

# Budget and Budget Justification Preparation

Spring 2025 Research and Grants Workshops

## Research Development

- Identify Funding
- Networking
- Concept Development
- Grant Writing

## Pre-Award

- Proposal Development
- Budget Development
- IRB/IACUC Approval
- Proposal Review
- Submission

## Post-Award

- Award Acceptance
- Account Setup
- Financial Management
- Compliance and Reporting
- Close out

# Purpose

## **Budget**

- Table/Spreadsheet
- Estimate of the cost of performing the project
- Used to create the categories in the account when awarded

## **Budget Justification**

- Written description of the purpose of each expense.
- Opportunity to convince the reviewers that you have appropriate funds to complete the project.

# Carefully follow the Request for Proposal (RFP)

- Minimum and maximum costs
- Allowable/unallowable expenses
  - Equipment
  - Scholarships/Tuition
  - Food/Travel
- Dates
- Allowed indirect cost (IDC) rates

# USCERA

- Must be submitted to USCERA so that they are positioned to set up the account if awarded
- Reviewed by USC Aiken (Nathan Hancock, Scott McKay)
- Reviewed by USC Columbia (Ellen Foy)
  - Provide sufficient time for a full review (usually a full week)
  - Expect to be asked to make changes
- Recommended to include the USC budget template in addition to the funding agency template

# Key Definitions

## Indirect Cost (IDC) rate

- Also known as Facilities and Administration (F&A)
- Negotiated by the University and the Federal government
- Collected by the university to pay for research infrastructure and related staff
- Source of the internal grant funds
- Calculated as a percentage of the grant expenditures

### On-Campus Rates FY2022 through FY2026

| Rate Type                              | USC Columbia Rate<br>FY2019-FY2021 | School of Medicine<br>Columbia Rate<br>FY2019-FY2021 | System Campus Rate<br>FY2019-FY2021 |
|--|------------------------------------|--|-------------------------------------|
| Research                               | 49%                                | 49%  | 38%                                 |
| Training and<br>Service                | 36%                                | 36%  | 36%                                 |
| Instruction                            | 49.5%                              | 49.5%  | 49.5%                               |
| Industry Sponsored<br>Clinical Trials* | 25% TDC                            | 25% TDC  | 25% TDC                             |

\*The 25% rate applies to total direct costs (TDC).

# Key Definitions

## **Total Direct Cost (TDC)**

- All direct expenses, including the following
  - Equipment
  - Participant support costs

## **Modified Direct Cost (MDC)**

- Some funding agencies will not pay IDC on some categories
- Direct expenses, except for the following
  - Equipment
  - Participant support costs

# Key Definitions

## Fringe rates

- Covers the university expenses for employees
  - State and Federal taxes
  - Retirement
  - Health insurance
- Updated every 6 months

### Fringe Benefits (Effective 01/01/2025 - 06/30/2025)

|           |                           |        |
|-----------|---------------------------|--------|
| <b>A.</b> | State Retirement          | 24.91% |
| <b>B.</b> | FICA (Social Security)    | 07.65% |
| <b>C.</b> | Unemployment Compensation | .01%   |
| <b>D.</b> | Workers' Compensation     | .40%   |
|           | Total                     | 32.97% |

### Health Insurance (all rates effective 01/01/2025 - 12/31/2025)

#### Health insurance: twelve-month appointment

| Coverage Type     | State Health Plan | Dental   | Total Per Month (12 mo. appt.) | Total Annual |
|-------------------|-------------------|----------|--------------------------------|--------------|
| Employee Only     | \$ 530.70         | \$ 13.48 | \$ 544.18                      | \$ 6,530     |
| Employee / Spouse | \$ 1,112.44       | \$ 13.48 | \$ 1,125.92                    | \$13,511     |
| Employee / Child  | \$ 909.54         | \$ 13.48 | \$ 923.02                      | \$ 11,076    |
| Full Family       | \$ 1,452.92       | \$ 13.48 | \$ 1,466.40                    | \$17,597     |



# Key Definitions

## Base Pay

- Normal salary, not including bonus pay
- <https://www.admin.sc.gov/transparency/state-salaries>

# Key Definitions

## Equipment

- Items with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year
- Generally, need a quote to go with the grant
- If you want a specific brand, you will need to apply for a sole source contract when you submit to USCERA
  - Explain why it needs to be that specific one

# Key Definitions

## Participant Support Costs

- Funds to pay for participants in a sponsored project event
- Participant
  - Students, visiting scholars, private sector representatives
  - Not employed by the university
- Event
  - Meetings, conferences, symposia or training projects.
- Allowed costs
  - Stipends
  - Subsistence allowances/housing
  - training materials
  - travel and registration fees
- Paid to (or on behalf of) participants or trainees

# Key Definitions

## Cost Sharing

- Portion of project costs not paid by the sponsor
  - University
  - Other funding Agency
  - Private Donor
- Must be documented
- Should not be included in a proposal budget unless it is required by the sponsor

# Key Definitions

## Subaward

- Subcontract to another institution
- They must provide the following/submitted to USCERA
  - A separate statement of work.
  - A detailed budget and budget justification for both the initial budget period and the entire proposed project period.
  - Written confirmation from the institution indicating that all institutional requirements have been satisfied and the institution is willing to participate in the project. This document is signed by an authorized official of the institution.
  - The subcontractor's budget must include its federally approved indirect cost rate. A copy of the rate agreement should be submitted with the other documents listed above.
  - Some sponsors require a letter of collaboration/support from the investigator at the subrecipient institution.
  - Completed and signed [subrecipient commitment form](#)

# Budget Template Form

[https://sc.edu/about/offices and divisions/sponsored awards management/proposal preparation/budget preparation/](https://sc.edu/about/offices_and_divisions/sponsored_awards_management/proposal_preparation/budget_preparation/)

# Example Budget Justification

[https://sc.edu/about/offices\\_and\\_divisions/sponsored awards management/proposal preparation/budget preparation/budget justification.php](https://sc.edu/about/offices_and_divisions/sponsored_awards_management/proposal_preparation/budget_preparation/budget_justification.php)