**Creating a Project Proposal Budget**

Review Dates:

Revision Dates: \_06/10/2020

Obsolete Date: Made Obsolete By (initials):

**Approved By:**

 **OSP Director/Designee Date**

**PURPOSE, SCOPE, AND PRINCIPLE:**

The purpose of this procedure is to outline the steps necessary to create a project proposal budget. This procedure is to be used during the pre-award process before a project is submitted, and contains the steps that are to be performed by the Office of Sponsored Projects (OSP) and the Principal Investigator (PI). OSP is not responsible for ensuring the steps listed for the PI are followed exactly as written, but rather, that the documents required are completed accurately and in a timely manner.

**RESPONSIBILITIES:**

1. OSP Personnel (usually the Grant Officer)
	1. Assist PI in identifying project costs
	2. Populate the OSP Budget Template, including salary and benefit information
	3. Assist PI with completing the budget in Cayuse SP using the OSP Budget Template
	4. Complete proposal budget for submission in sponsor/Cayuse 424 required formats
2. PI
	1. Identify costs associated with the project
	2. Assist OSP to complete the OSP Budget Template
	3. Complete the budget tab in Cayuse SP with OSP assistance
	4. Work with OSP to complete the final budget in compliance with the solicitation instructions utilizing the appropriate submission format including Fastlane, Cayuse 424, or other sponsor designated format

**DOCUMENTS/RESOURCES NEEDED:**

Cayuse SP and Cayuse 424 Budgets

Applicable OSP Budget Template (department share drive/SponsoredProjects/16. TEMPLATES/Budgets)

Grant Salary and Benefit Calculations Guide (department share drive/SponsoredProjects/16. TEMPLATES/Budgets)

Sponsor Budget (located in the application package)

SLCC Indirect Costs (F&A) Rate Agreement (department share drive/SponsoredProjects/15. INDIRECT)

SLCC Indirect Rate Cost Pool (department share drive/SponsoredProjects/15. INDIRECT)

Sponsor and solicitation regulations (applicable grant solicitation)

Other OSP Standard Operating Procedures

**DEFINITIONS:**

* **Modified Total Direct Costs (MTDC)**: Consists of all salaries and wages, fringe benefits, materials, supplies, services, travel, and subawards and subcontracts up to the first $25,000 of each subaward or subcontract (regardless of the period covered by the subaward or subcontract). It excludes equipment, capital expenditures, charges for patient care, student tuition reimbursement, rental costs of off-site facilities, scholarships and fellowships, as well as the portion of each subaward and subcontract in excess of $25,000. See the Salt Lake Community College (SLCC) Indirect Cost (F&A) Rate Agreement located on the OSP department share drive
* **Percent Effort**: The percentage of full-time equivalent effort that an employee will devote to the project.
* **Supplies**: “All tangible personal property other than those described in Equipment….” (2 CFR 200:94)
* **Equipment:** “Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5000…” (2 CFR 200:33).

* **Indirect Cost Pool:** Costs used to determine the Indirect (F&A) Cost rate. Contact the Business Office for detailed information on the Indirect Cost Pool.

**PROCEDURE:**

1. Project Review and Assignment
	1. Read the solicitation and any other sponsor guidance necessary to understand the budget requirements for the proposed project-performed by the Grant Officer and PI
	2. Determine if a OSP Budget Template is necessary for the project
		1. An OSP Budget Template is required unless 1 or 2 below applies:
			1. The project has a lump sum budget
			2. The budget is under $25,000, the timeline to develop the budget is very short, and the project period is one year or less
			3. If a budget template is not required, an explanation of how the funds may be spent needs to be documented in Cayuse SP and may also be required by the sponsor
	3. Create a budget using the OSP Budget Template-performed by the Grant Officer
		1. Name the file: “Budget, short project name”
		2. Save the file in the OSP department share drive project file and, as applicable, the shared site set up by OSP for proposal preparation. (See SOP GP:7 for full instructions on filing budget documents)
2. Categorize Resources and Determine Project Costs for the Budget (*Please note the term* ***Cost Sharing*** *may be used interchangeably with* ***Cost Matching****. Cash Matching is a sub-type of Cost Sharing and Cost Matching.****)***

**NOTE: The PI and Grant Officer will work together to perform the steps below, although the Grant Officer will be responsible for those involving Cayuse 424 and OSP resources. General budget categories are outlined in this section; however, they are not inclusive of all categories that the budget may include.**

* 1. Determine project needs and which costs are allowed by the sponsor; follow the steps below to determine amounts for allowed resources
		1. Personnel: Existing Positions
			1. Identify existing individuals that will contribute effort to the project
			2. Use Cayuse 424 to obtain current salary and benefit information for existing positions (See Appendix A for additional guidance on compensation for newer employees)
		2. Personnel: New Positions
			1. Identify positions needed
			2. Work with HR to identify job descriptions and determine salary
			3. Use the “Grant Salary and Benefit Calculations Guide” (department share drive/SponsoredProjects/16. TEMPLATES/Budgets) to determine benefits
		3. Personnel: Multiple positions in the same job category doing the same work (i.e., three faculty members for 10 hours per week); this is could be for a combination of both existing and new positions but the exsiting individuals are not named
			1. Use “Grant Salary and Benefit Calculations Guide” to determine salary and benefits
		4. Travel: Determine travel needs; use SLCC and Sponsor guidelines to estimate costs
			1. Distinguish between in-state and out-of-sate travel
		5. Materials and Supplies: Determine using sponsor definition/guidelines.
			1. If sponsor definition is not provided, use Supplies definition above
		6. Equipment: Using sponsor definition, determine budget
			1. If Sponsor definition is not provided, use equipment definition above
		7. Participant Support: Using sponsor definition, determine needs (usually defined as funds given directly to project participants, including stipends, scholarships, etc.)
		8. Subaward/Consortium/Contractual Costs: If funds will be provided to external parties for project activities through contracts, subawards, or agreements they should be listed in this category
			1. If the sponsor requires individual line-items for subawards or external organizations create another budget that flows into the lead budget tabs
		9. Other: Allowable costs that do not fall into other budget categories. Refer to sponsor definition or contact the program officer.
		10. Indirect (F&A) Costs:
			1. Grant Officer ensures the following:
				1. Indirect (F&A) Costs are included and calculated in accordance with SLCC’s negotiated Indirect Cost rate or the required amount/rate allowed by the sponsor
				2. If Indirect (F&A) Costs are not allowed, accommodations are considered to cover the compliance and administrative activities normally covered by Indirect (F&A) Costs
				3. Direct or cost matching funds are not part of the Indirect Cost pool
	2. Determine which resources will be provided as match or leverage
		1. These costs are NOT allowed unless required by the sponsor or approved by college leadership
		2. Follow steps B.1.a.-1.i. to calculate and classify these costs properly.
		3. Valuation must follow sponsor regulations. The Business Office can provide valuation assistance.
		4. Retain all valuation documents in the project file.
1. Populate Cayuse SP and OSP Budget Templates – PI and/or Grant Officer

**NOTE: Grant Officer will complete an OSP Budget Template (as required) which will be used to enter final Cayuse SP amounts before internal approval.**

* 1. Populate the appropriate OSP Budget Template, if required. The OSP Budget templates (5yr All Other Agencies, and Dept of Ed) are aligned with the Cayuse SP and Cayuse 424 budget format. Using the completed template, populate the Cayuse SP and Cayuse 424 budget sections. If the template is not required populate Cayuse SP to reflect the sponsor budget.
		1. Insert costs identified above into the OSP Budget Template and Cayuse budgets by category
			1. For the Cayuse budgets, follow the Cayuse SP User and Admin Guides for completing the budget page (SP) and budget information (424)
			2. If indirect costs are not allowed or are included at a lower rate than SLCC’s rate, include an explanation in the comments box on the SP budget page and in the template to indicate this. Include any other information to explain any special budget needs or circumstances
		2. For personnel (excluding positions falling under item B.1.c.), include a 3% salary and 10% benefit increase per year per full-time position
			1. For projects requesting a start date in the current fiscal year, the Year 1 salary and benefit amount for current employees should be the current amount
			2. For projects requesting a start date in a future fiscal year, the Year 1 salary and benefit rate for eixisting employees should reflect increases as prescribed above
			3. Show the percent effort for each position per year

* + 1. Other cost categories may need to reflect inflation

* + 1. Calculate total direct costs for requested funds
		2. Calculate Modified Total Direct Costs (MTDC)
		3. Calculate Indirect (F&A) Costs using the MTDC amount and reflecting the instructions in B.1.i
		4. Calculate total requested costs (template and SP should do this automatically)
			1. Total requested costs equal direct requested costs plus indirect requested costs
		5. If applicable, calculate total matching costs using steps C.1.d-f. but using matching funds
			1. Total matching costs equals direct matching costs plus indirect matching costs
		6. Calculate total costs
			1. Total costs equal requested costs plus matching costs
	1. Subaward/Consortium/Contractual Budgets: For use when SLCC is the lead applicant on the project with one or more subawards
		1. If required by the sponsor, request or create separate budgets for each subaward that roll up to the total budget
			1. SLCC may provide templates to partners that reflect the instructions and categories required by the sponsor
1. Review Completed Budget Template
	1. When PI requests initiation of the internal approval process in Cayuse SP and before sending the Budget Template to the Budget Office for review, Grant Officer will follow SOP PR 1, Internal Approval Process, in addition to the steps below.
		1. Using cross-checks, reconciliation and other methods, double-check all budget information on OSP budget template and Cayuse SP budget for consistency and adherence to regulations and mathematical accuracy
		2. The Cayuse SP budget must reflect the OSP Budget Template (if it is required)
			* 1. If changes must be made, make changes and inform PI
				2. PI review budgets
		3. PI return or inform Grant Officer of reviewed/approved budget
	2. Following sponsor guidelines and using the sponsor template, populate the sponsor budget or Cayuse 424 as applicable using whole numbers
	3. Using cross-checks, reconciliation and other methods, double-check budget information on all budgets (OSP template, Cayuse SP budget, sponsor budget) for consistency and adherence to regulations and mathematical accuracy; also check the budgets against the budget in the narrative and budget justification
	4. Save OSP budget template and sponsor budget in the OSP department share drive project file (See GP 7 for project filing instructions)
	5. Upload final OSP budget template in Cayuse SP Proposal Attachments as “Budget (internal)” attachment document type

**REFERENCES:**

ECFR — Code of Federal Regulations Title 2, Subtitle A, Chapter II, Part 200 Uniform Administrative Requirements, Cost, Principles, and Audit Requirements for Federal Awards. (2014, December 19). Retrieved May 29, 2020 from [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\_main \_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main%20_02.tpl)

SLCC Policies and Procedures. Retrieved May 29, 2020, from <http://www.slcc.edu/policies/index.aspx>

**Appendix A**

**Uploading Budget Information in Cayuse 424**

The Budget Office (BUD) and the Office of Information Technology (OIT) have roles in providing current salary and benefit information to Cayuse for upload into 424. The process below outlines the steps they take to administer their roles. It is included here to inform OSP regarding Cayuse system functionality.

1. BUD will run a report each month that contains current benefit information for all employees.
2. BUD will place this report in a secure location provided by OIT by a designated date each month.
3. OIT will run a report each month, identifying all new employees.
4. OIT will send both reports to Cayuse on a designated day each month.
5. Cayuse will upload the data.
6. New employees will be added to the system, and benefits will be updated for all persons in Cayuse.

Note:

* Benefit information for new employees may not be accurate for the first load. Employees have one month to select a benefits package. Benefits are set to the maximum during this time.
* Once a quarter, benefits for all College personnel are audited for updates. Thus, once a quarter, benefits will be changed for those individuals (including recent hires) that have had a change in benefits at a time other than the new fiscal year. OSP needs to contact BUD for more timely benefit information if they are concerned that a benefit amount may not be correct.