

RIT BUDGET JUSTIFICATION TEMPLATE INSTRUCTIONS

Before You Begin:

Although we have attempted to be as thorough as possible, please understand that not all situations and/or examples are addressed. Please seek assistance if you have questions.

REMINDER: If the sponsor has a written requirement for cost sharing, it will need to be requested and approved prior to proposal submission.

A Word on Federal Regulations Regarding Allowable v. Unallowable Costs:

Any expenses directly charged to federal awards must be ALLOWABLE.

ALLOWABLE costs are:

- **Reasonable:** A prudent person would pay this price (a \$500 hammer is NOT reasonable).
- **Allocable:** costs that are
 - Incurred to benefit this specific sponsored project, and
 - Able to be assigned to the project with a high degree of accuracy.
- **Consistently Treated:** Similar costs are normally treated as either Direct or Indirect across the University and are charged at a customary and approved rate.

UNALLOWABLE costs are anything not project related, including:

- Fund raising, alumni relations, lobbying, defense and prosecution of criminal proceedings
- Alcohol, entertainment, anything for personal use, fines and penalties,, postage, and office supplies.

In General, the Budget justification should:

- Follow sponsor proposal instructions as closely as possible, providing as much detail and justification, as necessary.
- Be organized in the order detailed below.
- Give details about significant items. This would include breakdowns of estimated travel expenses, detailed equipment lists and a list and/or description of items that comprise Materials and Supplies.
- Explain why each of the items on the budget page is necessary in order to accomplish the proposed research.
- Make it clear that all budget requests are reasonable and consistent with sponsor and RIT policies.

SECTION 1: PERSONNEL

Only RIT employees should be listed under Personnel. Please list his or her name (or TBD if unknown and future hire), title, the amount of time they will spend working on the project (usually expressed as a percentage of their total effort over a period of time e.g. 5% Academic Year (AY) effort = .475 month.), and what they will be trying to accomplish.

Example:

<<PI Name>>, PI, salary support is requested for XX month(s) calendar year effort (X% effort) for each of the X years.

Time in Hours:

We cannot propose effort in hours. As a non-profit educational institution, RIT utilizes a monitored effort reporting system as approved for educational institutions to determine labor charges to a project, not an hourly time keeping system. This approved monitored effort reporting system at RIT represents the faculty's percentage of time on a project as a percent of their total professional effort.

PLEASE NOTE: Avoid saying anything like "Person X will work Y amount of time at no cost to the sponsor", because that is considered cost sharing. RIT doesn't allow cost sharing unless the sponsor requires it because it:

- Reduces the flexibility PIs have to conduct other research when their effort is pledged to specific projects,
- Increases the requirements for auditable recordkeeping; and
- Reduces recovery of indirect (Facilities and Administrative) costs.

PLEASE NOTE: Asking for 100% summer support is not advisable. This would mean that the party would not be taking vacation, writing grants, prepping for classes, meetings or any other breaks during the summer work period.

SECTION 1A: SENIOR PERSONNEL

Senior Personnel are the primary project participants responsible for the management of the project, have fiduciary authority, and/or play a significant part in the completion of the proposed research. This typically includes the PI, Co-PI(s), and other project personnel with significant time commitments.

Principal Investigator (PI) – The initiator and director of the proposed project; holds primary fiduciary and reporting responsibility.

Co-PI /Co-L – A key participant who contributes to the scientific, technical and/or management of the proposed project.

Senior Personnel – A participant who contributes to the scientific, technical and/or management of the proposed project.

SECTION 1B: OTHER PERSONNEL

Other Personnel are any RIT employees (including faculty, staff, and post-docs) and/or students who are committing time to the proposed project.

In most cases, post-docs should be budgeted at less than 100% (i.e., 95-98%) to account for non-project related activities such as attending departmental meetings, grant-writing, and other career development activities that would not be considered allowable expenses.

Undergraduate students and Graduate Assistants (GAs) are considered employees and are paid by the hour. Hourly rates vary by department and complexity of tasks. Graduate Research Assistants (GRAs) are not employees but receive a stipend for their participation in the research.

PLEASE NOTE: Graduate students are categorized differently based on the activities that they will be performing. Graduate Research Assistants are the primary type of Graduate students on sponsored projects. Please see the following link for specific information:

<https://www.rit.edu/emcs/seo/graduate-assistantships>. Tuition remission expenses, if allowable and applicable, are considered Other Direct Costs. Please see below for further information.

PLEASE NOTE: Per CFR 200.413, "The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if **all of the following conditions are met:** (1) Administrative or clerical services are integral to a project or activity; (2) Individuals involved can be specifically identified with the project or activity; (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and (4) The costs are not also recovered as indirect costs." Please ask your SRS representative for assistance in determining whether the project qualifies.

SECTION 2: BENEFITS

Rates for benefit cost calculations are updated periodically. Please check the Sponsored Research Services website for Standard Rates for Proposal Budgets or ask your SRS representative for the most recent rates.

Note that approved benefit rates vary by funding source, type of activity, employment status and other factors described in the Standard Rates for Proposal Budgets document. Benefits are not assessed on student wages or GRA stipends.

SECTION 3: CAPITAL EQUIPMENT

RIT defines capital equipment as a piece of equipment or permanent components of a larger piece of equipment with a value of \$5,000 or more and a useful life of greater than one year. If the equipment/component will be part of a system but can and/or will be removed for separate use, it is not considered a piece of capital equipment. Additionally, multiples of the same or similar items that each have a value of less than \$5,000 are not considered capital equipment e.g. if you have ten video cameras that you network together and each are valued at \$500, they would not be capital equipment.

Capital equipment does not incur Indirect/F&A Costs.

Example: We plan to purchase additional computer nodes (CPUs) for XYZ cluster during Years 2 and 3. These are AMD Opteron units at a cost of \$5,000 each (plus shipping) and are necessary for the intensive computing proposed in this research.

All equipment purchased on federal funds must be pre-approved by the sponsor. Equipment not requested in the original budget will have to be requested later and the budget will need to be revised.

PLEASE NOTE: Computers and computing devices may be charged to a federal award provided that it is essential and necessary to perform the work proposed and the cost is allocable and reasonable. If the machine is not essential to the project, then it should be treated as a general use item such as paper, pens, etc.

SECTION 4: TRAVEL

All travel must comply with university policy. Please consult the Travel Policies & Procedures Manual on the Controller's website.

As much as is possible, list "who, what, where, when, and why". It is understood that you may not be aware of where a specific conference will be or which specific conference you will attend, but please provide reasonable examples. You will need to provide estimates for each separate trip using the format provided. If you have several trips to the same destination, one breakdown can be used for that trip.

Please research your estimated expenses. While costs will change, it is important to work from reasonable estimates as this will aid you in ensuring proper funding for your travel. Airfare must be coach class, and, if you are planning international travel paid for by a federal grant, it must be booked on a US carrier.

PLEASE NOTE: You may choose to use a per diem or cost reimbursement for meals. You cannot use both for the same trip. Cost reimbursements have a cap per day as determined by the location. Please see RIT travel policies for rates and for a list of major metropolitan areas that have higher cost reimbursement rates.

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SECTION 5: PARTICIPANT SUPPORT

This budget category refers to the costs of stipends, transportation, per diem, and any other costs associated with participants or trainees of a proposed conference, meeting or workshop. It is important to discuss these costs with your SRS representative to ensure that costs are correctly included in this category.

These costs do not carry overhead and cannot be re-budgeted without sponsor approval. If awarded, they are set up as a separate project account.

Example:

Eight REU students will come to Rochester for ten weeks each summer to work with... Each student will receive the NSF recommended \$500 weekly stipend. Travel is estimated at \$600 per student.

For travel expenses under Participant Support, please provide a travel cost estimate breakdown, in the same manner as requested above in Section 4.

PLEASE NOTE: RIT employees cannot be considered participants, and in most cases, RIT students would not be considered participants as well. Their costs should be budgeted in the traditional cost categories. For further clarification, please speak with your SRS representative.

SECTION 6: OTHER DIRECT COSTS

Other Direct Costs include the following cost categories:

- Materials and Supplies
 - Please provide a description of the items included in this category. Amounts should be based on reasonable estimates. Quotes may be required.
- ITS/Computer Usage Fees (use RIT approved rates only)
 - The standard charge reflects the costs of supporting RIT computer systems and the network. It is charged for academic year or calendar year effort based on full time equivalent months. For example, if you are charging one person at 1 month per year and another at .25 per year, the total months for that year would be 1.25 FTE months.
 - Different rates apply for Federal and Non-Federal/State/Other proposals. Please see the most up to date rates listed on the Sponsored Research Services website on the Standard Rates for Proposal Budgets document.
 - For additional information about ITS/Computer Usage Fees, please consult the Controller's website.
- Sub-awards/Sub-contracts
 - RIT requires a separate:
 - Statement of work
 - Budget
 - Budget justification
 - Negotiated fringe and overhead rate agreement, and
 - A completed subrecipient commitment form with an authorized signature of approval from the subaward institution.
 - It is expected that they provide the same level of detail for their budgets and budget justifications. Please feel free to let them use our template.
 - RIT does not charge indirect/F&A costs on the amount in excess of first \$25,000 of each subcontract.
- Publication Charges
 - Refers to support for the publication expenses associated with a publishing in certain fields and/or journals. These are not costs associated with writing, editing, etc.
 - These charges are budgeted on a per page basis and should be delineated on a yearly basis e.g. the PI expects to publish 10 pages in year 3 at \$110/per page.
- Graduate Student Tuition Remission (GRAs only)

- Information regarding University policy for graduate assistant tuition remission can be found on the Controller's website on Payments Made to Graduate Students:
- Tuition remission expenses for Graduate Research Assistants should be charged in direct proportion to the total percentage of effort expended on this project in accordance with university and departmental policies. For example, if you intend to support a GRA for 20% of their stipend, one could only ask for 20% of the allowable tuition expense.
- **PLEASE NOTE:** In addition to the university policy, your department or college may have additional guidance or policies on the tuition remission. Please consult with your department head to ensure that you are following the correct guidelines.
- No Indirect Costs/F&A are charged on tuition remission.
- Consultants
 - **PLEASE NOTE:** current/former RIT employees cannot be consultants.
 - This is where the services of non-RIT professionals (if paid by purchase order) and their associated rate and expenses would be included.
 - Consultant rates may not exceed fair market rates for like services.
 - Example:
Jane Smith, President, Really Good Stuff Learning Network (RGSLN) will consult with project personnel on an ongoing basis, 4 trips per year, 5 days each in Rochester. Dr. Smith's compensation rate is \$300/day. Airfare is estimated at \$500 per trip. Accommodations and meals in Rochester ranges from \$144-194 throughout the year.
- Human Subject Fees
 - Payments made to participants in a study. These are not considered participant support costs.
- Purchased Services
 - Costs such as flight services, research vessel rental, and lab tests.
- Lab Usage Fees (labs with RIT approved rates only)
 - Rates for usage of RIT lab resources.
 - Can only be charged for laboratories that have applied for and have received a vetted rate from Sponsored Programs Accounting.
 - A list of labs that are eligible can be found at the Standard Rates for Proposal Budgets document on the SRS website.

For your reference, the following costs that are normally considered indirect costs and not eligible for inclusion as direct costs:

- Office supplies
- Books and Subscriptions
- Local Phones and cell phones
- Postage and FedEx/UPS services
- Parking
- General Printing and Photocopying

SECTION 7: INDIRECT COSTS/F&A COSTS

Facilities & Administrative (F&A) Cost Rates are negotiated with the Department of Health and Human Services, RIT's cognizant agency. Rates specifically relate to RIT Central Administration Services and General Institutional costs such as heat, light, and power, etc. Various sources of revenue, whether from recovery of F&A Costs on sponsored projects, tuition, gifts from donors, as well as other sources, are essential to maintain the fiscal viability of the University.

The most recent rates can be found at the Standard Rates for Proposal Budgets document.

There are a number of different rates but the prevailing rate to be used for your project is determined by the primary purpose and location of the project. If you have questions, please ask your SRS representative.

PLEASE NOTE: Indirect Cost/F&A Costs do not apply to capital equipment, tuition remission, or participant support and are taken only on the first \$25,000 of each subaward.