

Criteria of a Good Budget

- Translates resource needs into dollars
- Conforms to agency guidelines and University policy
- Includes realistic estimates (significant over/under estimate may not correspond with the scope of work)
- Supports the Program/Project
- Explains itself
- Plans ahead

Budget Items to Consider:

Personnel

- Be realistic about what each individual can accomplish and the time necessary to complete the work
- There are no magic numbers regarding qualifications and/or number of individuals needed for each aim.

Equipment

- Equipment should be project specific
- Defined as items with useful life of more than a year and acquisition cost of \$5000 or more

Travel

- Travel necessary to conduct project and/or travel to professional meetings for dissemination of research results is generally allowable
- Generally travel to one meeting per year for 1-2 individuals is acceptable
- Travel budgets are usually modest at \$800-\$1,600 per meeting per individual per year
- Domestic and Foreign travel must be budgeted and justified separately

Supplies

- Supply costs will vary depending on the nature of the research proposed
- An estimated supply budget of \$12,000 - \$15,000 for each FTE may be reasonable; or, if a renewal based on actual prior year costs
- Animal intensive studies and studies involving human subjects tend to be more costly
- Animal purchase is budgeted as supply while housing (ACF) is budgeted as other

Other Direct Costs

- Animal Per Diem Rates can be found [here](#)
 - $\$XX / \text{cage/day} \times \text{\# of cages} \times \text{\# of days a year} = \text{yearly animal housing cost}$
- Publications Costs usually range from \$1,350 - \$2,250 to publish peer-reviewed articles but can be as much as \$3,900
- Equipment Maintenance
- Graduate Student Tuition & Health Fee
- Consortium/Subcontracts

Add it all up !

		Cal Mon	Req Salary	Fringe Benefits	Year 1
A.	Senior/Key Person				
	PI	3	\$39,000	\$11,739	\$50,739
B.	Other Personnel				
	Postdoc	12	\$47,484	\$14,293	\$61,777
	Technician	6	\$20,000	\$ 6,020	\$26,020
	Grad Student	12	\$29,000	\$ 559	\$29,559
C.	Equipment-Microscope				\$19,000
D.	Travel – 2 meetings				\$3,200
E.	Participant/Trainee				None
F.	Other Direct Costs				
	Materials/Supplies including animal purchase				\$33,000
	ACF costs				\$11,050
	Publication				\$3,000
	Misc Core Facility Costs (Confocal Facility)				\$7,500
	Subaward/Consortium				None
	Tuition and Fees				16,908
G.	Total Direct Costs				\$261,753

- Calculate the direct costs for the first year
 - In this example, Year 1 budget = \$261,753
- Calculate the direct costs for subsequent years taking into account anticipated inflationary increases and changes in funds requested for equipment
 - Year 2 = \$252,002
 - Year 3 = \$261,609
 - Year 4 = \$271,585
 - Year 5 = \$281,949

Do you need to submit a Modular or Detailed Budget? A Sample Worksheet can be found [here](#).

- Calculate the total direct costs for all years
 - Total direct costs for 5 years = \$1,328,896
- Divide total by the number of years requested
 - Average direct costs = \$265,779/yr
- R01's exceeding \$250,000/year on average use detailed format

*Modular vs Non Modular

In this example if the proposal is submitted as Modular the budget request is ~\$79K less than actually needed over the life of the award, before any cuts NIH may make prior to award. On average NIH has reduced by 1 module in FY16.

- Modular = 1,250,000
- Detailed = 1,328,901

SRG adjustments must be made in modules of \$25k

The awarding institute may *further* adjust the amount to be awarded based on current management objectives. Adjustments by the awarding institute need not be in modules.

Budget Justifications

- Modular Budget Justifications include personnel & consortium costs only unless the number of modules requested varies from year to year. When this occurs an explanation of the variation (ie. purchase of equipment in a given year) is also needed.
- Detailed budgets require a detailed justification for each line item. A sample detailed budget justification can be found [here](#).

Developing A Realistic Budget (Detailed or Modular)

Step 1

- Determine effort for PI as well as the number, qualifications & time needed for other personnel
- Is Equipment needed?
- Will you travel to a meeting or to meet with collaborators?
- Estimate Other Costs including: supplies, publishing, equipment maintenance, Animal Care Facilities Costs, tuition, subawards, etc.

Step 2

- Total year 1 & calculate direct costs for subsequent years
- Divide total direct costs for all years by number of years requested

Step 3

- Average yearly costs up to \$250K/year use **Modular Budget**
- Average yearly costs exceed \$250K/year use **Detailed Budget**