RESEARCH BUDGETS 101

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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 you 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: $15.25 / $17.08
  – Graduate: $25.15 / $28.17
• Minimum 12% benefits
  – 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 * $25.15 = $3,822.80 + 12% benefits
  ($3,822.80 * 0.12 = 458.74) = $4,281.54/month
• $4,282 * 12 = $51,384/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., $4,282 salary and benefits/month * 0.8FTE = $3,426/month (for 0.8FTE)
Applicant, Co-applicant, and Collaborator compensation

• Be aware of funding guidelines. In most cases, applicants, co-applicants and collaborators listed on grants cannot draw a salary from the grant.
• Further, anyone who is eligible to apply for the funding themselves (whether or not listed as a participant on the grant) can usually not draw a salary from the grant.
• Some exceptions apply: for instance, CIHR will permit Trainees to be listed on a grant as a co-applicant and draw a salary from the account.

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

Ownership of Items Purchased with Grant Funds

- Please note that the Tri-Agency guidelines apply to all funded research (whether or not funded by Tri-Agency): "All items purchased with grant funds belong to the institution and not to the individual grantee, unless the funding Agency agrees otherwise in writing, or unless doing so would be contrary to a legislated requirement. As owner, the institution is responsible for ensuring that the items are used to support the research program of the grantee and co-grantees. Decisions on the use and management of the items should be made between the institution and the grantee or user group."
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% (National Institutes of Health applications, charge 8%)
• 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 \( \times 0.25 \) = overhead amount.
  - e.g., \$20,000 \( \times 0.25 \) = \$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 \( \times 0.25 \) = \$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

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
- 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