

# Prepare the Budget

The following cost categories are standard for both Tarleton and many grant sponsors.

## Personnel Salaries and Wages

This category includes salaries (9 or 12 month pay) and wages (hourly pay) for the project director(s) and other personnel (professionals, paraprofessionals, graduate students, and technical staff) directly associated with the project. Salaries and wages are calculated in proportion to the effort people will be dedicating to the project.

## Fringe Benefits

The Office of Sponsored Projects can help you calculate fringe benefit rates while you are developing your project budget. Social security and health insurance premiums vary during the year. Fringe benefit rates depend on whether the person is a full time or part time employee. Also, rates vary depending on whether the person is paid for work for an entire year, the academic year, or just during the summer.

## Consultants and Subcontractors

The budget should indicate the amount of funds required for consultant services. The budget narrative should list each consultant's name, the name of its organization, and a breakdown of the amount being charged to the award (e.g. number of days of service, rate of pay, travel, per diem, etc.)

You may be required to complete a separate budget sheet for each subcontract showing the breakdown of costs and providing a narrative explaining the costs.

## Travel

You must specify the type and extent of travel and its relationship to the project. In the budget narrative, for each trip, state the trip's purpose as it relates to the project objectives, destination, method of travel, number of persons traveling, number of days, and estimated cost. If you don't know the exact details, provide a basis for estimated costs; for example: conduct fifty site visits to survey target population, four people, one day each, traveling by vehicle = \$10,200.

Proposed reimbursement for travel expenses should be according to University policy.

Some grant sponsors require that a project budget include travel costs to attend program meetings at a location the sponsor specifies. Double-check the RFP to make sure your budget covers these costs. Forgetting them may be considered carelessness by reviewers.

## Non-Expendable Equipment

Nonexpendable equipment is tangible property that is directly justifiable in context of the award, has a useful life of more than one year, and has an acquisition cost of \$5,000 or more unless lower limits are established consistent with university policy. Generally useful equipment (i.e., office equipment, office furniture, air conditioning equipment, reproduction and printing equipment, motor vehicles, and computer equipment) usually requires special approval to be covered by sponsor funding.

## Supplies and Materials

Several common categories of "Supplies and Materials" are:

- **Publication Costs/Page Charges**  
This category covers the cost of preparing and publishing the results of your project, including costs of reports, reprints, page charges and other journal costs, and necessary illustrations. Routine photocopying usually is budgeted under "All Other Direct Costs."
- **Computer (ADPE) Costs**  
This category includes the cost of computer services; for example, computer-based retrieval of relevant scientific and technical information at the university's established rate for computer services. It also may include reasonable costs of leasing computer equipment, although purchase of such equipment might be covered under Nonexpendable Equipment or Supplies and Materials.
- **Student Assistance/Support**  
Student support includes any scholarships, stipends, and tuition included in your project definition. Itemize each type of support, and indicate how many students will be granted each type of support.
- **All Other Direct Costs**  
Examples:
  - Rented space remote from campus
  - Service charges for equipment
  - User fees for procedures or processes
  - Equipment leases
  - Equipment maintenance
  - Photocopying
  - Reference books and periodicals specifically related to the project
  - Support costs at conferences and meetings: state conference/meeting purpose, dates, location, number of participants, cost/participant, speaker fees, facility rental, other related expenses

## Indirect Costs

Indirect Costs are also called "overhead." Overhead includes: the salaries of people involved in purchasing equipment for grant activities, payroll, inventory, custodial services, long distance telephone calls, office space, etc. Grant budgets do not directly reimburse these costs, but the costs still are incurred by the university, so recovering indirect costs is important.

Tarleton's current negotiated federal indirect cost rate for on-campus projects is 56% of salaries and wages. The off-campus rate is 15% of salaries and wages. However, sponsors may state a maximum indirect cost rate or specify no indirect cost allowance. In these situations, the project director, department chair and other university officials must decide whether overhead can be absorbed by the university so we can accept the grant.

The campus distribution rate of indirect costs, when Tarleton receives them is:

- 20% to the project director
- 15% to the project director's department
- 5% to the project director's dean
- 60% to Financial Affairs.