How To Plan a Budget

Design Phase Workshop

November 3, 2022

Today's Agenda

3:00-3:30 pm ET	How to Plan a Budget	Brenna Kotar
3:30-4:00 pm ET	Implementation Phase Budget Guidance	Brenna Kotar
4:00-4:30 pm ET	Q&A	Brenna Kotar, Kim Santoro & Cece Manoochehri

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Introductions

- Brenna Kotar, Contracts & Operations Manager, Extension Foundation

- Kim Santoro, Grants Specialist, Extension Foundation

- Cece Manoochehri, Grants Specialist, Extension Foundation

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What to know before starting!

- Always work with your Grants & Contracts or Sponsored Programs Office.
  - Not doing so will cause **significant delays**.
- Follow the protocol of your institution for submission of a grant.
- Focusing on the budget justification.

Aligning the Program & the Budget

- The budget and the program narrative **must** correlate!

- Reviewers often scan the budget to increase understanding of your program.

- If not aligned, it creates confusion and your proposal loses credibility.

Plan the Budget as You Plan Your Program

Download the budget template from the Implementation Phase application guide!

BUDGET SUMMARY (autofilled from detail sections starting on Line 41):

Line Items (in Italics)	Requested Budget Total	
Personnel Costs		
Salaries & Wages	$	
Fringe Benefits	$	
Total Personnel Costs	$	-
Other Direct Costs		
Capital Equipment	$	-
Travel	$	-
Participant Support Costs	$	-
Other Direct Costs	$	-
Total Other Direct Costs	$	-
Total Indirect Costs (if allowed by this program)		
INDIRECT COSTS	$	-
TOTAL COSTS	$	-

REQUESTED BUDGET DETAIL AND JUSTIFICATIONS

REQUESTED PERSONNEL COSTS
Personnel names (if known) and titles, level of effort or number of hours, salary, and fringe benefits

	Salary	**Fringe**	**REQUESTED BUDGET**
enter name here enter role here		$ -	$ $ -

Involve your Director/Administrator and/or Program Team During the Planning Stage

- During early planning, many budget dilemmas may arise.
  - Total costs may be higher
  - People not included in the planning may surprise you with critical questions at the last minute.
- Letter of Support – Needed for Application!

Follow Directions Exactly

- The RFA always contains detailed information.
- Consult the NIFA application guide!
- Use the provided budget template.
- Do not go over the budgeted amount - $70,000.00
- Need clarity for Extension Foundation awards? Ask!
  - sponsoredprograms@extension.org
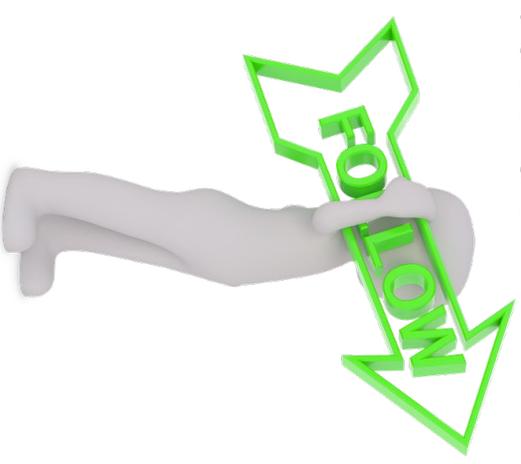
It's got to add up!

- Take great care that the budget's numbers add up (and down and across!)
- The provided budget template automatically calculates!
- **Always** double check and have a team member (or 2!) review for accuracy.
- Keep in mind, confidentiality. Salary, etc…

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Sync with the narrative and keep numbers consistent.

- The budget must tell the same story!
- When making a last minute change to the budget, it's easy to forget the change in the narrative.
  - This is a very common mistake!
- If budget figures aren't consistent throughout the proposal, it's confusing and you lose credibility.

Include Everything!

- **<u>Be detailed!</u>** Don't overlook anything.
  - Plan the budget as you plan your program!
- Mistakes can leave your program short on cash with lots of the program still to run.

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PLAN

Be specific - itemize.

- As with the words in your proposal, the numbers should be as specific as possible.
- Personnel expense must be broken down.
  - Salary, Fringe (include rate!), and % of effort.
- Round off to the nearest dollar.

Accurate Estimates

- Take the time to estimate accurately. <u>**Don't guess!**</u>
  - EX: If you are planning a meeting, include the cost to rent the meeting room. Go to the source!
  - EX: Calculate exact travel amounts. Cost of airfare and lodging. Look up information on websites.
- Keep notes on how you came up with the estimates. You may need these later!

Planning minimizes adjustments later.

- We understand that budgets are estimates!
- There is flexibility!
  - You can adjust your budget at a later date if needed.
  - If greater than 10%, you will need to amend your subaward. Send a budget revision request to sponsoredprograms@extension.org

Be reasonable.

- Honestly reflect costs.
- Do not "pad" the budget for any reason.
- Make sure your budget supports the weight of the program.

REASONABLE

Have an expert review it.

- Be sure to involve your finance or sponsored programs office.
- Make sure to have the expert review the proposal narrative as well.
  - Eliminate any disconnect with the budget.
- An incomplete, inaccurate, inconsistent, or sloppy budget can be a deal breaker.

Follow the Rules

- Your organization has ground rules for budgeting.
- Work with your Grants & Contracts or Sponsored Programs Office!
  - Follow the protocol of your institution for submission of a grant.
- Ask questions!
- Are your costs allowable?
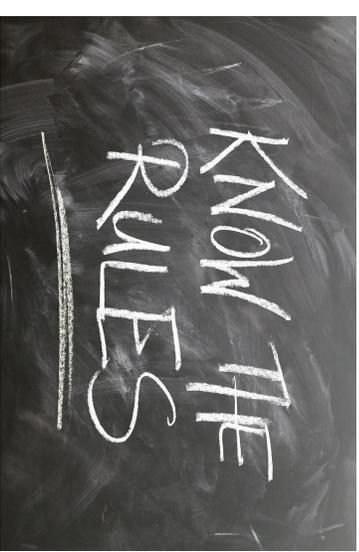
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Common Non Allowable Costs

- Food
- Vaccines
- Alcohol
- Entertainment
- Certain travel costs- first class travel
- Fund-raising
- Advertising
- Lobbying costs
- Fines and penalties
- Covid Test Kits (for EXCITE)

EXCITE Implementation Phase - Budget Guidance

- Lots of information! This information is included in the Implementation Phase RFA

- Have a question about allowable costs? Email sponsoredprograms@extension.org. We are here to help!

- Use the provided budget template!

Personnel Costs

- <u>Salary and Wages</u> - Faculty, technicians, research associates and assistants, postdoctoral associates and other technical personnel necessary to meet the goals of the project.
  - ○ Need as either percent effort, hourly wages or person months.
- <u>Fringe Benefits</u> - normally encompass employer contributions for social security, employee life, health, unemployment, worker's compensation insurance and pension plan costs related to the personnel charged to the project.
- Costs must be expressed as a percentage of salaries and wages in the proposal budget based on negotiated Federal rates applicable to each person or role.

Equipment Costs

- Defined as tangible personal property (including information technology systems) having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.
  - Requests must include item description, justification of use for equipment on the project, quote to substantiate the equipment cost, and plan for equipment disposal at the end of the performance period.
  - Agency approval must be obtained before awarded funds may be released.

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Travel Costs

- Costs for transportation, lodging, and subsistence that directly support the aims for the project.

- Include in the budget template the destination, number of people traveling, and dates or duration of each stay for all anticipated travel.
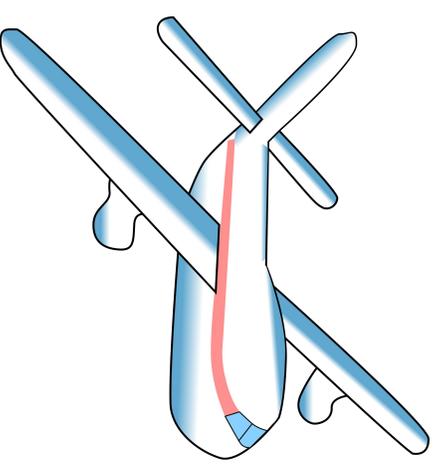
Incentives

- Defined as "Cash or cash value items (i.e., gift cards) provided to individuals to incentivize behavior."*

- NIFA position – "For nearly all NIFA programs, incentive payments are unallowable as they do not benefit the award." This applies to the payments made to participants **as enticements** to participate in activities such as surveys, program attendance, focus groups, interviews, listening groups, and/or to change behavior, such as getting vaccinated.

- Payments to participants **that lower barriers to their participation** by defraying expenses incurred to participate, for example travel, are allowable as participant support costs.

<u>Check with your institution for rules regarding gift cards!</u>

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Participant Support Costs

- Direct costs for items such as stipends or honoraria, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

- NIFA considers payments to non-participants, e.g., organizers, recruiters, influencers, trainers, coaches, etc., who encourage or assist participants to be Participant Support.

- Payments made to defray the cost of participation, e.g., for travel and meals, are also allowed in accord with institutional policies and documentation requirements.

Other Direct Costs:

- Materials and Supplies: Consumables to be used in the performance of the proposed project

- Non-Capital Equipment: Equipment not meeting both capitalization criteria. Note that such items are indistinguishable from other supplies.

- Consultants/Independent Contractors: Consultants who provide expertise or a service to a particular project consistent with their normal course of business.

Other Direct Costs:

- Subawards: A contract specifically creating a Federal assistance relationship with a subrecipient to carry out part of a Federal award received by the project applicant. A subrecipient typically is assigned responsibility for programmatic decision-making with subsequent performance measured in relation to whether it assigned project objectives were met.

- Tuition Remission: Mandatory benefit for students employed as Graduate Research Assistants/Associates (GRAs) that is separate and distinct from other employee fringe benefits.

- Other Costs: Various items such as vendor contracts for ancillary goods and services, publication, and meeting costs, etc…

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Indirect Costs (IDC)

- Yes, IDC are allowed for this award!

- Consult your institution's current negotiated rate agreement. You must include this documentation in the Implementation Phase application.

- Applicants may also elect to apply the de minimis rate of 10%.

- If you waive or reduce IDC from the approved rate at your institution, you must state this clearly.

- Indirect Cost rates remain unchanged for the life of the project.

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Your Fiscal Office Responsibilities

- Submit an invoice to payables@extension.org to receive funding.

- Quarterly Financial Reporting, due 15 days after end of quarter - We provide a template!

- Final financial report, due within 60 days of project completion.

RESPONSIBILITY

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Concluding Thoughts

- Work with your Grants & Contracts/Sponsored Programs office.

- Office Hours, November 30th @ 10am CT (11am ET)

- Questions or need guidance? Contact sponsoredprograms@extension.org

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Questions...