

Salary & Wages **Fringe Benefits** **Equipment** **Travel** **Participant Support**

BUDGET CATEGORIES (click on image to go to page)



Subcontracts **Other Direct Costs** **Indirect Costs** **Other Budget Considerations**

Salaries & Wages (Direct Cost)

Faculty and Key Personnel

Salaries and wages should accurately reflect the current compensation level of employees (*Institutional Base Salary*) and not exceed the [NIH salary cap](#), including salaries for future years. Realistic salary increases (projected over the project duration) should be built into the budget accordingly.

Summer salaries for faculty appointed on a 9 month academic year should be projected at the per-month rate of 1/9th of the academic year base salary. Note that the National Science Foundation typically approves only two summer months per year.

Course releases require department chair approval. A course release for a faculty on an academic year contract (9 months) is equal to 25% of the faculty's semester pay.

For proposals that involve other personnel expenditures, contact your department Unit Research Administrator (URA).

Note: Your assigned URA will review the proposal's submitted salary and wages to ensure they align with the University's policies and procedures as well as the sponsor's guidelines.



Salaries & Wages (Direct Cost)

Graduate Students

When sponsor guidelines allow for direct charging of tuition, proposals requesting salary support for graduate students must also request the proportionate share of **tuition** and fees. Note: tuition is a direct cost and normally does not incur F&A.

Postdoctoral Fellow

If your proposal requests a postdoctoral fellow, (1) budget salary in accordance with minimum salary requirements and (2) budget any necessary health insurance costs.

Refer to the [Office of Postdoctoral Affairs \(OPA\)](#) for further details.



Fringe Benefits (Direct Cost)

Fringe benefit rates include the cost of items such as the employer's contribution to worker's compensation, unemployment compensation, social security (FICA), and retirement.

Fringe benefit costs must be factored and included in the grant project budget for those project-based USF faculty, staff, and students.

Fringe benefit rates should be based on the percentage of salary requested.

Refer to the [current fringe benefit rates](#) for specifics.



Equipment (Direct Cost)

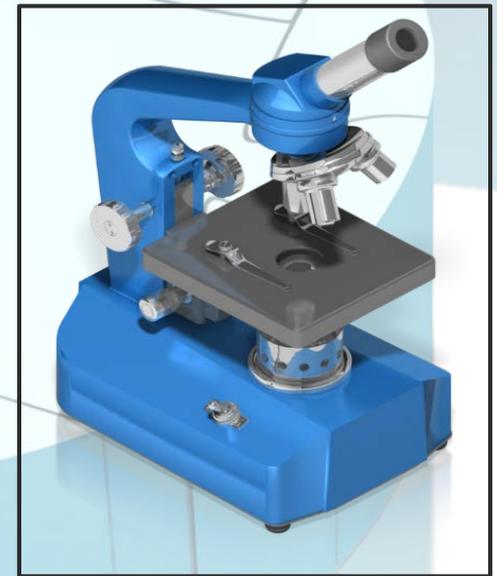
Equipment is defined as a tangible, nonexpendable piece of property used for scientific, technical, and research purposes that costs greater than \$5,000 and has a useful life of at least one year.

Note: There are *no* indirect costs (Facility & Administrative costs, F & A) attached to (received for) equipment. However, there is the rare agency that will use a total direct cost F&A model instead of the usual modified total direct cost model, so always check the agency guidelines.

The specific acquisition cost of any piece of equipment must be listed in the budget, and justification of need must be detailed in the budget justification.

- Some agencies require price reference and detailed stock numbers from catalogues, especially for contractual agreements.
- If freight and installation charges are to be billed on the same invoice as the piece of equipment, these charges should be included in the acquisition cost.

Maintenance costs should be listed in the "other" or "expense" direct cost category.



Travel (Direct Cost)

Travel charges may include airfare, hotel charges, registration fees, symposium fees, taxis, visas, passports, entry or exit taxes, rental cars, and meals (if travel requires an overnight stay). Most agencies require (in the budget justification section) the purpose, destination, and time span for each trip as well as the number of individuals for whom funds are requested. The relationship of the trip to the project must be fully explained.

Sponsored research funds are subject to both funding agency and State of Florida rules and regulations. Note the specifics associated with domestic and foreign travel.



Travel (Direct Cost)

Domestic Travel

Domestic travel reimbursements are subject to the state's travel regulations and payment rates. Out-of-state travel should be requested on the basis of actual expenses for lodging and round trip economy airfare. Meals for State of Florida employees are reimbursed using the State per diem rate. In addition, some agencies may have set fixed maximum per diem limits for travel expenses.

Reimbursement for any in-state or out-of-state travel should be requested on the best estimate possible.

Refer to the [Domestic Travel Per Diem Rates](#) (V. Rules and Procedures—Domestic Meals and Lodging) for more details).



Travel (Direct Cost)

Foreign Travel

Foreign travel requests must specify the destination and the U.S. Department of State's foreign per diem. Hotel plus meal payment rates should be used. Note: In today's funding environment, it may not be possible for a funding agency to cover travel for conference attendance unless the faculty is actively involved in the program presentation and/or unless the meeting has direct relevance to the research project.

Only U.S. flag air carriers may be used for international travel. See [Travel & Accounts Payable, USF University Controller's Office](#) for further details.

Refer to the [Foreign Travel Per Diem Rates](#) (VI. Rules and Procedures—Foreign Meals and Lodging) for more details).



Participant Support Costs (Direct Costs)

What are Participant Support Costs (PSC)?

Participant support costs (PSC) are direct costs for participants or trainees (*not* employees) who receive a service or training provided at a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity conducted by the research project.

What do PSC include?

Participant costs may include participation stipends (excluding fringe benefits), registration fees, and/or books and supplies, travel allotment, lodging/meal allowance.

When are PSC allowed?

Under the [Uniform Guidance \(2 CFR 200\)](#), participant support costs are allowed with prior written approval of the funding agency, provided they are programmatically justified. Some sponsors have specific participant cost guidelines, and in some instances, may strictly limit the amount requested for participant costs.



Participant Support Costs (Direct Costs)

Who is considered a Participant?

Participants (*non-employees*) may include students, national scholars and scientists, private sector representatives, agency personnel, teachers, and others who attend and participate in the conference, workshop, or training activity.

What costs are not considered Participant Support Costs?

Participant Support Costs do *not* include compensation/ incentives such as cash, checks, gift cards, gift certificates, gift giveaways. Participant Support Costs are not the same as Incentive Payments, which are made to Research Participants who engage in a human subject research project.



F&A and Participant Support Costs

The [Uniform Guidance \(2 CFR 200\)](#) states that Participant Support Costs are *exempt from F&A* in federally sponsored projects. For Non-Federal awards, sponsor specific guidelines should be utilized to determine if F&A is allowable on the Participant Support Costs. If there is no sponsor-specific guidance, then the full F&A rate for the award should be charged.

Subcontracts

What is a Subcontract?

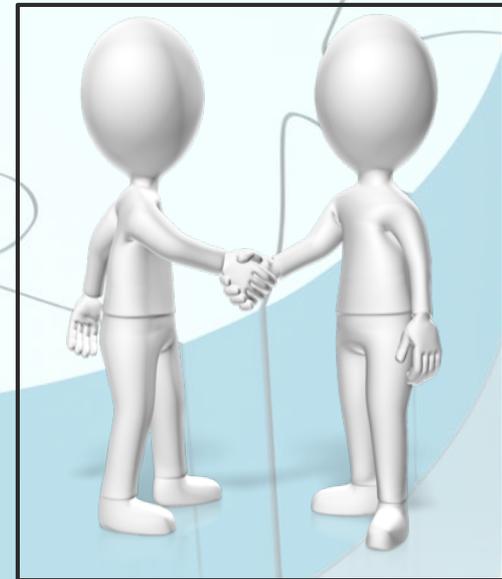
A **subcontract** (also known as a sub-award or sub-recipient contract) is a contractual agreement between the primary award recipient (lead institution/organization) and a secondary institution/organization to perform a substantive portion of the work that will be funded by a grant or contract.

What does the subcontract agreement include?

The agreement contains the work specifications, approved budget, and the terms and conditions under which the work is to be accomplished.

Subcontract agreements and F&A

The first \$25,000 of the sub-award budget is charged with indirect costs (F&A). After the first \$25,000, there is no F&A charged for the remaining balance of the sub-award contract.



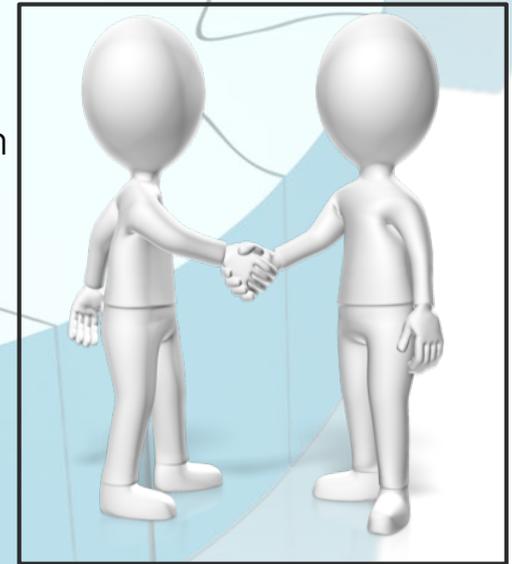
Subcontracts

When USF is the Primary (Lead) Institution

Prior to proposal submission, each proposed subcontract will be required to provide the following:

1. [Sub-recipient Information and Compliance Certification Form](#)
2. Detailed budget and budget justification (for cost-reimbursement budgets, provide documentation of the sub-recipient's fringe benefits rate and F&A costs)
3. Biographical sketches of key personnel
4. Statement of work for the subcontractor's role in the project
5. [Certificate of approval](#) and/or other pertinent documentation for studies involving human subjects, animal studies, human embryonic stem cells, or select agents
6. Description of facilities, equipment, and other resources; leadership plan (for multiple PI proposals only)
6. Financial Statements and [conflict of interest disclosure forms](#) (if applicable)

Refer to the [Checklist for Sub-recipients](#) for more details.



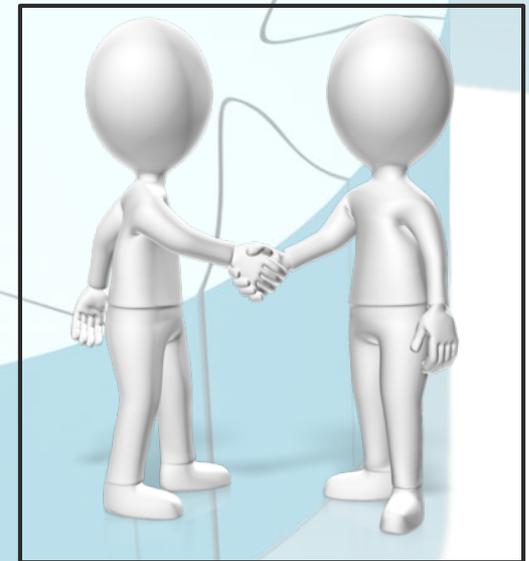
Subcontracts

USF as the Subcontractor

If you, as a USF employee, will be key personnel on a proposal in which another institution/organization is the primary award recipient, you will provide the following information to the lead institution/organization prior to the proposal submission:

1. Detailed budget and budget justification (for cost-reimbursement budgets, include documentation of [USF's fringe benefits rate and F&A costs](#))
1. Statement of work for your role in the project
2. Bio sketch
3. Letter of commitment

Depending on the primary (lead) institution's/organization's policies and the funding agency's guidelines, additional documentation may be required



Other Direct Costs

Materials and Supplies

The cost for project materials and supplies may be included in the budget if they are necessary, reasonable, and allocable.

Materials and supplies usually cost less than \$5,000 to acquire.

Note: most computing devices are categorized as a "supply."

To include computing devices in a budget as a direct cost item, the budget justification should clearly state that the cost is essential and necessary for the project.

Publication Costs, Documentation, Dissemination

Many peer-reviewed journals charge authors for the publication of their scholarly products, and most sponsors allow Principal Investigators (PIs) to include "page charges" in their project budgets. These expenses typically support the dissemination plan.



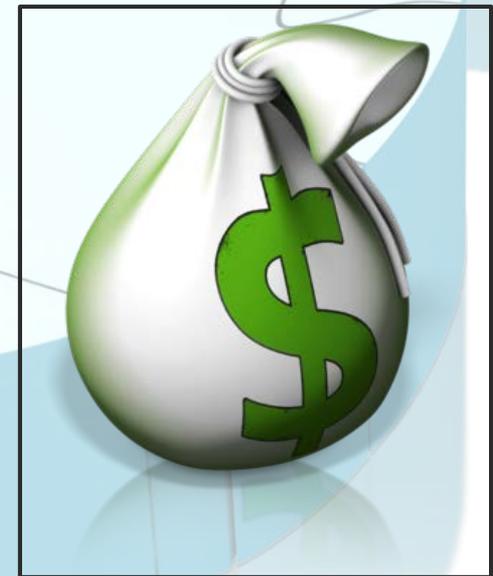
Other Direct Costs

Consultant Services

A consultant is an individual who provides professional advice or services for a fee (an expert outside of the lead institution/organization). Consultants possess a unique skill, expertise, and/or education that qualifies them to participate in a particular project. All consultant charges must be appropriately justified in the proposal.

Please refer to the sponsor's guidelines for specific criteria related to the use and budgeting of project consultants.

Note: USF employees may NOT be paid as consultants on any sponsored project.



Other Direct Costs

Research-Specific Computer Services

Service costs involving the use of highly complex or specialized facilities operated by the institution/organization, such as computing facilities, are allowable costs provided the charges meet the conditions of the governing cost principles and standards for sponsored projects funded by federal agencies.

Lease versus purchase factors should be addressed. Refer to the [OMB Circular A-110 Subpart C.44, "Procurement Procedures"](#) for details.

Tuition

All proposals (including resubmissions, competing renewals, and supplements) that (1) include salary support for graduate students and (2) note that tuition is not prohibited by the sponsor, must list the appropriate tuition amount in the budget.

In budgeting for tuition costs, use the current in-state tuition rate for new graduate students. Budgeting an annual increase in tuition costs over the project duration is allowable. Refer to [current tuition rates](#).



Standard Tuition Hours

Fall	9 credit hours
Spring	9 credit hours
Summer	6 credit hours

Other Direct Costs

CAS (Cost Accounting Standard)

Cost Accounting Standards (known as CAS) are costs standards set by various federal Office of Management and Budget Circulars (OMB) and agency regulations of which project Principal Investigators (PIs) must comply. CAS are used in determining cost items normally considered as general purpose items.

If CAS items are needed specifically for a project, they can be requested as part of the proposal. These types of budget items must be clearly defined in the budget justification (identify item, explain its use, note how the item will benefit the project, describe its necessity).

Prior approval of CAS may be required by USF and/or the sponsor.



Other Direct Costs

CAS (Cost Accounting Standard) Examples

- Administrative/Clerical Salaries
- General Purpose Equipment (i.e., refrigerators, appliances)
- Any computer devices and accessories costing less than \$5,000
- Local telephone, including connection charges
- Office/Instructional supplies
- Memberships
- Subscriptions
- Postage/Shipping
- General purpose software

Note: General purpose items are required (1) to meet project's goals and objectives, (2) to include amounts significantly greater than the routine amounts of such supplies provided by academic units, and (3) to be used exclusively for project activities and objectives.



Facility and Administrative Costs (F&A, Indirect Costs)

What are Facility and Administrative (F&A) Costs?

Facility and Administrative (F&A) Costs are those costs which are necessary for the University to support research and other sponsored projects, but which cannot be readily assigned to individual projects.

F&A Cost Examples

- University space
- Utilities
- Maintenance
- Custodial
- Equipment depreciation
- Use of student services, library services, and support services provided by University, research, and department administration



F&A costs are calculated on a percentage of the direct costs of the project.

Refer to the [USF current indirect agreement](#) for more details.

Other Budget Considerations

Budget Justifications

What is the purpose of a budget justification?

The budget justification provides the sponsor and peer reviewers with information that supports why costs are programmatically necessary and that demonstrates how these costs have been calculated.

What do reviewers look for in a budget justification?

Reviewers analyze an application's financial data to determine the *legitimacy* of costs charged against a specific sponsored research award to be sure that the proposed costs are (1) allocable to the program (costs are incurred solely to advance the project), (2) allowable under federal cost principles and guidelines of the sponsoring agency, (3) reasonable in its nature and amount, and (4) consistent in that University policy and generally accepted accounting principles would treat similar costs in similar circumstance the same way, regardless of the funding source.



Other Budget Considerations

Budget Justifications

When is a budget justification provided?

A budget and budget justification must be provided for proposed direct costs, cost share, estimated program income (including projected revenue and expenditures), and facilities and administration (F&A or Indirect Costs).

Budget Justification and Post-Award

When the University receives an award, the approved budget items become part of the agreement between the University and the sponsor. Only those costs that are included in the budget (or re-budgeted costs) allowed by the sponsor should be directly charged to the award.



Other Budget Considerations

Cost-Sharing

What is meant by cost sharing?

Cost Sharing is the total cost of a sponsored project, including cash and third party in-kind project or program costs, which are *not* supported by the sponsored agency.

All cost share commitments **must be** (1) incurred during the performance period of the project, (2) appropriately documented in the proposal, (3) directly identifiable, (4) specifically benefit the project or program, (5) allowable under the cost principles and restricted expenditures for federal projects covered in the [Uniform Guidance \(UG\) Monitored Costs](#) (formerly A-21), and (6) meet the sponsoring agency guidelines. Carefully review sponsor guidelines for cost share documentation and reporting requirements.

Refer to the [USF Office of Research Cost Sharing Policy Statement](#) (PDF) for more details.



Other Budget Considerations

Should I avoid cost-sharing?

Cost sharing should be limited to those circumstances where it is required by the sponsor ("Mandatory cost sharing). Voluntary committed cost sharing, offered by the investigator and not required by the sponsor must be approved by the department chair, Dean, and/or Division Head. t cost rate, which means that the University not only subsidizes the project itself, but it also fails to recover all of its operational costs.

Notably, most reviewers indicate that the strength of the proposal idea and the budget's cost effectiveness are the most important qualifications for success.

Space Renovations/Implications

For certain proposals, the university may find it necessary to complete a renovation of lab or office space in order to accommodate the grant.

These costs may be included as direct costs on the grant, but they are not subject to F&A recovery.

Please check the sponsor's guidelines as not all sponsors will pay for renovation costs.



Questions? Need More Information?

Feel free to contact us.

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