Tennessee
TECH

Budgets – with some complexity

I asked ChatGPT to illustrate complex budgeting in proposal preparation---

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You're not alone, though.

- Departmental & College Grant Administrators
- Office of Research
- Program Officers

Items that can add complexity

- Personnel
- Participants
- Equipment
- Subawards -- Indicative of Multi-institutional/Collaborative Efforts

- Sounds familiar?

Personnel

- Release Time
  - The portion of your time during the academic year devoted to sponsored research beyond your agreement of responsibilities instead of teaching or service.
    - Allows you to further reduce your teaching load to focus on research
    - Requires approval with your department/center.
- Summer Pay
  - mid May through mid August
    - Don't over commit (NSF's 2/9 rule)
    - Since FY25, fringe rate of 42% applies in summer, too
- Extra Pay
  - Limited by 2 CFR 200.430(h) & TTU Policy

Participants

- Generally speaking, employees are NOT participants
- Participant Support Costs can be comprised of costs similar to other direct costs:
  - Stipends
    - The financial support to participants
  - Travel
    - Transportation, lodging, meals
  - Other Costs
    - Tuition & Fees
- Give this budget line serious thought--- once it's in, it can be hard to move out post-award.
- Excluded from indirect costs calculation
- Participants are recipients, not providers

Participants (who they're not)

- A guest lecturer
- Consultant
- Employee of recipient (Except in rare cases)

Equipment

- Uniform Guidance now classifies equipment as more than $10,000
- TTU still has a $5,000 threshold for equipment
- When to include estimates & quotes
  - Procurement Threshold
- Impact on Indirect Costs?
- Is equipment already available
  - On-campus?
  - Nearby?

Equipment, cont'd.

- Be sure to consider these allowable costs
  - Shipping fees
  - Installation fees
  - In-transit insurance
- ...and be mindful of these commonly unallowable costs
  - Space
  - Renovations
  - Service Contracts
  - Maintenance

Subawards/Subrecipient

- The Subawardee should fully-cost their work contribution.
  - This includes their institution's indirect (F&A) costs
- Uniform Guidance allows TTU to collect indirects on the first $25000 of each subaward

- Subaward/Subrecipient
  - Carries out part of the award received by TTU
  - Could be considered as an author on publications

- Consultant/Vendor/Contractor/Supplier
  - Would not be considered as an author on publications

Other things that add complexity

- Cost Sharing

- International Projects

- Program Income

Cost Sharing

- Please don't?

  - Unless it's mandated

- See TTU Policy 723 for full details

- Cost sharing can adversely affect the institution's indirect cost rate.

Cost Sharing | But if you *must*...

- That's mandated or involuntary cost sharing
  - Must be clearly stipulated by sponsor

Types of Cost Sharing

- Cash contribution
- In-kind contributions
  - Can be tricky--- be careful about the valuation of these contributions
- Third Party
  - Cash or in-kind contributions given to a specific grant or contract by an individual or group from outside Tennessee Tech and the sponsoring agency. These contributions do not include Tennessee Tech's F&A rate.

Cost Sharing

- Remember--- An agreement to cost share represents a commitment that's subject to audit.

- For Federal awards, the cost sharing must be from non-Federal sources.

- Cost-sharing expenditures should be recorded & reported in proportion to the direct costs of the project throughout the award's life.

International Collaborations

- Things to remember
  - Currency Exchange Rates
    - Budget for these fluctuations if possible
  - Visa & Immigration Expenses
  - Sponsor's policy on indirect costs
  - Watch out for administrative fees or taxes that may be incurred
  - Will your project involve international shipping
    - In addition to the costs, export controls may come into play

Program Income

- This is a rare thing for now
- What is it?
  - Income earned by the recipient (TTU) that's directly generated by the award.
    - CAT Testing
    - Conference Fees
- Follow sponsor/TTU guidelines for handling
  - Additive | Income is added to award funds
    - Used to sustain activities
  - Deductive | Income is deducted from the available funds
  - Cost-Sharing

What else can add to complexity?

- Budget Revisions
  - Personnel Support
    - Somebody gets a pay raise
      - And it's way more than the 3% that we try to apply each year
        - It exceeds the proportionate share of the institutional base salary
    - You're no longer using the institutional base salary you started with
      - An affirmation letter signed by a university official may allow the new rate of pay to be applied to the award.
      - If that's not successful
        - Reduction in effort ☹
        - Becomes a form of cost sharing (but unlikely if cost sharing is prohibited)

- Personnel support, cont'd.
  - Flat rate support for faculty
    - Somewhat common with NSF's education awards
      - Faculty with significant ranges in their institutional base salary
    - Each named or at times, to be named faculty member receives the same amount
      - So long as they're making similar contributions to the project
        - Teaching a workshop
        - Mentoring
        - Facilitating/Advising Student Research Activities

Indirect Costs

- Some agencies & sponsors limit indirect costs
  - USDA NIFA
    - 30% of Total Federal Funds Awarded
- Federal funds that are distributed by the state
  - Which rate should be used?

Other Direct Costs

- **IF** it's reasonable and allocable, it can likely be allowable
  - Purchase of alcohol
  - Therapy animals
  - Halloween masks

- With a strong enough justification (and we recommend communication with a program officer and our office) almost anything can be included in a budget.

Questions?

- As the NSF is fond of saying–
  - Ask early. Ask often.