# **DEVELOPING THE PROPOSAL BUDGET**

Once the major activities of the project have been identified, the proposal budget can be developed. A proposal must include a budget that details the costs required during the performance of the project. The proposal budget must be “in sync” with the project plan narrative. Most sponsoring agencies include specific guidelines for budget development; however, in the absence of specific guidance, cost principles for educational institutions, OMB Circular A-21, apply:

* Costs must be reasonable
* Costs must be allocable to the project
* Costs must be given consistent treatment through the application of generally accepted accounting principles
* Costs must conform to any limitations or exclusions set forth by A-21 principles or those of the sponsor

Funding sponsors frequently set limits on costs per year or project period. In those cases, the scope of the project should be consistent with the costs available under the program. In the absence of cost limitations, costs should be consistent with the scope of the project, which in turn should be consistent with the objectives of the sponsor or program.

**Budget Line Items:** The proposal budget consists of independent cost line items including, but not limited to, salaries and wages, fringe benefits, travel, materials and supplies, publications & printing, equipment, consultants, subcontracts, and indirect costs.

**Personnel Cost:** When drafting a budget, the first question is “what personnel will be required to accomplish the goals and objectives of this program?” Identify each classification of personnel; project director, other program professionals, technicians and students, for example. In determining personnel costs, it is important to distinguish between "calendar year", "academic year", and "summer" effort, as these costs incur differing fringe benefits costs. There are also Board of Regents and Clayton State University rules on extra compensation, and timing of effort, related to federal grants. Estimates for fringe benefits are based on the employment classification of the employee, as well as the timing of the effort. For salary and fringe benefits information, contact Nicole Harris at (678) 466-5497 or NicoleHarris@clayton.edu or CSU East, Woodlands Hall.

**Travel Cost:** What travel expenses are required?

* What travel does the program require?
* Where is the meeting or the conference?
* What is the approximate cost of airfare?
* When will the travel take place?
* How many persons will be attending?
* How many days will each trip take?

**Equipment Cost:** What equipment will be required to meet the program objectives? Is the equipment readily available or must it be purchased? If the equipment is purchased using sponsored funding, who will retain title after the program is completed?

**Participant Support Cost:** Are funds needed to support participants of the project? Participant support costs are stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of non-employee participants or trainees.

**Direct Expenses:** What other direct expenses are required?

* Materials and supplies
* Publications and printing
* Consultant and/or program evaluation services
* Computer or software support
* Subcontracts or Licenses

**What Facilities and Administrative/Indirect Costs must be added?** Clayton State University’s current federally negotiated Facilities and Administrative (Indirect) cost rate is 36.5% of direct salaries and wages, including all fringe benefits. For the University’s “off-campus” base rate for same salaries, wages and benefits, contact Nicole Harris at (678) 466-5497 or NicoleHarris@clayton.edu or CSU East, Woodlands Hall.

**Does the Sponsoring Agency Require Cost Sharing or In-kind Support?** Grant awards often include a contractual commitment requiring the grantee to “share” in the total cost of executing a sponsored program, refer to the section on *Contractual Commitments: Cash Match vs. In-Kind Support.* If cost share or in-kind support is required, you must identify the source of funding and obtain approval of the use of such funds from your Department Head/Associate Dean, Dean, and the Provost/Vice President of Academic Affairs, the VP for Business & Operations and the President, in some instances.

**Budget Narrative:** A budget narrative is often required by the sponsor. The narrative explains the method used for estimating and calculating costs and also justifies the need for the cost. For assistance in the development of your proposal budget and budget narrative, contact Nicole Harris at (678) 466-5497 or NicoleHarris@clayton.edu or CSU East, Woodlands Hall.

<http://www.clayton.edu/Grant-Contract-Programs/Links>