Budget and Budget Justification Job Aid

This job aid outlines the steps for developing a budget and a budget justification.

WHO:

- PI/Co-I
- MSUE Grant Services

WHEN:

- Developing a new proposal document
- Revising an approved budget

HOW:

New Proposal:

1. Review Sponsor Solicitation for allowable and unallowable costs, and indirect rate allowance.
2. Determine budget, considering personnel, travel, subcontracts, and other costs (such as materials, equipment, and participant support) – See Budget Development Job Aid.
3. Send budget items and amounts to MSUE Grant services via email, either within the body of an email, or using the following template:
   - https://www.canr.msu.edu/od/grants/msue_job_aids
4. MSUE Grant Services staff will enter the budget information into the Kuali Coeus (KC) Proposal Document (PD) and will work with the PI/CO-I to make adjustments if needed and finalize budget.
5. Once budget is finalized in KC, write budget justification, using these templates (or sponsor-provided format if applicable). The justification should include: 1) The types of costs planned; 2) The details on how the cost was calculated (quantity and unit cost); and 3) The rationale for why these costs are needed for the project. It is helpful to connect budget items to specific grant goals/objectives. One and three year budget justification templates can be found here: https://www.canr.msu.edu/od/grants/msue_job_aids
6. Subawards/sub-recipients need to provide a simplified commitment form, scope of work, budget, and budget justification. The above templates can be provided to them.
7. MSUE Grant Services will review budget justification (providing feedback if applicable), upload to KC PD, and notify OSP pre-awards budget is ready for review.
8. If OSP has feedback, MSUE Grant Services will assist to make changes, upload updates, etc.

Budget Revision:

1. If the difference in proposed amount and awarded amount is less than 20%, a revised budget is developed in an Excel document (it does not need to be routed for approvals).
   - MSUE Grant Services or the PI/CO-I can download the PD budget in Excel format by:
     - Open PD in KC
     - Budget tab -> open approved budget
     - Budget Actions tab-> select Print Forms -> Budget Summary Report, select XLS
   - MSUE Grant Services will assist on revising and reviewing the revised budget.
   - Send revised budget, copying MSUE Grant Services, to OSP awards: osp.awards@osp.msu.edu

2. If the difference in the proposed and the awarded amount is 20% or more, a revised budget and budget justification must be routed for approvals.
   - MSUE Grant Services can download the PD budget or
   - PI/CO-I can download the PD budget by:
     - ➤ Open PD in KC
     - ➤ Budget tab -> open approved budget
     - ➤ Budget Actions tab-> select Print Forms -> Budget Summary Report, select XLS
   - MSUE Grant Services will assist on revising and reviewing the revised budget.
   - A revised budget justification must be developed and attached to the PD.

RESOURCES:

Budget development: https://cga.msu.edu/PL/Portal/356/DevelopBudget

Budget justification: https://cga.msu.edu/PL/Portal/387/BudgetJustification

Budget Justification Examples:

1. https://spo.berkeley.edu/procedures/modelagreements/budgetjustification.html
2. https://www.uvu.edu/osp/docs/how-to-prepare-a-budget-justification.pdf

F&A/Indirect rate: https://osp.msu.edu/PL/Portal/165/FacilitiesAdministrativeCostRates

- Research: 56.5%
- Other Sponsored Activities: 36.0%
- Off Campus: 26.0%

Frequently Required Budget and Proposal Data:
https://cga.msu.edu/PL/Portal/146/FrequentlyRequiredBudgetandProposalData

USDA – NIFA Indirect Rate:
https://www.cga.msu.edu/PL/Portal/183/UnitedStatesDepartmentofAgricultureUSDA