Project Budgeting
Total Project Costs

- All *allowable* costs incurred by the recipient and the value of the *in-kind contributions* made by the recipient or third parties in accomplishing the objectives of the grant *during* the project period.
Example

<table>
<thead>
<tr>
<th></th>
<th>Sponsor</th>
<th>Auburn</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty</td>
<td></td>
<td>8500</td>
<td>8500</td>
</tr>
<tr>
<td>Graduate Student</td>
<td>15000</td>
<td>15000</td>
<td></td>
</tr>
<tr>
<td>Fringe at 30.40% (faculty/staff)</td>
<td>2584</td>
<td>2584</td>
<td></td>
</tr>
<tr>
<td>Fringe at 4.00% (GRA)</td>
<td>600</td>
<td>600</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>2500</td>
<td>2500</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>5359</td>
<td>5359</td>
<td></td>
</tr>
<tr>
<td>Laboratory supplies and materials</td>
<td>1200</td>
<td>1200</td>
<td></td>
</tr>
<tr>
<td><strong>Total direct costs</strong></td>
<td>24659</td>
<td>11084</td>
<td>35743</td>
</tr>
<tr>
<td>F&amp;A at 51% MTDC</td>
<td>9843</td>
<td>5653</td>
<td>15496</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>34502</td>
<td>16737</td>
<td>51239</td>
</tr>
</tbody>
</table>
Allowability of Costs

- must be reasonable
  - reflect the actions of a prudent person

- must be allocable
  - assignable in accordance with benefits received

- must be treated consistently
  - like treatment based upon purpose and circumstance

- must conform to the limitations in Subpart E of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
  - allowable per the sponsors & AU’s regulations
Direct Costs

- Costs which can be identified specifically with a particular project relatively easily with a high degree of accuracy

- Salaries & Wages
- Personnel Benefits
- Equipment
- Project specific supplies (laboratory/field)
- Project required travel
- Project specific communication costs
### Example of direct costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Smith, 25% effort</td>
<td>$14,500.00</td>
</tr>
<tr>
<td>Benefits, @30.40%</td>
<td>$4,408.00</td>
</tr>
<tr>
<td>Handheld particle counter</td>
<td>$3,090.00</td>
</tr>
<tr>
<td>Triple beam balance</td>
<td>$120.00</td>
</tr>
<tr>
<td>Travel to field testing sites</td>
<td>$359.38</td>
</tr>
<tr>
<td>Distance: 125 miles round trip, 57.5 cents per mile</td>
<td></td>
</tr>
<tr>
<td>5 trips per year</td>
<td></td>
</tr>
<tr>
<td>Travel to annual meeting</td>
<td>$1,490.00</td>
</tr>
<tr>
<td>Dedicated phone line for surveys</td>
<td>$100.00</td>
</tr>
<tr>
<td>$20/month for 5 months</td>
<td></td>
</tr>
</tbody>
</table>
Time and Effort

- 2080 hours in 12 month year
- 1560 hours in academic (9 mths) year
- Quarterly effort reports certify that time charged is accurate reflection of time actually worked (on average)
- Can’t work more than 100% time
F&A costs or Overhead

- Costs that are incurred for common or joint purposes and therefore cannot be identified specifically with a particular project
  - utilities and plant operations and building maintenance
  - general, departmental, OSP administration
  - student services and library administration
  - police force and the president’s office
  - business office and accounting functions
Caution about F&A

- Against AU policy to waive F&A
- Many general purpose costs such as office supplies, low dollar equipment, and clerical support are considered F&A costs
- Some sponsors won’t allow F&A and won’t allow Auburn to count it as our contribution
F&A Costs

- **Total direct costs**
  - F&A rate applied to all of the direct costs

- **Modified total direct costs**
  - total direct costs less certain budget categories
    - equipment, subcontracts > 25k, tuition, participant support costs

- **Total federal funds**
  - F&A rate applied to bottom line
Example 1

- **TDC = 35,000**
  - F&A rate = 10% TDC
  - F&A costs = 3,500
  - Total project costs = 38,500

- **MTDC = 35,000 – equip & subcontracts >25k**
  - Equip = 5,500
  - Subcontract = 15,000
  - F&A rate = 51% MTDC
  - F&A Costs = 15,045
  - Total project costs = 50,045
Example 2

- **Total Federal Funds** = ?
- F&A = 30% of total federal funds
- Direct costs = 70% of total federal funds
- Direct costs = 64,500
- \( \frac{64,500}{0.70} = 92,143 = \text{Total Fed Funds} \)
- F&A = 30% \( \times \) 92,143 = 27,643
Cost Sharing*

- That portion of the total project costs not paid for by the sponsoring agency
  - Cash
  - Volunteer service
  - Donated time, products, or facilities

- Mandatory versus voluntary

- Documentation requirements

* must be strictly and clearly documented in the university’s record keeping system