

Preparing a Proposal Budget



Celia M. Elliott
Department of Physics
University of Illinois
cmelliott@illinois.edu



Copyright © 2014 The Board of Trustees of the University of Illinois

Your budget must conform to your technical description

Go through the narrative and highlight every activity that has financial implications—make a list of everything that will have to be paid for during the course of the project

Assign each one of those costs to an appropriate budget category—personnel, equipment, materials and supplies, telecommunications, travel, services, publications...

2

Make a note, too, of the non-monetary contributions your institution will make to the project

You will want to emphasize these contributions in your budget narrative

Look at it from the funder's point of view—your institution's prior investment in facilities and equipment lowers the cost of doing this project for the funder, putting you at an advantage over competing proposals

3

Your budget must be realistic

Reviewers and program officers know what things cost; if your budget is not realistic they will think you are either dishonest or stupid

A budget that is too low may make it impossible to complete the project, which will jeopardize your chances for future funding

Estimate costs as accurately as possible; get formal price quotations for equipment and written agreements for subcontracts

4

Budgets must conform to the RFP and include only *eligible* costs



5

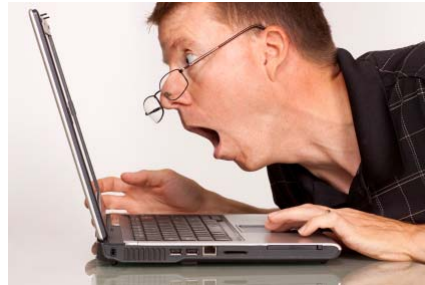
The RFP will also tell you what costs are not eligible

- Payments to individuals who do no work on the project**
- Travel that is not connected to the research project**
- Equipment and supplies that will not be used in the research project**
- Entertainment (including meals)**
- Construction, repair, or remodeling of facilities**

6

**Evaluate every item in your budget
with a reviewer's skeptical eyes**

**Teach yourself
to ask the questions
that a reviewer
would ask**



For what? How much? Why?

7

**Likely reviewer questions about
personnel:**



**Are all these people really needed to do the
work?**

**What is each person's assigned role? What will
he/she contribute to the project?**

**Does the budget allocation accurately reflect
each person's work contribution?**

**Is there an appropriate distribution of
categories of personnel?**

Are the salaries in line with funder guidelines?

8

Likely questions about equipment and research supplies:



Is the equipment needed to carry out the experiments described in the work plan?

Should the grantee already have this equipment? Is it replacing existing equipment? Why?

Is the equipment requested the best suited for the job to be done?

Are the supplies requested needed and the amounts reasonable?

9

Is the travel justified?



Is the travel necessary to carry out the work proposed?

Why travel to conferences in the first year of the project before there are any results to present?

Does the conference travel represent appropriate fora for results obtained in this project?

Why travel to one another's labs at the end of the project?

10

What about subcontracts?



Is the subcontract really necessary?

Should the PI be able to do this work in his own laboratory?

Are the fees reasonable?

Is the time charged consistent with the amount of work to be done?

11

Overhead or indirect costs?



Are the institutional costs calculated correctly?

Do they exceed the maximum allowed by the funder guidelines?

12

Finally, review the rules and double-check *everything*



Check your arithmetic — is everything added correctly?

Have you included all required information?

Has every line and every box been completed?

13

Stop—you're not done yet!



Now you've got to write the "budget justification"

Narrative that explains what assumptions you made and what methods you used to estimate project costs

14

The budget narrative should explain how costs were determined

Explain what each person will do to contribute to the project

Explain why equipment is needed and how it will be used in the project

Provide written price quotations for expensive items of equipment

Itemize each budget line and explain how those numbers were determined

Ensure that your costs are realistic and in line with the scope of work to be done

15

Map your narrative to the formal budget forms

Senior personnel

Other personnel

Fringe benefits

Equipment

Travel

Other direct costs

Indirect costs

SUMMARY PROPOSAL BUDGET		YEAR 1		FOR NSF USE ONLY	
ORGANIZATION: University of Illinois at Urbana-Champaign		PROPOSAL NO.	DURATION (months)		
PRINCIPAL INVESTIGATOR / PROJECT DIRECTOR		AWARD NO.	Proposed	Original	Current
Activity 1 Legend					
A.	SENIOR PERSONNEL: PI/PO, Co-PI, Faculty and Other Senior Associates	NSF (total)	From	From	From
	(List each separately with title, A-7, show number in brackets)	ICAL	ACAO	SUBR	PI/PO/FA/STAFF
1.	Activity 1 Legend - PI	0.00	0.00	0.00	0.00
2.					
3.					
4.					
5.	1. OTHERS (LIST INDIVIDUALLY ON BUDGET JUSTIFICATION PAGE)	0.00	0.00	0.00	0.00
6.	2. TOTAL SENIOR PERSONNEL (1 + 5)	0.00	0.00	0.00	0.00
B. OTHER PERSONNEL (SHOW NUMBERS IN BRACKETS)					
1.	1. POST DOCTORAL SCHOLARS	0.00	0.00	0.00	0.00
2.	2. OTHER PROFESSIONALS (TECHNICIAN, PROGRAMMER, ETC.)	0.00	0.00	0.00	0.00
3.	3. GRADUATE STUDENTS				99,488
4.	4. UNDERGRADUATE STUDENTS				0
5.	5. SECRETARIAL - CLERICAL (IF CHARGED DIRECTLY)				0
6.	6. OTHER				0
TOTAL SALARIES AND WAIVES (A + B)					99,488
C. FRINGE BENEFITS (IF CHARGED AS DIRECT COSTS)					6,069
TOTAL SALARIES, WAIVES AND FRINGE BENEFITS (A + B + C)					105,557
D. EQUIPMENT (LIST ITEM AND DOLLAR AMOUNT FOR EACH ITEM EXCEEDING \$5,000)					
TOTAL EQUIPMENT					0
E. TRAVEL					
1. DOMESTIC (INCL. CANADA, MEXICO AND U.S. POSSESSIONS)					4,000
2. FOREIGN					3,500
F. PARTICIPANT SUPPORT COSTS					
1. STIPENDS					0
2. TRAVEL					0
3. SUBSISTENCE					0
4. OTHER					0
TOTAL NUMBER OF PARTICIPANTS (1 + 2 + 3 + 4)					0
TOTAL PARTICIPANT COSTS					0
G. OTHER DIRECT COSTS					
1. MATERIALS AND SUPPLIES					4,200
2. PUBLICATION COSTS/DOCUMENTATION/COMMUNICATION					2,600
3. CONSULTANT SERVICES					0
4. COMPUTER SERVICES					0
5. SUBAWARDS					0
6. OTHER					55,713
TOTAL OTHER DIRECT COSTS					62,513
TOTAL DIRECT COSTS (A THROUGH G)					172,670
H. INDIRECT COSTS (FAUCIGLIP RATE AND BASE)					
Facilities and Administration (Rate: 58.5800, Base: 118256)					243,150
TOTAL INDIRECT COSTS (H)					243,150
TOTAL DIRECT AND INDIRECT COSTS (H + I)					415,820
K. RESIDUAL FUNDS					0
L. AMOUNT OF THIS REQUEST (J OR (I) MINUS (K))					415,820
M. COST SHARING PROPOSED LEVEL (1 - 5)					0
N. AGREED LEVEL IF DIFFERENT \$					415,820
PI/PO NAME		FOR NSF USE ONLY			
Activity 1 Legend		INDIRECT COST RATE VERIFICATION			
ORG. REF. NAME		Cost Center	Date Of Rate Eval	Rate	OSR
Amber Floyd					

16

Example of a well-organized, clear budget narrative

Section headings correspond to budget forms

Detailed explanations are given for how costs were calculated

Section F. Budget Justification

An itemized budget for each year of the three-year proposed project and a cumulative budget are presented on NSF Form 1030, pages 1-4 of this section. We believe that the program of condensed matter physics and materials research outlined in the proposal and the contributions it will make to scientific understanding, education and training, and the nation's research infrastructure fully justify the requested budget.

It should be noted that NSF support for this research group has been effectively enhanced by direct University support and prior investments in research infrastructure, which is critical to our program, as detailed in the facilities section of this proposal. The Department of Physics provides secretarial and administrative support through the Physics Business Office, and the University provides shared research equipment, to which the PI has access, through the Micro and Nanotechnology Laboratory and the Materials Research Laboratory.

In the following sections, detailed justification is provided for each budget item for Year 1, which represents actual first-year estimated costs. Budget numbers for Years 2 and 3 represent Year-1 costs plus modest allowances for inflation. Section headings used below correspond to the respective sections of Form 1030.

A. Senior Personnel
 One month of summer salary is requested for the principal investigator in each year of the project. He will be heavily involved in directing and carrying out the research program outlined in the project description.

B. Other Personnel
 Funds are requested for one postdoctoral research associate (100-percent time for 6 months per year) and one graduate student (50-percent time for 11 months). In the Department of Physics, graduate students are typically appointed for nine months during the academic year and two months during the summer term. To undertake the wide-ranging experimental program described herein, both a postdoc and a student will be needed.

C. Fringe Benefits
 Fringe benefits have been calculated in accordance with the rates published in the University of Illinois at Urbana-Champaign FY09 Final Facilities Administrative (FRA) and Tuition Remission Rates and FY09 Provisional Fringe Benefit Rates schedule (rev. 08/15/08).

D. Equipment
 No funds are requested for purchasing new equipment. The equipment currently available in the PI's lab and also available through the Micro and Nanotechnology Laboratory and the Materials Research Laboratory is sufficient to carry out the work presented in this proposal.

E. Travel
 Domestic travel has been budgeted to allow for the researchers to present results at appropriate conferences and symposia and to pursue collaborative exchanges with other researchers. Probable destinations include the annual American Physical Society March meetings (Portland, Oregon, 2010; Dallas, Texas, 2011; Boston, Massachusetts, 2012).

The Travel Industry Association of America travel trends and hotel industry trends, which show a significant increase from previous years, were consulted to estimate travel costs. We also reviewed current airfares, past travel vouchers, and miscellaneous vouchers to estimate travel expenditures, since we are unable to predict at this time the exact number of trips and their destinations.

17

Use the budget narrative to show institutional support of and commitment to your project

To make your proposal more attractive, identify existing special equipment or unique facilities already owned that will be used in the project

N.B. Voluntary “cost-sharing” is now prohibited by NSF on most proposals; do not imply *any* financial support by your institution

18

The budget narrative should make a persuasive case for investing in you and your team

Demonstrate that project is cost-effective, that it will have a significant impact for a reasonable cost

Remind the reviewer again in a few sentences why your project is important

But—don't include any *scientific* arguments that could be construed as an attempt to circumvent page limits of the project description

19