

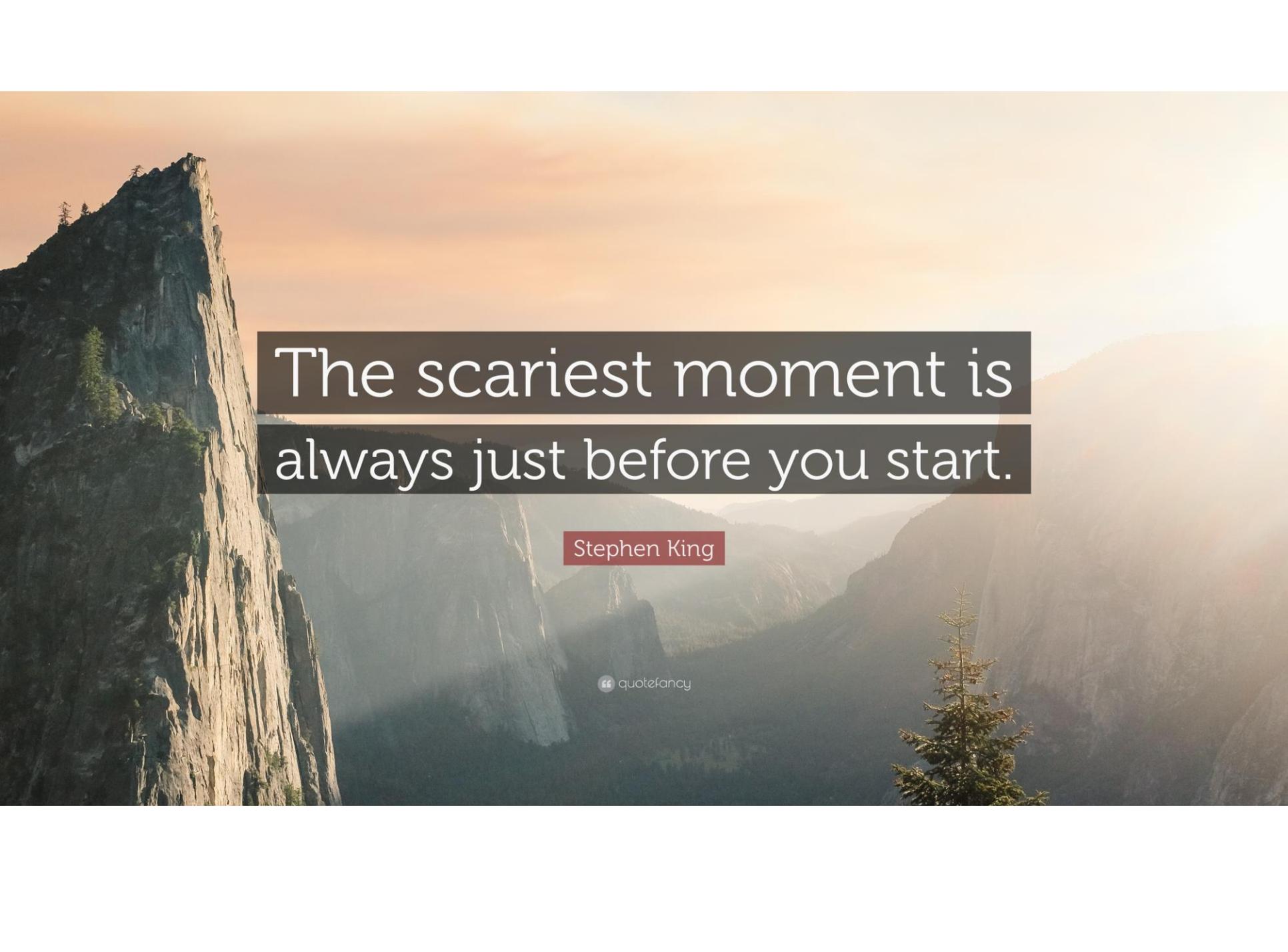
RAD 301

Preparing a Successful Budget

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Outline

- **Before You Start**
- **Creating a Feasible Budget**
- **Justifying Your Budget**
- **Tips**
- **Q&A**



The scariest moment is
always just before you start.

Stephen King

“ quote fancy

Before You Start

- Estimating the cost of a research project is an unpredictable exercise primarily because the manner in which a research endeavor progresses is itself unpredictable. Experience will make the exercise easier to carry off.
- Where sponsors allow for liberal rebudgeting, precise estimating is less critical. Particularly when sponsors don't fund the total ask. This does not mean a good budget is not important. A poor budget can influence whether a proposal is funded or not.
- Sponsoring agencies will generally provide either a form or a prescribed format for estimating and presenting cost; it is important to follow their instructions explicitly. Sponsors tend to know what they will fund or not fund.
- Budgets have to be developed obeying the rules of both sponsor guidelines and university policies. For example, the Tri-agencies Financial Administration Guide, http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/FundsUse-UtilisationSubventions_eng.asp

Creating a Feasible Budget

- **What are the costs?**
- **Estimating Costs**
- **Indirect Costs**
- **Foreign Currency**
- **Useful Resources for Developing a Budget**
- **Budget Costing Based on University Guidelines**
- **Cash & In Kind Contributions**

What are the costs?

Costs may include

- Direct and Indirect Costs
- Personnel
- Knowledge Translation – publishing, etc.
- Equipment – definition and eligibility varies considerably among sponsors
- Services
- Supplies
- GST (where permitted)

Estimating Costs

- Budgets are estimates and do not need to be calculated to the penny. Round numbers off to the nearest dollar.
- Once you have a sense of a cost, then consider inflation by the time you received the grant, especially for multi-year funding, and to costs that do not already adjust for inflation, such as salaries. Travel is a good one to do this; another is catering/hospitality at the end of a multi-year project.
- Estimating costs with reasonable approximation for such things as space or facility can be done by asking faculty facility managers for the square footage cost and estimate the size of the space and times by the square foot cost to come up with an approximate cost. If space is not fully utilized divide that by frequency of use. This is good for estimating in-kind contribution, if allowed by sponsor.

Indirect Costs

- Must be included unless the Sponsor has expressly prohibited it.
- Standard rate is minimum 20% of direct costs
- Gov't Canada Contracts: 65% of salaries and 2% of travel
- US Gov't: 66.8% of salaries and wages including vacation, holiday, sick pay and other paid absences.
- Clinical Trials negotiated by NACTRC: 30% for industry initiated, 15% for investigator initiated
- Industry matching to Tri-Agency: 0%
- UAPPOL Policy:
<https://policiesonline.ualberta.ca/PoliciesProcedures/Procedures/Application-for-Indirect-Cost-Recovery-Rates-Procedure.pdf>

Foreign Currency

- Confirm which currency should be used.
- Budget justifications should identify exchange rate used in preparing budget.
- Be prepared that the exchange gain/loss will need to be reconciled at the end of the award.



Useful Resources for Developing a Budget

- Review the Tri-Agencies' harmonized Use of Grant Funds financial guide outlining what are eligible and ineligible costs as well as the agency program applying to for additional funding conditions. Agency program conditions prevail over the Use of Grant Funds guide. http://www.nserc-crsng.gc.ca/Professors-Professeurs/FinancialAdminGuide-GuideAdminFinancier/FundsUse-UtilisationSubventions_eng.asp
- Research Services Office: eTRAC, UofA financial tracking system, for information on current personnel payments, equipment, travel, and other expenses and use the information for the proposed budget. Access through Researcher Home Page. <https://www.ualberta.ca/research/services/about/resources/researcher-home-page>

Useful Resources for Developing a Budget cont'd

- Be familiar with the University UAPPOL policies on standards for travel claims (e.g., mileage, meals, ground transportation, air fare, accommodations, etc.) and other expenses such as alcohol (university eligible but restriction apply; Tri-Councils ineligible), and other research related policies.
<https://policiesonline.ualberta.ca/PoliciesProcedures/Pages/Research.aspx>
- University Careers homepage can be useful to gain a sense of pay rates for Academic (e.g., trust funded research associate, technicians) and Non-Academic Staff (e.g, trust funded research assistant, project coordinator)
<http://www.careers.ualberta.ca/index.aspx> . [Tri-Agencies allow recruiting costs for research personnel, such as advertising and airfare for candidates, etc.]

Budget Costing Based on University Guidelines

- Personnel Rates: See Human Resource Services – Collective Agreements
<https://www.ualberta.ca/faculty-and-staff/my-employment/collective-agreements-and-handbooks>
 - Contains rates for those hired under all the University's collective agreements. See Postdoctoral Fellows Office for payment rate and health coverage
<http://www.postdoc.ualberta.ca/>.
- Travel Rates: UAPPOL Travel Expense Procedure and Appendix A: Schedule of Allowable Travel Expenses
<https://policiesonline.ualberta.ca/PoliciesProcedures/Procedures/Travel-Expense-Procedure-Appendix-A-Schedule-of-Allowable-Expenses.pdf>
 - Contains allowable rates and reimbursable expenses: eg. meals (full day and partial day allowances per diem \$60 (\$15, \$15, \$30) or \$85 (\$20, \$20, \$45) vs receipted meals), mileage \$0.50/km, incidental allowance rate max \$10/day for overnight stay, airfare, accommodation, etc. Conferences: Registration fee, local transportation, visa
- Equipment and Supplies Rates: See Supply Management Services – SupplyNet (vendors/suppliers), Travel Service, Contract for Service etc. <http://www.sms.ualberta.ca/> [OR use the INTERNET for pricing computer and other electronic devices.]

Cash & In Kind Contributions

Cash Contributions

- These can be provided by the university, partnering institutions or organizations, industry, etc.
- A faculty/department providing 50% of the cost of a graduate research assistant is an eligible cash contribution.

In-kind Contributions

- These are nonmonetary resources that partners, sponsoring organizations and/or the researcher's institution provide to support the project. They come in the form of cash-equivalent goods or services, which, if not donated, would have to be purchased with project funds.
- For example, the time of individuals within partner organizations (e.g., experts in a specific area) participating in the project. Also, use of special equipment, space, data sets, etc. It is common for community organizations who may be unable to provide cash contributions to commit to in-kind support.
- Valuation of in-kind contributions is at "fair market value". It would be the agreed upon price reasonably agreed on between parties.

**Must always refer to sponsor guidelines for eligibility

Justifying a Budget

- **General Guidelines**
- **Budget Categories**
- **Budget Samples**



"I don't think we can justify employing a gardener."

General Guidelines

- Consider stage of academic career – a brand new faculty with no graduate student at the time of application, will have more difficulty justifying a budget for 2 master student and 2 doctoral students for the project.
- Use the same category order as on the budget form for the justification section. Easier for reviewers to follow.
- Make sure the numbers add up and they match the numbers on the budget form.
- All cash and/or in-kind contributions acquired for the project should be described in the Budget Justification section.

General Guidelines Cont'd

- Align the budget with research objectives and activities.
- Provide details describing how the cost of an item is derived. Show how you come up with \$5000 for a conference travel, give breakdown of cost and provide name and location of conference if known. Who will be traveling?
- Include subtotals for each category and Total Budget on the Justification page. This helps reviewer to see instantly the cost for personnel vs. supplies, for instance.

Budget Categories

- **Personnel** - Describe the duties of all research personnel in the budget.
 - Graduate students – give breakdown of hours, rate of pay, graduate student level and yearly increases if applicable. Refer to FGSR website.
 - PDFs
 - Research Staff/Technician
 - Faculty – refer them to their Faculty for guidance re: salary support in budget
- Graduate students are only allowed to work a maximum of 12 hours a week. [Graduate Student Assistantship Collective Agreement \(2016-2018\)](#)
- Graduate stipends vs Wages/Salary – Stipends cannot include vacation pay or benefits. Keep in mind pay rates change yearly, use current rates and COLA and Merit rates.

Budget Categories Cont'd

Personnel cont'd

- For Postdoctoral Fellows please refer to the PDF Office website.
<https://www.ualberta.ca/research/support/post-doctoral-office/pay-benefits>
- Non student or postdocs staff – Follow UofA collective agreements
<https://www.ualberta.ca/faculty-and-staff/my-employment/collective-agreements-and-handbooks>
- Benefit rates: Generally 20% for Academic Staff and 23% for Non-academic staff, however it is best to confirm with your Department and/or Faculty.
- There is no collective agreement for undergraduate student RA. Rate of pay is at the discretion of the applicant, provided the rate is not below provincial minimum wage. Recommend \$18 to \$20/hour plus benefits. Please contact your Department and/or Faculty for rates.

Budget Categories Cont'd

- **Services** May need quote or letter of support. Include professional services to transcribe taped interviews, technical services to develop a website for communication and dissemination of data or to videotape a focus group. Must be justified that expert advice or professional skills is needed.
- **Supplies (Consumable and Non-consumables)** Such as software, postage, long distance calls, ink cartridges, printer paper. Must be related directly to research.
- **Knowledge Translation** Page charges for articles published, including costs associated with publishing in an open access journal or making a journal article open access. Costs for publishing vary, depending on the journal – average is \$2000. The University library can assist with open access publishing in ERA and it is free.

Budget Categories Cont'd

- **Equipment/computer** – provide brand name, model, purpose and cost. May need quote. These include computers, tablets, modems.
 - Depending on the funding agency, computers may or may not be considered equipment. Some agencies will expect this cost to be in the consumables section of the budget.
 - Be strategic in budgeting for equipment and computer. Eg., if a tablet can be used for data collection because it can serve as a computer, a camera and tape recorder, then requesting that is justifiable.
 - Request equipment for when you need them for data collection. If data collection is not going to take place until the second year of the project, budget for the equipment in year two (to align with your research plan).
 - Check the internet for a sense of the cost of the equipment and use it in the budget. Remember to include GST and/or shipping charges or custom fee if applicable and if permitted by the funding agency.

Budget Samples

Samples from University of Alberta Grant Assist Program libraries:

- SSHRC: <https://era.library.ualberta.ca/collections/44558s984>
- NSERC: request a sample from the NSE Grant Assist Program office
<https://www.ualberta.ca/research/support/grant-assist-program/natural-sciences-engineering>
- CIHR: <https://www.ualberta.ca/research/support/grant-assist-program/health-sciences/resources?0=budget>

TIPS

- Don't leave the budget till the end to do.
- Develop the budget along with the project proposal.
- Avoid padding. Reviewers can tell; they apply for grants too. Be reasonable and realistic.
- Build a list of go to resources and/or contacts that can provide you with current costs for your budget.
- Explain in the budget justification why an item should be funded – link it back to the research methodology.
- Consider the ebb and flow of the project when budgeting. Normally the final year is wrapping up or winding down your project therefore you may not require as much funding in the final year as in the other years.

Questions?



Okay, Ralph let me 'splain it you again.
You're big, I'm little; BUT!!! you're dog, I'm
cat that makes me the boss. Got it ??