



Course 3: Proposal Budget Preparation

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UNIVERSITY OF CALIFORNIA
SANTA BARBARA

STAR Course Announcements

- STAR Certificate consists of 11 courses. To obtain a certificate, you must complete all 11 courses within two years.
- During this pandemic, the two-year period has been extended per exceptions on a case by case basis. Please reach out to **training@research.ucsb.edu** for any exceptions.
- Zoom classes will not be recorded for this 2023 series.
- Reminder to complete the STAR Evaluation (this will be emailed to registered participants via e-mail used in UCLC).
- For any STAR Program questions, please contact Hilda Vasquez and/or Clarissa Cabrera at **training@research.ucsb.edu**

Life Cycle of a Proposal/Award

PRE-AWARD		POST-AWARD				
DEVELOPMENT	SPONSOR REVIEW ~6 months	PROJECT PERIOD				CLOSEOUT
		1st Budget Period	2nd Budget Period	3rd Budget Period	No Cost Extension	
Submit proposal	Revised budget	Award	Supplement	Submit renewal		Final technical report
	Pre-award costs	Technical report	Technical report			

Budget Basics

The budget is the financial representation of the proposal

All items must be:

- Allowable
- Allocable
- Reasonable

All budgets must be prepared in accordance with:

- Office of Management and Budget (OMB) Uniform Guidance
- UCSB Departmental Costing Guidelines

Budget Categories

DIRECT COSTS

+

INDIRECT COSTS (IDC)

=

TOTAL COSTS

Direct Costs

Directly allocable to the project

- Salaries and wages
- Fringe benefits
- Equipment
- Travel
- Participant support
- Supplies and expenses
- Consultant costs
- Subawards
- Other direct costs

Salaries and Wages

For whom?

- Faculty
- Researchers
- Postdoctoral Scholars
- Graduate Student Researchers (GSR)
- Lab or Computer Technicians
- Research or Lab Assistants
- Undergraduate Students
- Other staff working directly on the project

Salaries and Wages

But NOT for

Clerical or administrative staff

Salaries and Wages

Information needed:

- Name (or TBN)
- Payroll title
- Actual salary rate (or salary rate based on UCSB salary scales – ap.ucsb.edu)
- Duration
- Percent time
- Escalation rate

Salaries and Wages

PI: Tony Stark									
AGENCY: National Science Foundation									
							YEAR 1	YEAR 2	TOTAL
							7/1/2023	7/1/2024	7/1/2023
							6/30/2024	6/30/2025	6/30/2025
SALARIES:									
Tony Stark, Professor III (Actual)									
2.0	smr mos @	100%	\$156,700	/annually			34,822		
2.0	smr mos @	100%	\$159,834	/annually	2% cola			35,519	70,341
Jarvis, Researcher I (Actual)									
12.0	mos @	50%	\$134,900	/annually			67,450		
12.0	mos @	50%	\$148,390	/annually	10% merit			74,195	141,645
TBN, Postdoctoral Scholar - Level II									
12.0	mos @	100%	\$64,522	/annually			64,522		
12.0	mos @	100%	\$66,458	/annually	3% cola			66,458	130,980
Peter Parker, Graduate Student Researcher, Step III									
3.0	smr mos @	100%	\$5,910	/monthly			17,730		
9.0	acad mos @	49%	\$6,087	/monthly	3% cola		26,845		
3.0	smr mos @	100%	\$6,087	/monthly				18,262	
9.0	acad mos @	49%	\$6,270	/monthly	3% cola			27,650	90,487
SALARIES TOTAL:							211,369	222,083	433,453

Fringe Benefits

Composite Benefit Rates (CBR)

- First implemented Sept. 2018; current rates effective 7/1/2022
- Pending approval from Department of Health and Human Services (DHHS)
- Directly associated with salary; rate is based on title.
- General information:
 - <https://bap.ucsb.edu/budget/composite-benefit-rates>
- Chart found at:
 - <https://bap.ucsb.edu/budget/composite-benefit-rates/rate-tables>

Fringe Benefits

Composite Benefit Rates (CBR)



Composite Benefit Rates (CBR)

UCPATH RATES ¹				
	Effective 7/1/2019	Effective 7/1/2020	Effective 7/1/2021	Effective 7/1/2022
Fiscal Year ²	2020	2021	2022	2023
Faculty	35.9%	36.2%	34.9%	33.9%
Faculty Summer Salary	10.0%	8.9%	10.0%	8.4%
No Eligibility ⁴	4.3%	3.5%	4.9%	-
No Eligibility & Students	-	-	-	3.1%
Other Academic & Staff Exempt	-	-	45.4%	44.6%
Other Academic ³	42.4%	43.5%	-	-
Partial Benefit Eligibility	12.6%	10.3%	13.5%	11.2%
Police & Fire	33.8%	34.0%	33.2%	35.7%
Post Doc	23.6%	18.1%	17.4%	19.4%
Staff Exempt ³	45.8%	46.0%	-	-
Staff Non-Exempt	59.5%	59.3%	54.6%	54.5%
Student ⁴	1.9%	1.1%	2.3%	-
Last updated 4/05/2022				

Fringe Benefits

GSR Tuition/Fees and Graduate Student Health Insurance (GSHIP)

- 1-24% employment = no fee remission
- 25-34% employment = partial fee remission
- 35-49% employment = full fee remission
- Tuition/fees escalate by 3.375%/year
- GSHIP escalates by 13% from 2022-23 to 2023-24, 8% thereafter
- *Tuition/GSHIP are exempt from IDC base calculation*
- Current tuition/fees/GSHIP - registrar.sa.ucsb.edu
- Sponsored Projects Office reference sheet:
https://www.research.ucsb.edu/sites/default/files/SPO/Budget%20Preparation/2022-2028%20GSR%20Tuition%20%26%20Fee%20and%20GSHIP%20Projections_Aug%2022.pdf

Fringe Benefits

					YEAR 1	YEAR 2	TOTAL
					7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2023 6/30/2025
BENEFITS:							
* Tony Stark, Professor III (Actual)							
34,822	@	8.4%	CBR		2,925		
35,519	@	8.4%				2,984	5,909
* Jarvis, Researcher I (Actual)							
67,450	@	52.30%	CBR + VLA		35,276		
74,195	@	52.30%	CBR + VLA			38,804	74,080
* TBN, Postdoctoral Scholar - Level II							
64,522	@	19.4%	CBR		12,517		
66,458	@	19.4%	CBR			12,893	25,410
* Peter Parker, Graduate Student Researcher, Step III							
44,575	@	3.1%	CBR		1,382		
45,912	@	3.1%	CBR			1,423	2,805
Total Fringe Benefits:					52,101	56,104	108,204
** Graduate Student Health Insurance							
2,067	per quarter	@	3 quarters		6,200		
2,137	per quarter	@	3 quarters			6,410	12,610
** Graduate Student Tuition/Fees							
4,780	per quarter	@	3 quarters		14,340		
4,941	per quarter	@	3 quarters			14,824	29,164
Total tuition/fees/GSHIP:					20,540	21,234	41,774
BENEFITS TOTAL:					72,641	77,337	149,978

Questions?

Equipment

- Non-expendable
- Tangible personal property
- Useful life of more than one year

AND

- Acquisition cost of \$5,000 or more per unit
- *Exempt from IDC base calculation*
- bfs.ucsb.edu/equipment

Equipment

Fabrication

- Items constructed by a University activity that results in the definition of equipment above
- A product resulting from simple assembly or connection of various parts is NOT a fabrication
- *If fabrication item is shipped off campus, IDC will be assessed*

Equipment

Information needed (include vendor quote):

- Net price
- Cost of components/labor to build, if applicable
- Tax at 7.75%, shipping/freight, installation, insurance, customs if purchased abroad
- Who will own it?
 - University, or unsure until end of project – YES sales tax
 - Federal Government – NO sales tax

Travel

- Domestic and international conferences, workshops, meetings with collaborators, etc.
- Check guidelines for requirements and allowability.
- Must be in accordance with UCSB travel policy.

Travel

Information needed:

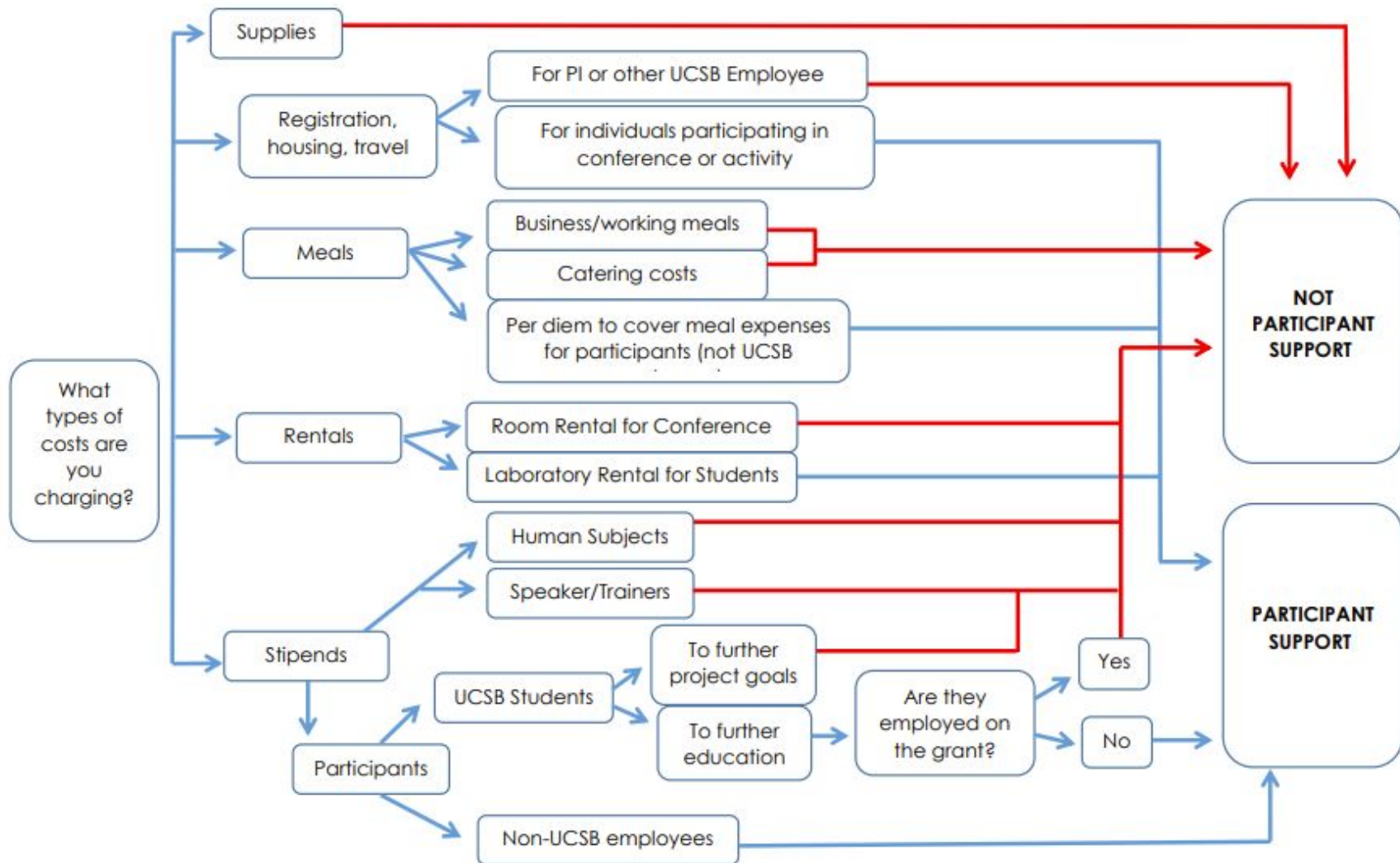
- Purpose of the trip
- Location
- Duration of stay
- Number of travelers
- Breakdown of costs – airfare, registration, lodging, per diem (meals/lodging), etc.
- <https://drive.google.com/file/d/1kBadf4hHUUqp-f5WVJH5FtCQ1qpeg9OR/view>

Travel

						YEAR 1	YEAR 2	TOTAL
						7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2023 6/30/2025
DOMESTIC TRAVEL:								
Travel for PI & GSR to attend Avenger collaboration mtg in Seattle, WA					2 trips/year	2,872	2,872	5,744
	600	Airfare						
	550	Lodging	275	per night	2 nights			
	186	Meals	62	per day	3 days			
	100	Local Transportation						
DOMESTIC TRAVEL TOTAL:						2,872	2,872	5,744
INTERNATIONAL TRAVEL:								
Travel for PI to attend scientific conference - Amsterdam, Netherlands					1 trip	-	4,218	
	1100	Airfare						
	780	Meal Per Diem	156	per day	5 days			
	1888	Lodging Per Diem	472	per night	4 nights			
	350	Registration						
	100	Local Transportation						
INTERNATIONAL TRAVEL TOTAL:						-	4,218	4,218

Participant Support

- Used for **participants** or **trainees** attending workshops, conferences, or meetings supported by a grant (examples: stipends/subsistence allowances, travel allowances, registration fees)
- UCSB employees do not typically qualify.
- Participant Support Flow Chart:
[https://www.research.ucsb.edu/sites/default/files/SPO/Budget%20Preparation/Participant%20Support%20FlowChart2%20\(2\).pdf](https://www.research.ucsb.edu/sites/default/files/SPO/Budget%20Preparation/Participant%20Support%20FlowChart2%20(2).pdf)
- Make sure sponsor's requirements are met. (*We often see items under Participant Support that should actually be listed under "Other Direct Costs"*)
- NSF Participant Support definition & guidance -
 - <https://beta.nsf.gov/policies/pappg/23-1/ch-2-proposal-preparation#2D2fv>
 - <https://www.nsf.gov/pubs/2019/nsf19020/nsf19020.pdf>



Participant Support Quick Reference¹

¹ This is an unofficial document to assist liaisons in creating budgets; it is not intended to act as official sponsor policy.

Participant Support

							YEAR 1	YEAR 2	TOTAL
							7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2023 6/30/2025
PARTICIPANT SUPPORT:									
<i>Stipends:</i>									
Summer workshop: undergraduate student participants (20 x \$1,000 each)							20,000		
<i>Subsistence:</i>									
Workshop fees for 20 students (20 x \$300)							6,000		
Lodging for workshop (20 people, 1 night, @ \$100/night)							2,000		
<i>Travel:</i>									
Transportation to and from workshop (chartered bus)							1,000		
PARTICIPANT SUPPORT TOTAL:							29,000	-	29,000

Supplies

- Expendables – lab supplies, fieldwork supplies, specialty supplies, etc.
- NOT office supplies

Information needed:

- Itemized list, unit price, quantity
- The more detail, the better. The higher the amount, or the less obvious the cost for the work that will be performed, the more detailed the breakdown should be.

Supplies

						YEAR 1	YEAR 2	TOTAL
						7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2023 6/30/2025
SUPPLIES & OTHER DIRECT COSTS:								
<i>Supplies:</i>								
Lab research supplies (chemicals, glassware, wafers, consumables)						6,500	6,500	
Body armor spare parts						1,400	1,400	
Computer (essential and allocable to the project)						1,500	-	
<i>Other Direct Costs:</i>								
Publication costs						1,000	1,000	
Human subjects research participants:								
Behavioral testing: \$12/hour; 25 participants						300		
Brain scan session: \$60/participant; 55 participants/year							3,300	
SUPPLIES & OTHER DIRECT COSTS TOTAL:						10,700	12,200	22,900

Sub-Agreements

- The transfer of substantive programmatic effort or significant research expected to be conducted under the project
- Need a detailed budget from the proposed subrecipient, including their indirect costs
- Final total from sub should be included on UCSB budget

Sub-Agreements

						YEAR 1	YEAR 2	TOTAL
						7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2023 6/30/2025
SUBCONTRACTS and MCAs:								
<i>Subcontracts:</i>								
University of Superheros						100,000	100,000	200,000
Avengers, Inc.						70,000	70,000	140,000
						170,000	170,000	340,000
<i>Multi-Campus Agreements (MCA):</i>								
UCLA						70,000	70,000	140,000
						70,000	70,000	140,000
SUBCONTRACT and MCA TOTAL:						240,000	240,000	480,000

Two types of subagreements:

1. Subaward
2. Multi-Campus Agreement (MCA): basically a subcontract given to another UC campus but because we are all one entity, it's

Consultants

- Individuals or organizations with particular expertise who provide advice, analysis, or recommendations
- Cannot be UCSB employees
- Emeriti: former employees must be separated at least 2 years before they can be paid as a consultant.
- Cannot be co-authors on publications resulting from research

Information needed for the budget:

- Hourly or daily rate, number of hours or days

This type of cost goes in the Other Direct Cost section of the budget.

Other Direct Costs (ODC)

- Costs that do not fit in the other categories, such as:
 - Human Subjects payments
 - Off-campus space rental
 - Recharge rates
 - Specialized software
 - Publication Costs
 - Tip: Faculty are expected to publish so it's good practice to ask PIs if they want this included, even if they don't initially request it.

Other Direct Costs (ODC)

							YEAR 1	YEAR 2	TOTAL
							7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2023 6/30/2025
SUPPLIES & OTHER DIRECT COSTS:									
<i>Supplies:</i>									
Lab research supplies (chemicals, glassware, wafers, consumables)							6,500	6,500	
Body armor spare parts							1,400	1,400	
Computer (essential and allocable to the project)							1,500	-	
<i>Other Direct Costs:</i>									
Publication costs							1,000	1,000	
Human subjects research participants:									
Behavioral testing: \$12/hour; 25 participants							300		
Brain scan session: \$60/participant; 55 participants/year								3,300	
SUPPLIES & OTHER DIRECT COSTS TOTAL:							10,700	12,200	22,900

Questions?

Indirect Costs (IDC)

a.k.a.: Facilities and Administrative (F&A) Costs,
Overhead Costs

Indirect Costs

- A.K.A. Facilities and Administrative (F&A) Costs / “Overhead”
- Mechanism used to reimburse the University for infrastructure support costs associated with sponsored research.
- IDC represents expenses that cannot be easily assigned to a specific project, but are incurred for common or joint objectives

Indirect Cost (IDC) Rate/Base

- **IDC Base** = Portion of costs that IDC rate is applied to
- **IDC Rate** = Percentage applied to IDC base

(One way to think of IDC is as something like a “tax”)

$$\text{Indirect Costs Base} \times \text{Indirect Cost Rate} = \text{Total IDC}$$

Indirect Cost (IDC) Rate/Base

“Grocery Sales Tax” Example 1:

- IDC Base ~ total of \$200 worth of groceries
- IDC Rate ~ 5% “sales tax”

Indirect Costs Base	x	Indirect Cost Rate	=	Total IDC
(Total amount - \$200 groceries)		(Percentage, e.g. 5%)		(\$10)

UCSB's Negotiated Rate Agreement

UCSB's IDC rates set forth in our F&A Agreement must be used for all proposal budgets (exceptions to the F&A rates require special approval).

Per the F&A Agreement:

- 1. IDC Base** = Portion of costs that IDC rate is applied to
→ “modified total direct costs”, i.e. MTDC
- 2. IDC Rate** = Percentage applied to IDC base
→ rate is variable (depends on the type of project)

Indirect Costs Base (per F&A Agreement, MTDC)	x	Indirect Cost Rate (Percentage, e.g. 55.5%)	=	Total IDC
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Indirect Cost (IDC) Rate/Base

“Grocery Sales Tax” Example 2 (F&A Agreement):

- **Modified IDC Base** ~ total of \$200 worth of groceries minus \$100 fruit (excluded from sales tax) = Base of \$100
 - Under F&A Agreement, excluding equipment, tuition, etc. from total direct costs (MTDC) is similar to excluding fruit from the total taxable groceries
- **Variable IDC Rate** ~ 10% “city sales tax” instead of 5% “rural” sales tax
 - Under F&A Agreement, variable on-campus vs off-campus rates is similar to city vs rural tax rates

Indirect Costs Base	x	Indirect Cost Rate	=	Total IDC
(Modified amount -- \$100 groceries)		(Percentage -- 10%)		(\$10)

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 95-6006145

DATE:11/05/2018

ORGANIZATION:

FILING REF.: The preceding
agreement was dated
09/01/2017

University of California (UCSB)
Santa Barbara Campus

Santa Barbara, CA

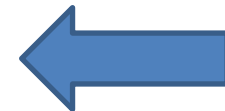
The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2015	06/30/2017	53.50	On-Campus	Organized Research
PRED.	07/01/2017	06/30/2018	54.00	On-Campus	Organized Research
PRED.	07/01/2018	06/30/2020	55.00	On-Campus	Organized Research
PRED.	07/01/2020	06/30/2021	55.50	On-Campus	Organized Research
PRED.	07/01/2015	06/30/2021	26.00	Off-Campus	Organized Research
PRED.	07/01/2015	06/30/2017	54.50	On-Campus	Instruction
PRED.	07/01/2017	06/30/2021	52.70	On-Campus	Instruction
PRED.	07/01/2015	06/30/2021	26.00	Off-Campus	Instruction
PRED.	07/01/2015	06/30/2021	51.30	On-Campus	Other Spon Act.



ORGANIZATION: University of California (UCSB) Santa Barbara
Campus

AGREEMENT DATE: 11/5/2018

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2018	06/30/2020	45.00	On-Campus	UARC (B)
PRED.	07/01/2020	06/30/2021	45.50	On-Campus	UARC (B)
PROV.	07/01/2021	Until Amended		(C)	

*BASE

Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, participant support costs, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.



Indirect Costs

						YEAR 1	YEAR 2	TOTAL
						7/1/2023 6/30/2024	7/1/2024 6/30/2025	7/1/2023 6/30/2025
TOTAL DIRECT COSTS:						642,657	558,711	1,201,368
MODIFIED TOTAL DIRECT COSTS:						397,042	297,477	694,519
*** INDIRECT COSTS @ 55.5% OF MTDC:								
	397,042	@	55.5%			220,358		
	297,477	@	55.5%				165,100	385,458
	694,519							
TOTAL PROJECT COSTS to NSF:						863,015	723,811	1,586,826
						TOTAL REQUESTED FROM SPONSOR:		1,586,826
* This is the DHHS negotiated, fixed composite benefit rate for FY 23. The rate thereafter is provisional.								
** Provided to all Graduate Student Researchers employed at 25% time or more.								
*** This is the DHHS negotiated, predetermined, on-campus rate for organized research projects covering the period 7/1/20 to 6/30/21.								
The rate thereafter is provisional.								

Sponsor-Specific IDC Rate/Base

- Typically, if a sponsor has an IDC restriction, it will be found within the sponsor's guidelines.
- SPO and UCOP require approval of these exceptions.
 - Type of approval needed will depend on the sponsor (e.g., state, federal).

Project Contributions (Cost Share)

- Resources that are contributed to a project over and above the support provided by the sponsor

	Mandatory (required)	Voluntary (not required)
Committed (quantified)		
Uncommitted (not quantified)		

Budget with Project Contributions

				YEAR 1	YEAR 2	TOTAL	COST SHARE
				7/1/2023	7/1/2024	7/1/2023	
				6/30/2024	6/30/2025	6/30/2025	
SUPPLIES & OTHER DIRECT COSTS:							
<i>Supplies:</i>							
Lab research supplies (chemicals, glassware, wafers, consumables)				6,500	6,500		
Body armor spare parts				1,400	1,400		
Computer (essential and allocable to the project)				1,500	-		
<i>Other Direct Costs:</i>							
Publication costs				1,000	1,000		
PSA: Consulting fees - (Ant Man, Workshop Speaker, \$1500/day, 2 days)							3,000
Human subjects research participants:							
Behavioral testing: \$12/hour; 25 participants				300			
Brain scan session: \$60/participant; 55 participants/year					3,300		
SUPPLIES & OTHER DIRECT COSTS TOTAL:				10,700	12,200	22,900	3,000
TOTAL DIRECT COSTS:				642,657	558,711	1,201,368	3,000
MODIFIED TOTAL DIRECT COSTS:				397,042	297,477	694,519	3,000
*** INDIRECT COSTS @ 55.5% OF MTDC:							
397,042 @ 55.5%				220,358			
297,477 @ 55.5%					165,100	385,458	1,665
694,519							
TOTAL PROJECT COSTS to NSF:				863,015	723,811	1,586,826	4,665
				TOTAL REQUESTED FROM SPONSOR:		1,586,826	
				TOTAL COST SHARE:		4,665	
* This is the DHHS negotiated, fixed composite benefit rate for FY 23. The rate thereafter is provisional.							
** Provided to all Graduate Student Researchers employed at 25% time or more.							
*** This is the DHHS negotiated, predetermined, on-campus rate for organized research projects covering the period 7/1/20 to 6/30/21.							
The rate thereafter is provisional.							

Parting Thoughts

- Remember:
 - Allowable
 - Allocable
 - Reasonable
- Document the basis used for calculating the cost.
- Provide sufficient detail.

Resources

- [OMB Uniform Guidance](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

- [UC Business and Finance Bulletin A-47](https://policy.ucop.edu/doc/3420326/BFB-A-47)

<https://policy.ucop.edu/doc/3420326/BFB-A-47>

- [UC Business and Finance Bulletin G-28 Travel Regulations](https://policy.ucop.edu/doc/3420365/BFB-G-28)

<https://policy.ucop.edu/doc/3420365/BFB-G-28>

- [UCSB Departmental Costing Guidelines](https://www.bfs.ucsb.edu/sites/www.bfs.ucsb.edu/files/docs/Guide%20to%20Allowable%20Costs%20%28final%29.pdf)

<https://www.bfs.ucsb.edu/sites/www.bfs.ucsb.edu/files/docs/Guide%20to%20Allowable%20Costs%20%28final%29.pdf>

- [Office of Research Budget Preparation Page](https://www.research.ucsb.edu/spo/proposal-prep/budget-preparation)

<https://www.research.ucsb.edu/spo/proposal-prep/budget-preparation>

- [Your Sponsored Projects Team](https://www.research.ucsb.edu/sponsored-projects-teams)

<https://www.research.ucsb.edu/sponsored-projects-teams>

Questions?

5 min Break

Please do not log off.

