# RACP Module 5 - Budget Development Handout (FY 2020)

This handout should be used with the **Personnel Expense Calculator/Fringe Benefit Calculator/Budget Template** (Excel spreadsheet) to answer the Budget Development Questions on the quiz.

The Office of Contracts and Grants (OCG) uses a budget template to create budgets for proposal submission. Embedded in the Excel spreadsheet template are formulas to calculate various components (including IDC, longevity pay, insurance, social security, retirement and fringe benefits) based on the information entered.

**You will utilize:**

* The ***first tab*** (**Personnel Expense Calculator)** to input personnel/salary information and the proposed start date.
* The ***second tab*** (**Draft detailed budget)** to input all other budget categories for this assignment.

 (Note: The Project Personnel information that is on the expense calculator tab) ***auto-populates*** onto the Draft Detailed Budget 2nd tab)

* The ***last tab*** for **Definitions** is hidden - **Click on the Subcontract 2 Budget tab**

**\*(Do not input personnel salary and fringe data directly into the tab 2, Draft Detailed Budget).**

**Notes:**

1. Personnel Expense Calculator: input data into the **green** areas only, enter all other non-personnel data into Tab 2 (draft detailed budget). Personnel expenses are usually the largest cost component in a budget.
2. The benefit type, retirement and insurance columns have a drop down box
3. For the spreadsheet and IDC (indirect costs) to calculate correctly, **you must enter the start date of the proposal project** on the Personnel Expense Calculator **FIRST!**
4. MTDC = Modified Total Direct Costs= (See the last tab for Definitions)
5. Cost of living allowances (annual increases) are allowed (usually 3%)
6. All personnel work all three (3) years
7. Remember, personnel/staff (non-students) receive an additional $20 compensation every two years for longevity (auto calculated in the template based on the seniority pay date!)
8. Disregard any other additional tabs except the definitions tab (last tab.)
9. The current UH indirect cost rate (IDC or F&A) is 53%.

[**INDIRECT COST RATE AGREEMENT**](http://www.uh.edu/research/resources/dor-forms/dor-letters/2016_0504_rate_agreement.pdf)

Based on the following information, please complete (fill in data) in the Excel budget template (Tab 1) Personnel Expense Calculator and (Tab 2) Draft Detail Budget for a three (3) years performance period for a submission to the NIH.

# Use the answers from the template to answer the Budget Development questions on the quiz. You may need a calculator!

**Principal Investigator (PI):** Dr. Highly Determined

**Department:** Electrical and Computer Engineering

**Project Title**: Exoskeleton and Robotic Restoration after Spinal Cord Injury

**Project Start Date**: October 1, 2018

**Project End Date:** September 31, 2021

**Budget Items:**

**Personnel**

**PI**- **Dr. Highly Determined (**Associate Professor) (9 pay 12) appointment- meaning that the 9- months salary is spread out and paid over a 12 months period. He is requesting 2 months summer salary each year each year to conduct research, monthly salary $13,209, benefit type is faculty summer, ORP-1 retirement, has family medical insurance, seniority pay date 4/4/94 (monthly salary calculation: $13,209 x 12= $158,508. $158,508/9= $17, 612 is actual monthly salary). 3% annual increase.

**Co-PI** – **Dr. McFundme** (Research Assistant-Professor/research faculty benefit type)**,** seniority pay date 7/22/2000 monthly salary is $10,560, ORP**-**2 retirement, employee medical/, 2 months effort/year. 3% annual increase.

**Staff Post Doctorate (Stephen Rescue)**: $4,200 per month each year, seniority pay date 1/9/03, TRS retirement, employee only insurance, 12 months effort/year.

**Graduate Student Assistant:** 8 months effort at $2350/mo. (Use the same rate for each year). Grad Student (GTF) benefit type, no insurance or retirement.

**2 UnderGraduate Student Assistants:** 4 months effort /year at $1100/month for both**. (**Use the same rate for each year).

**Sub-award: Michigan State University**, all 3 years $150,000 /year (Reminder: IDC for UH is charged on the first $25,000 only for a sub-award; this is automatically calculated by the spreadsheet)

**Publication costs:** $2,700 year 3 only.

**Consultant Services costs**: Computer Science expert Dr. Meta-Hotshot, for 5 days, 6 hours each day at $300.00/hr. (year 2 and 3 only).

**Travel:** includes airfare to Lisbon for a 3 day required collaborative presentation in year 3 only: (includes airfare$ 2,260, per diem-hotel of $600 per day, and other expenses

$500) Total travel is $4,560.

**\*Supplies**: $2,500 in general supplies/yr1, 4 laptops at $1,200 each and $1000 for general supplies for yr2, and (12) resonance machines in year 3 at $900 each.

**Human Subjects Compensation:** $100 gift certificate/subject for 300 human subject volunteers to be budgeted/split evenly between Year 1 and Year 2 (subject to IDC).

**Equipment:** $230,000 high-density electromagnetic microscope in yr. 1 (no indirect costs (IDC) charged on equipment costing $5,000 or more).