

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

	Sponsor	Auburn	Total
Salaries			
Faculty		8500	8500
Graduate Student	15000		15000
			0
Fringe at 30.40% (faculty/staff)		2584	2584
Fringe at 4.00% (GRA)	600		600
Travel	2500		2500
Equipment	5359		5359
Laboratory supplies and materials	1200		1200
Total direct costs	24659	11084	35743
F&A at 51% MTDC	9843	5653	15496
			0
Total	34502	16737	51239

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

John Smith	25% effort	\$	14,500.00
benefits	@30.40%	\$	4,408.00
handheld particle counter		\$	3,090.00
triple beam balance		\$	120.00
travel to field testing sites			
	125 miles round trip		
	57.5 cents per mile		
	5 trips per year	\$	359.38
travel to annual meeting		\$	1,490.00
dedicated phone line for surveys			
	\$20/month for 5 months	\$	100.00

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
- $64,500 / 0.70 = 92,143 = \text{Total Fed Funds}$
- $\text{F\&A} = 30\% \times 92,143 = 27,643$

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