

GUIDELINES FOR BUDGET DEVELOPMENT

PERSONNEL:

Faculty:

- 1,520 hours during the academic year; 38 weeks
- 560 hours during the summer (extra compensation); 14 weeks
- On average there are 4.33 weeks in one month.
- To calculate 1 month of salary, divide the academic salary by 38 weeks and then multiply by 4.33. The calculation is the same for 1 academic month or 1 summer month.
- Include an anticipated salary increase each year beginning July 1.

Graduate Research Assistants (GRA):

Refer to the 'Sponsored Programs GRA Stipend Budget Estimating Tables' document for stipend ranges. Approval is needed from the Dean of the Graduate School to pay a student more than the maximum stipend. When budgeting a GRA, tuition and fees should typically also be included in 'Other Direct Costs'. GRA stipends may be budgeted in 25% increments.

Other Professionals:

- May include department chairs, technicians, machinists, post-doctoral associates, etc. Administrative/clerical support is generally unallowable. Full time post doc salary range is \$47,500 - \$60,000 per year with full benefits.
- 2,080 hours during the calendar year; 52 weeks
- Include an anticipated salary increase each year beginning July 1.

Temporary:

This category is used for short-term personnel who are eligible for only minimal employee benefits.

Hourly undergraduate and graduate students:

Hourly rates differ by department. Tuition and fees are not a benefit for hourly students and cannot be budgeted.

FRINGE BENEFITS:

When funds are entered for personnel, fringe benefits calculate automatically in accordance with the current federally-negotiated rate for each employee category.

EQUIPMENT:

Defined as an item having a value of \$5,000 or more, a useful life of more than one year and the capacity to function without the assistance of another item. Equipment is not subject to F&A costs. Confirmation from the Property Office will be needed before classifying an item as equipment.

FABRICATED EQUIPMENT:

Defined as an item constructed by combining modular components and/or materials into one functional unit with a unit cost of \$5,000 or more, a useful life of more than one year and the capacity to function without the assistance of another item. Allowable components consist of materials and supplies; unallowable costs include department labor, travel and other departmental operating expenses. Confirmation from the Property Office will be needed before classifying a unit as Fabricated Equipment.

Fabricated equipment is not subject to F&A costs. If, however, equipment is being fabricated for immediate sale or delivery to the sponsor, it must be budgeted as an 'other direct cost' on the spreadsheet and is subject to F&A costs.

DOMESTIC & INTERNATIONAL TRAVEL:

Generally allowable for Michigan Tech employees only. In some instances, non-employee travel may be allowable for Advisory Councils and/or collaborators who are not receiving any other form of payment.

PARTICIPANT SUPPORT COSTS:

The participant support cost category is for the support of participants or trainees only. Participant support costs are for direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.

Unless specifically approved in the sponsor solicitation, the participant support cost category should not include costs for items such as speaker or trainer fees, room rental fees, catering at the event, and supplies. These costs, however, are allowable and can be budgeted in the appropriate category within the non-participant direct costs portion of the budget.

Participant support costs are not subject to F&A costs.

OTHER DIRECT COSTS:

Consultants:

If consultants are named, the principal investigator must complete an 'Independent Contractor Questionnaire' located on the Human Resources web page. Michigan Tech employees cannot be paid as a consultant on a sponsored project.

Supplies:

Supplies may include technical supplies and supplies to be used in conference or training projects, but not general purpose office supplies.

Services:

Services may include costs for off campus services or for the use of on-campus equipment, labs, facilities, etc., as well as room rental fees or catering costs for conference or training projects.

Subawards:

When it becomes necessary for a principal investigator to contract or otherwise transfer a significant part of the research to another organization, a subaward will be included in the budget. At least 2 weeks prior to the proposal due date, the subawardee must provide the Sponsored Programs Office with a Subrecipient Commitment Form, an approved budget, a budget justification, and a scope of work. These documents must include the signature of an authorized representative from the subaward entity.

Each subaward is budgeted on two lines on the spreadsheet: the first \$25K, which is subject to F&A costs, and the amount in excess of \$25K, which is not subject to F&A costs.

Publication/Documentation:

Includes expenses for final reports, publication costs, etc.

Other:

Includes other allowable expenses that are not included in another category.

Tuition and Fees:

Refer to the 'Sponsored Programs Budget Estimating Tables for Tuition' document for tuition and fee rates. Summer tuition and fees may be budgeted for 1 or 3 credits. Tuition and fees may be budgeted in 25% increments in conjunction with the student's stipend.

Tuition and fees are not subject to F&A costs.

FACILITIES & ADMINISTRATIVE (F&A) COSTS:

Also known as indirect costs or overhead. The base amount for this calculation is 'modified total direct costs' which means the 'total direct costs' are modified to exclude equipment, fabricated equipment, tuition/fees, the portion of subawards in excess of \$25,000, participant support costs, and any external 3rd party cost share. The spreadsheet requires the input of an applicable rate and a collectable rate. If the two are not the same rate, a waiver of indirect costs will automatically calculate. Only one F&A rate is applicable per project.

If the sponsor limits the percentage of F&A to be requested, Michigan Tech will automatically cost share the difference. This limit must be referenced in the official RFP, Solicitation or Announcement, or other sponsor documentation.

IMPORTANT NOTE:

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.