



# Anatomy of the GRANT BUDGET

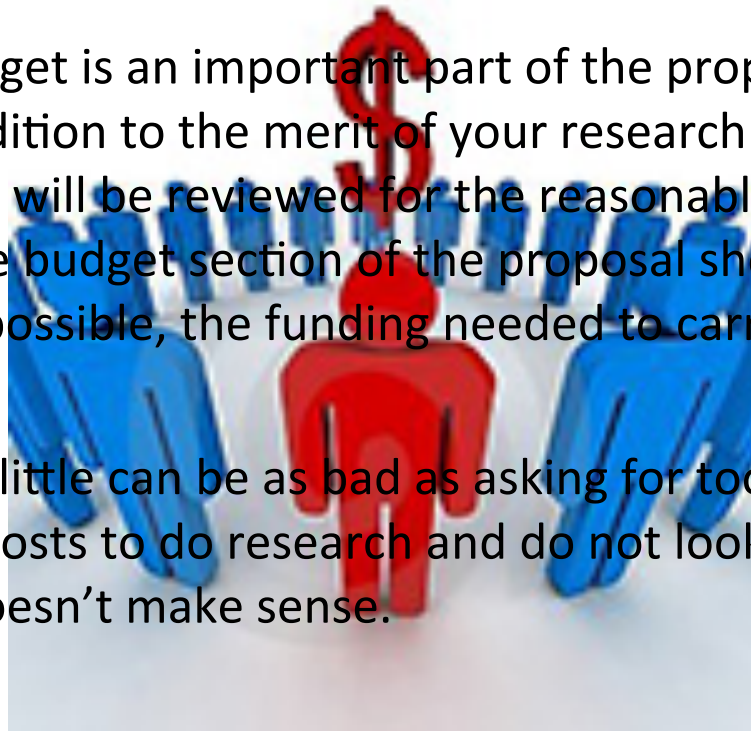
KSU Office of Research



# The Importance of Your Budget

Creating a budget is an important part of the proposal preparation process. In addition to the merit of your research or project, your grant proposal will be reviewed for the reasonableness of the funds requested. The budget section of the proposal should reflect, as accurately as possible, the funding needed to carry out the project.

Asking for too little can be as bad as asking for too much. Reviewers know what it costs to do research and do not look favorably on a budget that doesn't make sense.



# Budget Categories

**Direct Costs:** Costs/Expenses that are directly charged to your grant account/contract.



**Indirect Costs:** Facilities and Administrative (F&A) costs, also called overhead or indirect costs, reimburse the University for laboratory and office space, utilities, administrative services (e.g., Purchasing, Accounting, Research Administration, Human Resources, Security), Custodial Services, and building, grounds, street and parking lot maintenance. In other words,

they include those things essential to support sponsored activities which cannot be specifically identified and directly charged to a specific research grant or contract.



**INDIRECT  
COSTS**

# Direct Costs

- **Personnel Costs**
  - KSU Faculty & Staff: Salaries & Wages + Fringe Benefits
  - KSU Students & TBD Staff: Stipends, Hourly pay, Salaries & Wages
- **Non-Personnel Costs**
  - Travel
    - Domestic (*airfare, per diem, lodging, ground transportation, conference registration*)
    - International (*Visas, insurance, airfare, per diem, lodging, ground transportation*)
  - Materials & Supplies
    - Computing equipment under \$5,000, lab supplies, art supplies, etc.
  - Contracts
    - Consultants (*fee paid to an individual for a service*)
    - Subawards (*when collaborating with other organizations*)
  - Equipment (*Unit cost of \$5,000 or more, life expectancy of over 1 year*)
  - Participant Support
  - Other Direct Costs
    - Publishing costs, any other cost not identified above

# Indirect Costs

Indirect costs are expenses incurred by the University for its facilities and services. Indirect costs are not profit, but are real costs to the University to support research and sponsored activities. The institution, as a policy matter, has decided to cover these costs out of the instructional budget, using indirect cost funds.

Examples of indirect costs incurred by the University include building maintenance and operation, utilities, libraries, computer services and other facilities, payroll, accounting, purchasing, research administration, departmental administration, personnel services, and general administration. The University attempts to recover all of these support costs in accordance with Federal and agency guidelines.

# KSU's Indirect Cost Rate

The federal government negotiates an indirect cost rate for KSU, which we are authorized to use when preparing all grant applications (unless an agency specifically restricts or prohibits indirects on a grant).

KSU's indirect cost rate is based on total direct costs excluding capital expenditures (buildings, individual items of equipment, alterations and renovations) and that portion of each sub award in excess of \$25,000. This rate is re-negotiated every 3 years.

# Key Points to Remember When Writing Your Budget

## Personnel Costs

- **Fringe benefits** need to be included for all KSU faculty and staff. Student-employees do not qualify for fringe benefits. Check with the Office of Research to ensure you are using the correct rates.
- **Course releases for Faculty:** One course release is equal to 0.9 month effort or 10% AY effort. You should talk to your Chair to make sure you are allowed to budget a course release.
- **Summer salary** is budgeted by month (up to 3).  
1 month summer = 11.11% regular effort.
- Some agencies enforce **salary caps** on grants.
  - NSF typically pays only 2 months salary to an investigator on all grants.
  - NIH will only pay up to a certain amount per month, but does not limit the amount of effort you can request.
- Budgeted personnel **effort must be based on your KSU salary**. Unless it is an agency requirement, you can not pay faculty and staff stipends.
- **Voluntary Cost Share** is prohibited by KSU unless it is a requirement on the grant program.



## Key Points to Remember When Writing Your Budget (Continued)

### Non-Personnel Costs

- **Travel:**
  - Make sure you consider all costs: Conference registration fees, per diem, ground transportation, extra costs associated with international travel (must adhere to Fly America Act).
  - KSU uses State and Federal rates available at [gsa.gov](http://gsa.gov).
- **Contracts:**
  - **Consultants:** Non-KSU personnel being paid a fee for a service. Usually paid by daily or monthly fee or a flat rate.
  - **Subawards:** For collaborating organizations. Usually includes personnel and non-personnel costs. Must be approved by the organization's sponsored programs office.
- **Other Direct Costs:** make sure you consider ALL the costs associated with your project. They may include: Materials and Supplies, Equipment, Publication (page charges), Participant Support
- **Cost Share:**
  - Not allowed unless required by the specific grant program. You must complete a Cost Share Authorization form prior to proposal submission if it is included in your budget.
- **Indirect Costs:**
  - Must use KSU's federally negotiated rate unless the agency guidelines specify otherwise.
  - Applies to grants and contracts for federal and non-federal sponsors.



# Development Support

The Office of Research is here to help! Developing a budget can be overwhelming if you've never done it before. We have crafted spreadsheets that allow you to plug in basic numbers and the formulas do the rest. Email [sponprog2@kennesaw.edu](mailto:sponprog2@kennesaw.edu) if you'd like to set up a meeting to create your budget or just have a question.

The Office of Research will always review your budget before submission, but make sure we have a copy well in advance!

