

Key Concepts & Categories in Building Your Budget

Category	Possible components	Considerations
Personnel / Salary (MSU)	<ul style="list-style-type: none"> Educators, program instructors, principal investigators, coordinators, staff, presenters, etc. Annual appointments (12 mo.), academic appointments (9 mo.) & summer salary Graduate students (G.A. or R.A.) -- 1/4, 1/2, 3/4, or full time Undergrad, temp Salary and fringes for non-MSU personnel will not be included in this section. 	<ul style="list-style-type: none"> Who all will be involved on the grant? What percentage of their time will they work on the grant? For those who are paid hourly, how many hours will they work on the grant and at what rate? Will the same people be working the same level of effort during the entire project period? Or is it short-term/provisional effort? Can these people <i>actually</i> get paid from the grant funds, or is all of their time already spoken for (effort reporting)? Does the agency have a maximum limit on salary? <p>MSU employees' <u>current salaries</u>, as of that day, are pulled into the budget version in KC. KC automatically calculates the fringe and applies inflation at appropriate intervals.</p>
Fringe	<ul style="list-style-type: none"> Fringe benefits for employees 50% - 100% Affordable Care Act (ACA) fringe Healthcare for Grad Assistants 	<ul style="list-style-type: none"> Fringe is split into four categories: 1) retirement; 2) FICA (Federal Insurance Contributions Act); 3) other/miscellaneous; & 4) health, dental & prescription. Each personnel type will have slightly different rates, due to certain criteria. For example, a temp person may only have FICA, but a staff person working the same hours may be eligible for all four categories. KC will get you the most accurate fringe rate based on today's salary and employment status. If you know your employee will need ACA, this is entered manually into KC. Grad Assistantships benefits are charged in flat dollar amount based upon the cost of health care and the average number of credits waived.
Equipment	<ul style="list-style-type: none"> Useful life span > 1 year Total cost > \$5,000 	<p>To be considered "Equipment", an item must have a useful life span of over one year, be a stand-alone item, and cost over \$5,000.</p>
Travel	<ul style="list-style-type: none"> In-state mileage Conferences (local, state, international) Meals for meetings 	<p>Consider the different types of costs that go on a Travel Expense Report, and what type of travel you will have to do for this grant during the time period of the grant. This could include: programming travel; travel required by the solicitation; trips to meet collaborators, participants, farms, etc.; travel to conferences directly related to grant to disseminate knowledge.</p>

	<ul style="list-style-type: none"> • Vehicle rental 	<p>Travel detail includes: mileage on personal vehicle or vehicle rental costs which include fuel expense; taxi to/from hotel/airport, bus rental for field trips, flights, baggage, hotels, per diems, and conference registration fees.</p> <p>Justification information requested includes: Who is traveling, when are the travel date(s), how many trips, what is the destination, how many days/nights, and purpose of trip.</p>
<p>Participant support costs</p>	<ul style="list-style-type: none"> • Non-MSU people • Direct costs paid on behalf of participants or trainees in connection with a conference or training projects. • By paying a participant, nothing is gained by MSU; the benefit is by the participant only. 	<p>Think of a conference or event that you want people – farmers, students, teachers, parents – to attend and who will benefit from the information, but you don’t want to charge a fee. You can support them with 1) a stipend for their time, 2) per diem for their meals while traveling, 3) mileage for their travel, and 4) other items like registration fees, lodging, and/or conference-provided meals.</p> <p>*Not to be confused with Participant Incentives.</p>
<p>Other Direct Costs</p>	<ul style="list-style-type: none"> • Materials & supplies • Publication costs / Documentation dissemination • Consultant services • Computer services • Subcontracts • Equipment rental /f rental / User fees • Alterations and renovations • Graduate assistantship tuition • Other 	<p>Smaller items such as pens and paper are normally covered by the F&A costs. Unless the amount of such items are above normal for this specific grant, you cannot “double dip” (cost line and F&A line).</p> <p>Most of these items are self-explanatory, but some will need more justification: Explain why you need a new laptop (field work, larger processor, etc.). Explain why you need a lot of paper (large printing jobs for curriculum hand-outs; marketing flyers, etc.)</p>
	<p>Materials</p>	<p>This includes all project-specific, tangible items, such as: field computers, handouts, camera, flip charts, etc. It includes anything that can be used for your specific project that doesn’t fall into the other categories.</p>
	<p>Publication Costs</p>	<p>These costs will cover documenting, preparing, and publishing the findings of your project; storage, preservation, documentation, indexing, etc., of collections or fabricated items.</p>
	<p>Consultant Services</p>	<p>This covers anyone who will be doing a bit of the project, but aren’t responsible for the actual deliverable(s). This could be an individual you hire to do evaluations or analyses as they will have this as a particular skill set and experience. Information required for a consultant will</p>

Other Direct Costs, Continued		include a statement of work, justification of experience and daily cost rate. Travel for a consultant is also included, if necessary.
	Computer Services	<p>Computer services category may include items such as computer-based retrieval of scientific, technical and educational information following institutional rates, and the leasing of computer equipment. We rarely see this used in Extension Budgets.</p> <p>The budget justification should state that the budgeted amounts are based on the established computer service rates or documented computer leasing analysis. General purpose (such as word processing, spreadsheets, communication) computer equipment should not be requested.</p>
	Subcontracts/Subawards	<p>A subcontract, or subaward, provides pass-through funds to a secondary entity under MSU. This means the subaward does not communicate directly with the agency.</p> <p>MSU requires a scope of work, detailed budget, detailed budget justification, copy of their approved IDC rate agreement, and signed commitment form. Once awarded, MSU central office will request additional information to access/monitor risk (tax returns/audits).</p> <p>The agency may also require a signed Letter of Commitment, biographical sketch/CV, Current and Pending form, Conflict of Interest list, description of facilities, resources and equipment.</p> <p>Be sure to correctly determine if this person/entity should be a consultant or vendor or subcontractor. See the course module on Subaward, Contractor, or Consultant.</p>
Other Direct Costs, continued	Equipment & Facility Rental, User Fees	<p>An example of this cost would be if you needed a specific building that was set up for a specific type of work. It would be more cost efficient to rent this facility than it would to buy/built each component.</p> <p>The same with equipment; if you can find your equipment, depending on your long-term needs, renting may be the best option.</p> <p>User fees are like rental fees for a certain type of service.</p>
	Alterations & Renovations	This line is used when space must be altered/renovated to accommodate the program.

	<p>Graduate Assistantship Tuition</p>	<p>Graduate tuition remission is a contractual cost for a graduate assistant (GA) appointed on a project and is calculated using a flat dollar determined by the university.</p>
	<p>Other</p>	<p>Any other Direct Cost that does not fit into an above category can go in an “Other” line.</p> <p>Examples of Other include: postage, long distance charges, photocopying, service/maintenance contracts, conference costs (room/AV rental), speaker/trainer fees, honorariums, participant incentives, and fee-for-service (lab analysis, translation or dictation services, etc.)</p> <p>Justification information requested: payment per participant, cost estimates, published service fees, description of services and relevance to the project.</p>
<p>Facilities and Administration (F & A)</p>	<p>Sometimes referred to:</p> <ul style="list-style-type: none"> • Indirect Costs • Overhead <p>MTDC base: 55% - Research 36% - Other Sponsored Activity 26% - Off-campus</p> <p>TDC base: 26% - Testing 26% - Fee-for-service</p> <p>TFFA base: 30% - USDA funding</p> <ul style="list-style-type: none"> • Indirect costs that are not recovered by a grant will be covered by other means. 	<p>These costs are incurred for common or joint objectives and, therefore, cannot be readily identified with a particular sponsored project. Think of these costs as the university’s expenses such as electricity, pencils, pens, paper, office computers, HVAC, the little bit of salary for the administrator that helped you submit the proposal, and depreciation.</p> <p>These are not things that we can justifiably charge to a grant as we would need to determine, for example, how many units of electricity your laptop will use over the length of the grant.</p> <p>As such, these cost rates are automatically included in the budget based on the Activity Type. We have negotiated and received an approved rate list from the Department of Health and Human Services.</p> <p>If a proposal must use a rate that is different than our approved rates, we must find a justification for this change. Usually they simple state in the solicitation that the agency does not pay for F&A is good enough. However, if you want to use a lower rate without justification, an approval from VPRGS is required.</p> <p>Along with the rate <i>type</i> comes the <i>base</i> for each type. <u>MTDC</u> = Modified Total Direct Costs. This means we can charge the rate on everything except a few items*. <u>TDC</u> = Total Direct Costs. This means we can charge the rate on all of the costs in the budget, without modifying the total. <u>TFFA</u> = Total Federal Funds Awarded. This also means “Total project Costs” (aka Direct and Indirect, together). To convert TFFA to TDC, you must use a formula.</p> <p>Example: Step 1: $100\% - 30\% = 70\%$.</p>
<p>Facilities and Administration (F & A)</p>		

		<p>Step 2: $\frac{30\%}{70\%} = 42.857\%$ TDC So, 30% TFFA = 42.857% TDC. See more about the formula to convert TFFA to TDC here.</p> <p>*The MTDC base <i>modifies</i> the Total Direct Cost base by subtracting costs that cannot have F&A applied to them. They are Equipment, Participant Support Costs, Tuition, Fellowships, the cost of each subaward over \$25,000, rental space fees, as well as patient care charges and capital expenditures.</p> <p>Please read your solicitation carefully.</p>
<p>Cost Share</p>	<ul style="list-style-type: none"> Some funders require a certain amount of cost share. The best item to cost share is salary. This would be when MSU is paying for someone's time while they are working on the grant, instead of their time being charged the grant. Cost share is a way for MSU to show that they are committed and invested in the project. Other types of cost share (mileage, other costs) are hard to prove and track; therefore they are not usually allowed. 	<p><u>Cost sharing</u> is that portion of total project costs that are paid from sources other than the sponsor. Cost sharing is typically in the form of actual cash expenditures and/or commitment of effort.</p> <p><u>Matching</u> is a similar concept where the University is required to proportionally match funds that are provided by the sponsor.</p> <p><u>Mandatory cost share</u> is required by the sponsor as a condition of receiving an award and is usually included in the proposal. This type of cost share is a condition of eligibility and a proposal review criterion. It is required to be tracked and reported to the sponsor.</p> <p><u>Voluntary committed cost share</u> is not required by the sponsor as a condition of receiving an award. It is a quantifiable commitment of costs included in the proposal to be contributed by the University and it becomes a binding commitment to the University upon award. <i>For example</i>, if Professor Jones included in his proposal that he would be working 50% of his time on the project, but only requested the sponsor pay 20% in the proposed budget, the excess, 30% (50% - 20%) is considered voluntary committed cost sharing.</p> <p><u>Voluntary uncommitted cost share</u> is not required by the sponsor as a condition of receiving an award. It is incidental to the project and it is not budgeted or pledged in the proposal nor legally obligated. This type of cost share does not have to be documented, tracked or reported to the funding agency, and it is not subject to effort reporting requirements.</p>