Criteria of a Good Budget

- Translates resource needs into dollars
- Conforms to agency guidelines and University policy
- Includes realistic estimates (significant over/under estimate may not correspond with the scope of work)
- Supports the Program/Project
- Explains itself
- Plans ahead

Budget Items to Consider:

Personnel
- Be realistic about what each individual can accomplish and the time necessary to complete the work
- There are no magic numbers regarding qualifications and/or number of individuals needed for each aim.

Equipment
- Equipment should be project specific
- Defined as items with useful life of more than a year and acquisition cost of $5000 or more

Travel
- Travel necessary to conduct project and/or travel to professional meetings for dissemination of research results is generally allowable
- Generally travel to one meeting per year for 1-2 individuals is acceptable
- Travel budgets are usually modest at $800-$1,600 per meeting per individual per year
- Domestic and Foreign travel must be budgeted and justified separately

Supplies
- Supply costs will vary depending on the nature of the research proposed
- An estimated supply budget of $12,000 - $15,000 for each FTE may be reasonable; or, if a renewal based on actual prior year costs
- Animal intensive studies and studies involving human subjects tend to be more costly
- Animal purchase is budgeted as supply while housing (ACF) is budgeted as other

Other Direct Costs
- Animal Per Diem Rates can be found here
  - $XX/cage/day X # of cages X # of days a year = yearly animal housing cost
- Publications Costs usually range from $1,350 - $2,250 to publish peer-reviewed articles but can be as much as $3,900
- Equipment Maintenance
- Graduate Student Tuition & Health Fee
- Consortium/Subcontracts
Add it all up!

<table>
<thead>
<tr>
<th></th>
<th>Cal Mon</th>
<th>Req Salary</th>
<th>Fringe Benefits</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Senior/Key Person</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PI</td>
<td>3</td>
<td>$39,000</td>
<td>$11,739</td>
<td>$50,739</td>
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<tr>
<td>B. Other Personnel</td>
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<tr>
<td>Postdoc</td>
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<td>$47,484</td>
<td>$14,293</td>
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<td>Technician</td>
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<td>$6,020</td>
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<td>Grad Student</td>
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<td>$29,000</td>
<td>$559</td>
<td>$29,559</td>
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<td>C. Equipment-Microscope</td>
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<td>$19,000</td>
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<td>D. Travel – 2 meetings</td>
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<td>$3,200</td>
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<td>E. Participant/Trainee</td>
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<td>None</td>
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<tr>
<td>F. Other Direct Costs</td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Materials/Supplies including animal purchase</td>
<td></td>
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<td>$33,000</td>
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<tr>
<td>ACF costs</td>
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<tr>
<td>Publication</td>
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<td></td>
<td>$3,000</td>
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<tr>
<td>Misc Core Facility Costs (Confocal Facility)</td>
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<td>Subaward/Consortium</td>
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<tr>
<td>Tuition and Fees</td>
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<td>G. Total Direct Costs</td>
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</table>

- Calculate the direct costs for the first year
  - In this example, Year 1 budget = $261,753
- Calculate the direct costs for subsequent years taking into account anticipated inflationary increases and changes in funds requested for equipment
  - Year 2 = $252,002
  - Year 3 = $261,609
  - Year 4 = $271,585
  - Year 5 = $281,949

**Do you need to submit a Modular or Detailed Budget?** A Sample Worksheet can be found [here](#).

- Calculate the total direct costs for all years
  - Total direct costs for 5 years = $1,328,896
- Divide total by the number of years requested
  - Average direct costs = $265,779/yr
- R01’s exceeding $250,000/year on average use detailed format
*Modular vs Non Modular

In this example if the proposal is submitted as Modular the budget request is ~$79K less than actually needed over the life of the award, before any cuts NIH may make prior to award. On average NIH has reduced by 1 module in FY16.

- Modular = 1,250,000
- Detailed = 1,328,901

SRG adjustments must be made in modules of $25k
The awarding institute may further adjust the amount to be awarded based on current management objectives. Adjustments by the awarding institute need not be in modules.

**Budget Justifications**

- Modular Budget Justifications include personnel & consortium costs only unless the number of modules requested varies from year to year. When this occurs an explanation of the variation (i.e. purchase of equipment in a given year) is also needed.
- Detailed budgets require a detailed justification for each line item. A sample detailed budget justification can be found here.
Developing A Realistic Budget (Detailed or Modular)

Step 1
- Determine effort for PI as well as the number, qualifications & time needed for other personnel
- Is Equipment needed?
- Will you travel to a meeting or to meet with collaborators?
- Estimate Other Costs including: supplies, publishing, equipment maintenance, Animal Care Facilities Costs, tuition, subawards, etc.

Step 2
- Total year 1 & calculate direct costs for subsequent years
- Divide total direct costs for all years by number of years requested

Step 3
- Average yearly costs up to $250K/year use Modular Budget
- Average yearly costs exceed $250K/year use Detailed Budget