why that person is needed on the project and how you determined the cost of their salary and benefits. The justification is not the appropriate section of the budget for a lengthy explanation of an individual’s qualifications. This information should be provided in the biosketch and/or management plan of the technical proposal. In most cases, two or three sentences are sufficient to address someone’s qualifications in the budget justification.

Also justify the materials and supplies. Remember that the more general the categories are, and the higher the dollar amount of each category, the more detail that should be provided in the justification about specific items and how they relate to the research or project.

If any items in the budget would ordinarily be considered indirect costs, such as general office equipment or administrative support, provide details in the justification about why this project requires those items in greater quantity than would be considered "normal" use. The direct relationship of these items to the actual work of the project should be made extremely clear, as
this information may eventually be reviewed by an auditor. You want to avoid an auditor not being able to determine a clear relationship if you have already spent the money. Additionally, provide details about any unusual categories or items on the budget, and explain in detail how they relate to the research or project.

### Examples Budget Justification Language

<table>
<thead>
<tr>
<th>Personnel Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior/Key Personnel</strong></td>
</tr>
<tr>
<td>• <em>Name of Researcher</em>, PhD (1 summer months effort; 1 academic month effort)</td>
</tr>
<tr>
<td>o Dr. <em>Researcher</em>, an associate professor of <em>X</em> and an expert in <em>A</em> and <em>B</em>, will lead this project, providing oversight and management, designing and conducting the research and ensuring success.</td>
</tr>
<tr>
<td>• <em>PI Researcher</em></td>
</tr>
<tr>
<td>o 0.25 summer months support per year are requested to support the PI’s effort toward the program, providing general management and oversight and leading the research efforts.</td>
</tr>
<tr>
<td>• <em>Co-PI Researcher</em></td>
</tr>
<tr>
<td>o 0.25 summer months support per year is budgeted to support Co-PI <em>Researcher</em> in directing the education and training components of the program.</td>
</tr>
<tr>
<td>• <em>Senior Participant Researcher</em></td>
</tr>
<tr>
<td>o Dr. <em>Researcher</em> is a soft-funded professional researcher; we request 2.0 months support- commensurate with his/her effort toward the program- to enable his/her work on remote collaboration and related outreach activities through <em>soft-funded program</em>.</td>
</tr>
<tr>
<td>• <em>Name of Researcher</em>, DVM, MPVM PhD. (Principal Investigator, Deputy Director, 80%)</td>
</tr>
<tr>
<td>o Expertise: <em>Area of expertise</em> and large scale program administration.</td>
</tr>
<tr>
<td>o Role: As Principal Investigator and Deputy Director, Dr. <em>Researcher</em> will work hand-in-hand with the Director (Dr. <em>Researcher</em>) to manage and administer the overall program. He/she will supervise the administrative support staff at UC Davis and oversee all UC Davis activities and work related to Objectives 1-5.</td>
</tr>
</tbody>
</table>
### Personnel Costs

| Postdoctoral Researchers | • Postdoctoral Researchers (2.25 calendar months effort)  
|                        |   o Postdoctoral researchers will be funded for up to 2.25 calendar months per year to supplement their independent research effort (which is funded from other sources) with project-specific activities and training and interdisciplinary collaboration. Providing multiple postdocs with a few months of funding will allow the program to have a broader reach, influencing a greater number of postdocs by exposing them to cybertraining, interdisciplinary career paths and team-projects. Postdocs will also have the opportunity to assist on rapid response activities as they occur. |
| Graduate Student Researchers | • 3 graduate student researchers (GSRs) will be employed in year 1, and 1 GSR will be employed in year 2. All three will work 50% time during the academic year and 100% time in the summer. In year 1, the GSRs will assist with data coding, cleaning, reliability testing and preparation of the database for data analysis; during the second year, the GSR will assist with data analysis and manuscript preparation.  
|                        | • Graduate Student Researchers (4 FTE @ 7.5 calendar months’ effort each)  
|                        |   o We request support for graduate student researchers, who will work 50% time in the academic year and 100% time in the summer. The graduate students, anticipated from Dept. A, Dept. B and the Dept. C will participate on interdisciplinary research teams, developing visualization tools, software frameworks and their career skills. It is anticipated that several students will each be supported with these funds for an academic quarter at a time in order to maximize the project’s reach and broaden its impact. The remainder of the participating students’ effort will go toward complementary projects with independent funding, providing year-round support and a robust training program for all students.  
<p>|                        | • Graduate Student Researchers – Two graduate students, one with programming expertise and the other with humanities and/or social science expertise, are allocated to the project to assist in development of the X application, maintenance of the prototype S module, testing of the platform and the module, and evaluation of the project as a pedagogical and research tool. |</p>
<table>
<thead>
<tr>
<th>Personnel Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Undergraduate Researchers</strong></td>
</tr>
</tbody>
</table>
| • *Undergraduate Student Researchers (500 hours per year)*  
  o Funds are budgeted to allow undergraduate researchers from a variety of disciplines to fully participate in the project, including contributing to the specific visualization modules of the project, exploring cyberinfrastructure tools, and entering and manipulating data. Undergraduate researchers on the project will be strongly encouraged to present their work as a poster or talk at the UC Davis annual undergraduate research conference, which is modeled after professional research conferences. |
| **Fringe Benefits** |
| • Fringe Benefits  
  o Fringe Benefits are calculated using the UC Davis composite rates developed by the UC Davis Costing and Policy office as required per institutional policy. Rates are applied by title code and fiscal year.  
  o Fringe benefits are calculated using UC Davis’s composite rates, which were developed under the requirements of OMB Uniform Guidance, and are applied by employee group and fiscal year.  
  • Fringe Benefits - Fringe benefits are budgeted at UC Davis’ federally negotiated rates, which are applied by fiscal year and title code. |
<table>
<thead>
<tr>
<th>Travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Travel funds for domestic travel in the amount of $9,500 per year are requested for travel to Center workshops, clinics, pilot courses, meetings at collaborating intuitions, meetings with industrial and other partners and engineering education technical meetings.</td>
</tr>
<tr>
<td>• External Advisory Board Travel</td>
</tr>
<tr>
<td>o $2,000 per year will allow the external advisory board to meet in person for planning, decision making, and advising.</td>
</tr>
<tr>
<td>• <strong>Domestic Travel</strong> – $6000 ($1500 per person) is budgeted to allow the principal investigators and two ATS/MediaWorks consultants to attend the two-day conference in Chicago to showcase the work they have accomplished through the period of funding.</td>
</tr>
<tr>
<td>• Domestic - Administrative</td>
</tr>
<tr>
<td>o Name of staff – 2 trips per year from Davis to Name of location to coordinate with Technical Advisor and Director; airfare @ $600, hotel @ $300/day for 5 days = $1500, per diem at $50/day for 5 days = $250, ground transportation @ $50/day for 5 days = $250; 2 trips @ $2,600 = $5,200/yr.; (total of 5 years $5,200/yr. = $26,000).</td>
</tr>
<tr>
<td>• Objective Team Meetings</td>
</tr>
<tr>
<td>o An annual 3-day meeting will be scheduled to coordinate and plan activities for each of the 5 objectives. Five participants from key partner institutions will travel to UC Davis or Name of location for each of the 5 yearly meetings. Objective Team meetings will be scheduled to coincide with other senior management meetings as a cost efficiency. Cost per meeting includes airfare @ $600, hotel @ $200/day for 3 days = $600, per diem at $50/day for 3 days = $150, ground transportation @ $50/day for 3 days = $150; 5 trips/meeting @ $1,500 = $7,500; 5 meetings/yr. @ $7,500 = $37,500/yr. (total of 5 years $37,500/yr. = $187,500).</td>
</tr>
<tr>
<td>Travel</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>Foreign Travel</strong></td>
</tr>
<tr>
<td>• International – Administrative</td>
</tr>
<tr>
<td>o <em>Name of staff</em> – 4 foreign trips per year from Davis to 4 surveillance hotspot regions in name of countries to conduct site visits and coordination/facilitation with country coordinators and partners; as a cost efficiency one of these trips will correspond to the Annual Meeting each year; airfare @ $2,500, hotel @ $150/day for 10 days = $1500, per diem at $50/day for 10 days = $500, ground transportation @ $50/day for 10 days = $500; 4 trips @ $5,000 = $20,000/yr.; (5 years @ $20,000/yr. = $100,000)</td>
</tr>
<tr>
<td><strong>Conferences</strong></td>
</tr>
<tr>
<td>• <strong>Professional Conferences</strong> – Funds in the amount of $1,500 per domestic trip and $3,000 per international trip are requested to enable the principal investigator to attend four related professional conferences in year 1, and 2 in year 2, to disseminate the results of the study. Planned conferences are as follows:</td>
</tr>
<tr>
<td>o American Sociological Association, Denver, Colorado, August 2012</td>
</tr>
<tr>
<td>o American Psychological Association, Orlando, Florida, August 2012</td>
</tr>
<tr>
<td>o International Sociological Association, Research Committee on Social Stratification (RC28), Hong Kong, May 2012</td>
</tr>
<tr>
<td>o Association for the Study of Higher Education, Las Vegas, Nevada, November, 2012</td>
</tr>
<tr>
<td>o American Sociological Association, New York City, New York, August 2013</td>
</tr>
<tr>
<td>o American Psychological Association, Honolulu, Hawai`i, August 2013</td>
</tr>
</tbody>
</table>
### Materials and Supplies

| Computer/Software | • In year 1, $1,145 is requested to purchase a Stata/SE license with PDF documentation, which will be used to conduct the statistical analysis necessary for completion of the study. $650 is also requested in year 1 to purchase NVivo, a qualitative data analysis program that will be used for the coding and qualitative analysis of the content of the evaluation reports. Both licenses will remain valid for the 2 years of the project.  
• **Software Licenses** - We have budgeted funds to cover the costs of the licensing fees associated with the necessary software programs for the module.  
• **Materials and Supplies**  
  o Computer Supplies – $1,500 is budgeted to cover the costs of necessary computer supplies, such as back-up media, peripherals and supporting applications.  
  o Servers – $4,000 is budgeted for the purchase of three servers for hosting, distributing and maintaining the x platform and related software, data and materials. |

| Laboratory Supplies | • Laboratory supplies are requested for evaluating and validating diagnostic tests used for wildlife surveillance (PCR reagents @ $100/sample x 3000 samples = 30,000/yr.; 5 year total = $150,000) |

### Other Costs

| ATS/MediaWorks Charges | • Funds in the amount of $22,000 have been budgeted to cover the recharge fees of ATS/MediaWorks programmers and instructional designers. Their recharge rate is $77.50 an hour and we have estimated our use at 284 hours. |

| Graduate Student Tuition and Fees | • Graduate student tuition and fees are budgeted for the GSR employed on the project per UC Davis’ policy. Amounts are based on current rates in year 1 with projected rates in years 2 through 5. |

### Indirect Costs

| Indirect Costs | • Indirect costs are budgeted at UC Davis’ federally negotiated rates for on-campus research, which are applied on a Modified Total Direct Cost Basis (MTDC.) |
Office of Research (OR) Budget Templates

The Office of Research maintains budget templates for campus use. Use of the appropriate budget template is highly recommended.

The Single Budget template is the basis for the other budget templates. The Cost Sharing Budget template builds off the Single Budget template to distinguish between the costs requested by the sponsor and those proposed as cost share. These two templates each include three worksheets.

1. The Request worksheet is the actual budget spreadsheet.
2. The F&A Details worksheet displays the indirect cost split for sponsor forms.
3. The Personnel Reference worksheet calculates base salary and person months for sponsor forms and fringe benefits to aid SPO in checking the budget calculation during proposal review.

The Multiple Budget template includes a separate Request, F&A Details and Personnel Reference worksheet for each component as well as Request Summary for the total project.

The AB20 Budget template includes the Request, F&A Details and Personnel Reference worksheets for internal purposes. The information entered on the internal worksheets populates the state Exhibits/forms (Exhibit B, Subaward Exhibit B and Program Income).

Always download the template from the website before beginning a budget.

This will ensure you are using the most recent version of the templates and that all current rates and fees are being used.
Request
The budget Request worksheet includes the current F&A and fringe benefit rates, graduate student research tuition and fees and single IRB fees. Users can select to escalate salary and fringe benefits. The templates will also calculate split rates if appropriate based on the project start and end dates.

_How do I reduce or increase the number of line items on the budget spreadsheet?_
Do not add or delete lines. Instead hide rows to remove lines or unhide rows to display more lines. Adding or deleting lines might adversely affect the budget calculations.

Proposal Information
Begin by entering the start and end dates of the project. Then select if the sponsor is the National Institutes of Health (NIH) or not (non-NIH). In most cases NIH does not count first tier subaward indirect costs toward any direct cost limits. So, select NIH if this case applies to the project and the template will not include subaward indirect costs in the direct costs to count towards the NIH limit.

Continue by entering the project title and PI name followed by the proposal due date (i.e., sponsor deadline). Do not use European dates as this will cause errors with the worksheet formulas. It is important to select the project start and end dates first as the budget template will not allow selection of an unreasonable sponsor deadline in relation to the project start date.

Personnel
The Personnel section includes salaries, effort and composite fringe benefits.

_Salaries and Effort:_
Begin by selecting the escalation information. Select FY if the escalations should be calculated over Fiscal Year(s) or PY if they should be calculated over the Project Year(s). Next either select a pre-determined escalation rate (0% to 5%) or enter a customized percentage if the escalation percentage should be the same for all people or Multi to use different rates for each person.

Next enter the Name/Role of each person on the budget. Enter separate line items if the investigator has more than one type of effort, such as academic year and summer effort. Enter each person’s annual salary, % effort for each project period, effort type (AY: academic year, CAL: calendar year and SMR: summer months) and the salary paid basis (9, 11 or 12). Select or enter the escalation percentage if Multi was selected for the escalation rate (i.e., the escalation percentage is not the same for all people on the budget). The requested salary for each budget period and the total project will calculate.
Example:

The Principal Investigator’s salary escalates by 3% each Fiscal Year. He is committing 3% effort each year and one summer month (=1/9) in Year 1.

Calculating summer effort varies based on the salary basis (9, 11 or 12).

Review the Salary and Wages section for details on calculating salary and effort.

What if the budget calculations appear incorrect?

It is always a good idea to quickly evaluate the budget calculations to ensure they appear reasonable. If a number appears too high or too low, check the selections related to escalations, the effort types and salary basis.

Review the Salary and Wages section for details on calculating salary and effort.

Benefits by Person

Begin by selecting if the escalation rate selected in the Salaries and Effort section should be applied to the fringe benefits. The personnel from the previous section will auto-populate. Select the appropriate benefits code for each person. The requested benefits for each person will auto-populate.
**Equipment**
Include any line items that qualify as *(capital) equipment or assets*. Enter only the total invoice/quote amount. A justification of each line item in the invoice/quote may benefit from explanation in the Budget Justification.

Review the [Equipment and Capital Assets](#) section for instructions on determining if an items qualified as capital equipment/asset.

**Travel**
Enter one line-item for each trip, and indicate if each trip is international. The template will calculate the total domestic and international travel as well as the total travel overall.

**Participant and Trainee Support Costs**
Enter details for each of these costs and the total amounts per project period.

Review the [Participant Support Costs](#) section for instructions on determining if an items qualified as participant or trainee support costs.

**Other Direct Costs**
Enter the following in the appropriate section under Other Direct Costs.

- Materials and Supplies
- Publication Costs
- Consultant Services
- Subaward Costs:
  - If NIH was selected in the Proposal Information section, enter a line item for each subawardee institution’s direct costs and another for their indirect costs. Choose “IC of above”.
  - Otherwise, enter each Subaward’s total costs (directs + indirects) per project period. Indicate if each subaward institution is a UC campus or not. Indirects are not charged on the prime budget for other UC campuses as their indirects are included in their subaward budget.
- **GSR Tuition/Fees**: Begin by selecting if buydown or full rates will be used. Next enter the name and notes for the GSRs. Select the category (Resident, Non-Resident, etc.). Next select the escalation type (AY or PY) and rate. Select if the calculations should be done by number of GSRs or quarters per project period.

  **Example:**
  
<table>
<thead>
<tr>
<th>Name or Notes</th>
<th>Buy Down?</th>
<th>Using 18/19 Rates</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>Total GSR Tuition/Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smith Lab</td>
<td>Resident</td>
<td>10%</td>
<td>27567</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>13,472</td>
</tr>
<tr>
<td>Smith Lab</td>
<td>Non-Resident</td>
<td>10%</td>
<td>27567</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>13,472</td>
</tr>
<tr>
<td>TIBR - Smith Lab</td>
<td>Non-Resident</td>
<td>10%</td>
<td>27567</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>13,472</td>
</tr>
</tbody>
</table>

  **The Smith Lab will utilize 1 resident GSR in Year 1, 2 in Year 2 and 3 in Year 3. The same lab will utilize 1 non-resident GSR in Year 4.**

  How do I calculate GSR Tuition and Fees by the number of quarters in a project period?

  Either change the # of GSRs fields in the relevant project periods to # of Qtrs. or leave # of GSRs selected and enter a decimal. There are technically three academic quarters, therefore, entering =1/3 under # of GSRs equals 1 quarter for 1 GSR in that period.

- **Single IRB Fees**: Enter a separate line item for each site or study. Then select the recharge type: On-Boarding- No Agreement; On-Boarding Agreement or Continuing Review. Select if each site is UC or non-UC campus. Then enter the number of sites in each project period.

  **What if I do not know if a proposed site will use an agreement?**

  Include the higher rate to ensure there is enough money in the budget.

- **Primate Center Costs**

- **Other Expenses**: Enter any other costs not reflected on the budget thus far, indicating if each line item is subject to indirect costs. The Budget template will calculate the other expenses subject to indirects and those not, as well as the Total Direct Costs.
Total Direct Costs, Indirect Costs and Total Costs

The Budget template will calculate the Total Direct Cost, Indirect Costs Base, Indirects Costs and Total Costs. Select the Rate Type: On-Campus Research, Off-Campus Research, On-Campus Other Sponsored Activity, Off-Campus Other Sponsored Activity, Instruction or Other. If selecting Other, enter the appropriate rate and basis.

Example:

<table>
<thead>
<tr>
<th>Total Other Direct Costs</th>
<th>18,472</th>
<th>29,638</th>
<th>48,903</th>
<th>17,931</th>
<th>0</th>
<th>110,944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Direct Cost for NIH Limit (when limit does not include subaward indirect costs)</td>
<td>$40,843</td>
<td>$45,674</td>
<td>$55,174</td>
<td>$30,448</td>
<td>$6,774</td>
<td>$196,913</td>
</tr>
<tr>
<td>Total Direct Costs</td>
<td>$56,043</td>
<td>$45,674</td>
<td>$55,174</td>
<td>$30,448</td>
<td>$6,774</td>
<td>$196,913</td>
</tr>
<tr>
<td>Indirect Cost Base</td>
<td>30,931</td>
<td>6,063</td>
<td>6,271</td>
<td>12,357</td>
<td>6,774</td>
<td>61,959</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>11,845</td>
<td>3,556</td>
<td>5,666</td>
<td>4,882</td>
<td>2,542</td>
<td>24,169</td>
</tr>
<tr>
<td>Total Costs (Direct + Indirect)</td>
<td>$70,698</td>
<td>$48,280</td>
<td>$58,731</td>
<td>$35,339</td>
<td>$9,316</td>
<td>$221,092</td>
</tr>
</tbody>
</table>

If “Other” is selected as the Rate Type, select the Base Type and enter the Rate %.

F&A Details

The Indirect Cost Split for sponsor forms, when applicable, is calculated based on the Request spreadsheet.

Personnel Reference

In the Personnel section, Select the Personnel Type (Senior/Key, Other, Postdoc, GSR, Undergrad or Clerical) for each person on the budget. Under the Base Salary section, select if the “annual” salary from the Request spreadsheet includes all 12 months (CAL or AY + SMR). The Person Months, Summer Fringe Benefits Split will auto-populate.
Appendix

New Proposal Checklist

The questions posed in this list are general and can be applied in most situations

OR Budget Templates and FAQs
The OR Budget Templates and FAQs are available at: https://docs.or.ucdavis.edu/spo/. Kerberos login is required.
Calendar Examples

Calendar Year (CY) 18
January 1, 2018 – December 31, 2018

Calendar Year (CY) 19
January 1, 2019 – December 31, 2019

Calendar Year (CY) 20
January 1, 2020 – December 31, 2020

Fiscal Year (FY) 18
July 1, 2018 – June 30, 2019

Fiscal Year (FY) 19
July 1, 2019 – June 30, 2020

Academic Year (AY) 2018-19
Fall Qtr. (Sept.-Dec.) Winter Qtr. (Jan.-Mar.) Spring Qtr. (Mar.-Jun.)

Academic Year (AY) 2019-20
Fall Qtr. (Sept.-Dec.) Winter Qtr. (Jan.-Mar.) Spring Qtr. (Mar.-Jun.)

Summer
Partial June, July, August, Partial September
Useful Website Links

• Accounting & Financial Services site has additional information on calculating effort: http://afs.ucdavis.edu/systems/effort-commitment-system/scenarios.html.


• Composite Benefit Rate schedule: http://afs.ucdavis.edu/our_services/costing-policy-e-analysis/composite-benefit-rates/


• Federal Demonstration Partnership (FDP): http://sites.nationalacademies.org/PGA/fdp/index.htm


• Office of Management and Budget Circulars: https://www.whitehouse.gov/omb/circulars/

• Sponsored Programs Administration and Research Kiosk (SPARK): http://spark.ucdavis.edu/

• Sponsored Programs Budget Development: http://research.ucdavis.edu/proposals-grants-contracts/spo/spo-proposal/budget/

• Sponsored Programs – Research Administration Training: http://research.ucdavis.edu/proposals-grants-contracts/spo/spo-training/

• Single IRB and Reliances: https://research.ucdavis.edu/policiescompliance/irb-admin/researchers/coll-research/


• UC Davis Accounting and Financial Services Effort Commitment and Cost Share Tracking: http://afs.ucdavis.edu/systems/effort-commitment-system/effort-commitment-defined.html


• UC Davis F&A Rates: http://research.ucdavis.edu/proposals-grants-contracts/helpful-links/indirect-cost-fringe-benefit-rates/fa-rates/

• UC Davis Staff Salary Scales: http://www.hr.ucdavis.edu/Salaryscales

• UCOP Academic Salary Scales: http://www.ucop.edu/academic-personnel/compensation/index.html