BUDGET PREPARATION

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DISCLAIMER:
This chapter will cover the basics of general budget preparation, with emphasis on NIH budgets. Various agencies have various specific guidelines regarding budget requirements, allowability and formatting. Be sure to read Agency guidelines carefully before starting on the budget.

GETTING STARTED:
Creating an accurate budget is one of *the* most important duties for a fund manager (FM) in proposal preparation. Because the PI has intimate knowledge of the science behind proposal and the FM has the knowledge of funding guidelines and accounting, it is important that the FM work closely with the PI to create the budget.

As soon as a fund manager is notified by a PI that a proposal will be submitted, the FM should set up a meeting, either in person or over the phone, to go over the details. The Proposal Intake Form provides a good outline as to what to include in the budget.

TOOLS:
- Proposal Intake Form and/or Notes from discussion with PI about what will be needed
- Excel Template or S2S/Cayuse Budget for budget calculation
  - Simple All Years
  - PHS 398 Budget
  - Center Grant Budget

BACK-UP DOCUMENTATION:
Back-up documentation is paperwork printed and filed in the proposal file that provides validity to the rates used in the budget. This documentation shows that rates are based on actual, realistic figures in case of an audit or to show others who may be involved in the budget process where the numbers were obtained.

Types of Back-up documentation – print outs of…
- Academic Salary – Print screens from UCPath MCOP worksheet
- Current NIH Cap – http://grants.nih.gov/grants/policy/salcap_summary.htm
- Staff Salary – Print screens from UCPath Funding Inquiry/Entry screen
- TBN Staff Salary – UCLA title & pay plan http://tpp.chr.ucla.edu/
- Salary for Non-Division Personnel – Email from personnel person/FM in another department to request salary and benefit rates
- Benefits – use Composite Benefit Rates
- Consultants – Quotes from consultants regarding their hourly rate & estimated # of hours needed
- Supplies/Equipment – Quotes from vendors or recharge units or recent catalogue pages
- Travel – Quotes from UCLA Travel or online
- F&A Rates – https://ocga.research.ucla.edu/facilities-and-administrative/

STEPS:

1. Read and familiarize yourself with Agency proposal guidelines, especially budget constraints.

2. Discuss with the PI what s/he thinks the research project will require in terms of personnel, equipment, supplies, travel & services. Take notes.
   a. Personnel – Questions to ask:
      i. Does s/he have someone specific in mind? If so, what are their names & Departments.
      ii. For those that are TBN, what level would s/he like to hire? i.e. SRA II
      iii. What % effort for each person?
      iv. Will each person participate in all years of the project? If not, which years?
      v. If NIH, does s/he want to use the NIH capped rate for above cap personnel?
   b. Consultants – Usually non-UC employee. Obtain a breakdown of their rate.
   c. Equipment – Items >$5,000 with a useful year of +1 year
   d. Supplies – Break down by category.
   e. Travel – Questions to ask:
      i. How many trips per year?
      ii. Where? Foreign or Domestic? If Domestic - East or West coast
      iii. How many days per trip?
      iv. What is the purpose of the travel? What meeting is s/he attending?
   f. Other Expenses – Questions to ask:
      i. Will there be any services required? If so, obtain the rate of service.
      ii. Will this be on-campus or off-campus? If off-campus, will there be rent charged?
      iii. Technology Infrastructure Fee (TIF): Obtain the % effort of all *paid* UCLA employees to calculate
         1. Do NOT include effort for in kind/effort without salary personnel
         2. Calculation = % paid effort x 12 months x $43.96 (rate as of 07/01/19)
         3. Sample: 10% + 15% + 50% = 75% or 0.75 x 12 x $43.96 = $395.64 TIF
   g. Miscellaneous – Questions to ask:
      i. Will the expenses change from year to year? Or will the Yr. 1 expenses remain unchanged for all other years?
      ii. Escalation: Currently, NIH recommends 0% escalation in all categories for future years.

3. Enter rough draft budget into either Excel budget template or directly on the S2S/Cayuse.
   - If using the Excel budget template, make sure you calculate the F&A costs as well.

4. Send rough draft budget to PI for their review and edits.

5. Make necessary changes and repeat steps 4 & 5 until PI is satisfied that the budget accurately reflects research plan expenses.

6. File budget back-up documentation with proposal preparation paperwork.