RESEARCH BUDGETS AND BUDGET JUSTIFICATIONS
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Purpose of presentation
   – To provide pre- and post-award strategies and resources to assist you in creating and justifying research budgets
Creating Budgets
Getting Started: Know your Guidelines

• Know your guidelines
  – Purpose of funding
  – Funding limits (amount, years, max. allowable/yr)
  – Eligible expenses

• Individual granting agencies (in general) and funding opportunities (in particular) will have their own rules

• The onus falls on the researcher to know what is allowable, even when funding is approved
Tri-Agency Guidelines: Fun Facts

• Cannot pay Principal Investigator, Co-Applicant, Collaborators income
  – There may be exceptions (e.g., trainees)
• It will only allow you to claim the cost of benefits that are mandatory under institutional policy.
  – At UVic, Medical, Extended Health, Dental, Pension are not mandatory benefits
  – UVic rate: 12%+ (mandatory EI, CPP, WorkSafe, Vacation Pay)
• Overhead is not added to budgets
Getting Started: What is the Story?

- Expenses should reflect what you say you will do in proposal
- Do not overestimate/inflate your budget
  – Use real numbers
- Do not underestimate budgets
  – Is it feasible to do the research your propose with the funds you’re requesting?
Types of Expenses

- Personnel
- Travel and Subsistence
- Equipment
- Materials, Supplies and Services
- Knowledge Mobilization/Dissemination
- Technology transfer activities
Personnel: Typical Categories

• Research Staff
  – Research Assistants, Technicians, Technical/professional assistants, etc.

• Research Trainees
  – Summer students/co-op students, graduate students, Post-doctoral fellows (may be limited to 2-3 years)

• Other Compensation
  – Honoraria
  – Consulting fees (contractors are not UVic employees)
Personnel: Salaries vs. Stipends

• Salaries
  – Paid to employees who have his or her activities directed by the researcher (employer/employee relationship)
  – Remember benefits!

• Stipends (Payments to students, also referred to as grad support, fellowships, scholarships)
  – Paid to students to perform their own research.
Personnel: Suggested Rates

Salaries
• Hourly rates excluding/including 12% benefits
  – Undergrad: $14.83 / $16.61
  – Graduate: $24.46 / $27.40
• Minimum 12% benefits on salaries
  – 8% CPP, EI, etc. 4% Vacation pay

Stipends
• Masters: $17,500+
• PhD: $20,000+
• No benefits paid

Post-Docs are paid salary and benefits. Suggested rate: $40,500 - $45,000+ plus benefits
Personnel: Calculating salaries

Full-time (1.0 FTE)
• Monthly salary = 152 (avg hours per month) * hourly rate
• Yearly salary = monthly salary * 12
• Add 12% benefits (minimum)

For instance, Graduate Salary and Benefits:
• 152 * $24.46 = $3,718 + 12% benefits ($3,717.92 * 0.12) = $4,164/month
• $4,164 * 12 = $49,968/year
Personnel: Calculating Full-Time Equivalency

• 1.0 FTE is a full-time appointment (35 hours/week)

• If the employee is working less than 35 hours/week:
  – # of hours a week / 35
  – E.g., 28 hours a week / 35 = 0.8 FTE

• Annual (or monthly) full-time salary and benefits * FTE = Actual cost
  – E.g., $4,164 salary and benefits/month * 0.8FTE = $3,331/month (for 0.8FTE)
Travel: Typical Categories

• Conferences
• Field work
• Project-related travel

Includes:
• Transportation
• Accommodation
• Subsistence
• Conference or other fees
Travel: Types of costs

• Lowest cost air travel (Expedia or similar)
• Hotel (quote cost)
• Mileage (0.48/km)
• Public transportation (bus, taxi, ferry)
• Parking
• Travel cancellation insurance
• Travel health insurance
• Child care expenses (under specific circumstances)
Travel: Per Diem Rates

• Travel within Canada
  – Breakfast $14; Lunch $16; Dinner $30
  – Total $60 (CDN)

• Travel outside Canada
  – B $14 USD; L $16 USD; Dinner $30 USD
  – B $14 Euro; L $16 Euro; Dinner $30 Euro
Equipment or Facility: Types of Costs

• Purchase or rental
• Operation and maintenance costs
• User fees
Materials, Supplies and Services: Types of Costs

- Expendables
- Equipment under $2K (e.g., laptops)
- Hospitality
- Book purchase
- Courses/training
- Animal orders
- Animal care per diem rates
Knowledge Mobilization/Dissemination: Types of Costs

• Open Access Policy
  – Some journals are free
• Publication costs
• Website design and maintenance
• Translation costs
• Workshop costs (including room, food)
Technology transfer activities: Types of Costs

• Field trials
• Building prototypes
• Scale-up costs
• Demonstration projects
• Workshops
• Other

Work with your ORS Industry Liaison Officer to explore costs
Cash and in-kind contributions: Overview

• Matching/leveraged funds must be supported by documentation
• Cannot claim the same contributions on multiple applications!
• Cash contributions include expenses for the direct costs of research that are directly related to achieving the objectives for which the grant was awarded
• In-kind contributions include eligible non-monetary resources that partners and the grantee’s institution provide to support the project
• Review guidelines for specific funding opportunities – Know the “mix” that is required (e.g., 100% matching)
Cash and in-kind contributions: Examples of Funding Programs

• Partnership programs
• NSERC
  – Engage (in-kind, no minimum)
  – Engage Plus (in-kind, no minimum; cash, minimum of 1:1 matching of funding request, normally $12,500 plus 25% overhead)
• SSHRC
  – Partnership Development (cash and/or in-kind requirement, no minimum)
  – Partnership (cash and/or in-kind contributions, minimum of 35% of funding request)
  – Connection (cash and/or in-kind contributions, must be at least 50% of the funding request)
Cash Contributions: Examples

• Cash in support of direct costs of research
• Teaching buy-out (not the cost of researcher salaries, but the cost of releasing a researcher to devote time to the project)
• Travel (e.g., a Co-applicant’s travel paid by institution or Conference Travel support amount institution provides)
• Fellowships/scholarships
• Professional Development funds
In-kind contributions: Examples

• Cash-equivalent goods or services that would otherwise have to be purchased
• Time of individuals (non-faculty)
  – Know the limits (e.g., SSHRC max $80/hr, NSERC max $100/hr)
• Office and laboratory space (beyond what is ordinarily provided)
• Access to equipment
• Donation of software, access to databases
Cash and in-kind contributions: Potential Sources

• Host institution (Departments, Faculties, Centres, Offices)
• Other academic institutions and organizations
• Philanthropic foundations and trust funds
• Government departments and agencies
• Crown corporations
• Private sector firms and corporations
• Not-for-profit organizations and community organizations
• Professional associations
• Labour organizations
• Individuals
Cash and in-kind contributions: Potential Sources

• When submitting an application to Tri-Agency, the following sources are ineligible
  – NSERC, SSHRC, CIHR
  – Canada Foundation for Innovation (CFI)
  – Canada Research Chairs
  – Indirect costs program

• You may be able to leverage Tri-Agency funds for non-Tri-Agency funding applications
Indirect Costs of Research (overhead)

• Institutional costs related to research
  – e.g., libraries, administrative processes, regulation and safety compliance
• UVic rate is 25% unless otherwise stated in the guidelines
  – No overhead line item for Tri-Agency
• If a US funder’s indirect cost policy is to have a negotiated rate with the US, then charge 10%
• Request for a negotiated cost rate
  – Very specific parameters
Indirect Costs: Calculation

• Indirect costs are calculated from the total direct costs of the research and should be a separate line item.

• Total direct costs * 0.25 = overhead amount
  – e.g., $20,000 * 0.25 = $5,000. Total request is $25,000.

• If trying to maximize funds (e.g., funder limit is $100,000 and that must include overhead):
  – Maximum request / 1.25 = the total maximum direct costs
  – e.g., $100,000 / 1.25 = $80,000 direct costs plus $20,000 indirect costs ($80K * 0.25 = $20K)
Writing Budget Justifications
When I review a budget justification, I ask:

• Does it comply with formatting guidelines?
• Are the expenses allowable?
• Can I map the expenses to the budget table and proposal?
• Is it clear how the expenses were calculated?
• Is there sufficient detail to justify the expense?
Formatting and format: Attachment

• Observe page limitations
• Comply with formatting guidelines
  – If an attachment, often 12 pt Times New Roman font, 1.87 cm (3/4”) margins
• Use bold font for headings for each major expense item
• Avoid long, descriptive paragraphs with embedded expense items and equations throughout.
• Tables can be used to summarize expenses
Mapping

• Be clear, concise, guide the reviewer
• Match budget justification to the budget table, which matches what you say you’re going to do.
• Use the same headings as in the budget table
• Clearly show the addition of subtotals in your budget (by year) $x + $y + $z = $Total
• Map to year
Calculations

• Provide quotes, when appropriate
• When using exchange rates, include a reference date as rates will vary over time
  – For large purchases, e.g., equipment, check with ORS for a recommended rate
• Remember benefits, taxes, shipping fees
• Show your calculations
Level of detail

• Provide enough information to justify the expense
• Different level of detail for NSERC, CIHR/SSHRC, other funding agencies
  – The funding opportunity may have its own online table to complete
  – Page limitations or limited characters
• Follow the specific funding opportunity guidelines
Creating Budgets

When Funds are Awarded
Award Notifications and Agreements (received by Research Services directly)

• Research Services ordinarily receives a notice of award and/or agreement directly from the funder.
• Your application and Research Application Summary Form are pulled and reviewed.
• You will be sent a notification that funding is received and information about ethical requirements, if applicable.
• A new external research account will be released once funder and ethical requirements are met.
Award Notifications and Agreements (if the sent to you directly rather than ORS)

- PLEASE DO NOT SIGN AND RETURN TO FUNDER. PLEASE forward to Debra. Once received it will be distributed to the correct person for review and institutional signatures

- If an award notice is received by researcher with cheque please forward to Debra. The cheque will be sent to Research Accounting with “open account memo”

- Do not open specific purpose account or deposit cheques to existing accounts.

- It is important to separate all research funds from specific purpose (teaching), internal university funds and of course from other research accounts.
Partial Release of Funds

• You may apply for partial release of the funds prior to ethical approval
  – Complete “Request for Funding Release Prior to Animal Ethics/Human Ethics” form and send to Debra
Transferring Funds to Co-Investigators

- Complete “Request to Issue a Sub-Grant” form and send to Debra
- Please do not send funds by way of a payment requisition or through Purchasing
Understand using your funds

- If you anticipate a major change in spending, contact us, we can tell you if what you are planning has issues.
- Budgets are set up annually, amounts approved for each year may vary; you should plan your spending around that, if you need help, ask us.
- Be aware of the award start and end dates.
- Don’t rob Peter to pay Paul - it is important to ensure funds are spent only on the project they were awarded for.
- If your funding is in a foreign currency, contact us regarding what level of exchange rate to use.
Financial Statements / Reporting

• Based on the requirements of your funding agreement, Research Accounting will generate financial statements for your account which will be sent to you for signature

• You should not submit any financial information to your funder unless it has been reviewed by Research Accounting to ensure consistency with official reporting

• Cash and in-kind contributions
  – Supported by documentation
  – Research Accounting reports on these to the funder
Ask, ask, ask…and Audits!

• Anytime you have a question or are unsure of how things work, we would rather answer questions before something needs to be corrected.
• We are being audited more and more often by many different funding agencies, both on site and via desk audits.
Tips

• Secure appropriate signatures (proper one ups)
• Use proper payment requisitions
• Ask us if you have any questions
Resources
Eligible Expenses

• Consult specific funding opportunity guidelines
• 2015 Tri-Agency Financial Administration Guide
Student payments

• Decision diagram

• Employment or Student Award
Travel costs

• UVic travel policy
  – http://www.uvic.ca/universitysecretary/assets/docs/policies/HR6500_5800_.pdf

• Currency converter
  – http://www.bankofcanada.ca/rates/exchange/daily-converter/

• Travel rates
Cash and in-kind contributions

• CIHR
  – http://www.cihr-irsc.gc.ca/e/3758.html

• SSHRC Guidelines for Cash and In-Kind Contributions

• NSERC
Other

• Open Access

• Animal care per diem rates
  – http://www.uvic.ca/research/conduct/home/animalcare/index.php

• UVic indirect costs policy
  – http://www.uvic.ca/universitysecretary/assets/docs/policies/FM5400_3930_.pdf