



WASHINGTON STATE
UNIVERSITY

CREATING A BUDGET & BUDGET JUSTIFICATION



WSU BUDGET INFO



WSU budget workbook template is located <https://orso.wsu.edu/forms-templates/>



Use the most recent template every time (it changes often)



Work with your research admin to create your budget



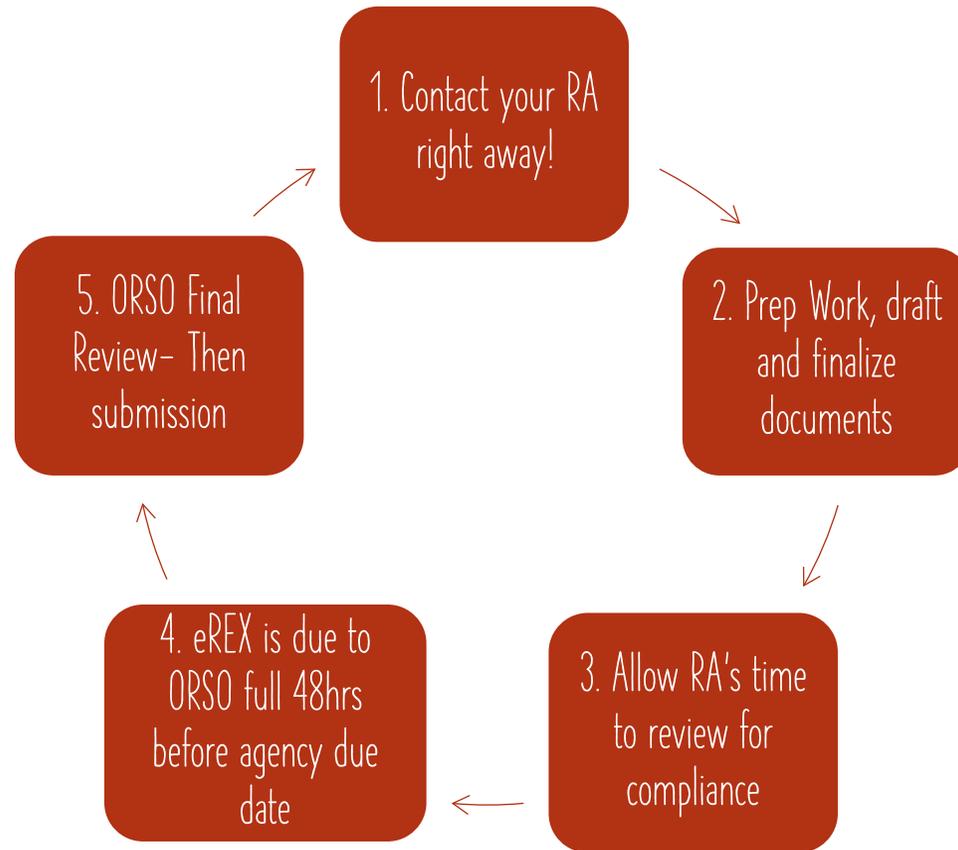
All WSU budgets must be certified by your Research Admin. and routed thru WSU Office of Research eREX system



All proposal submissions need a WSU budget- even if it a proposed budget.



TIMELINE FOR PROPOSAL SUBMISSION



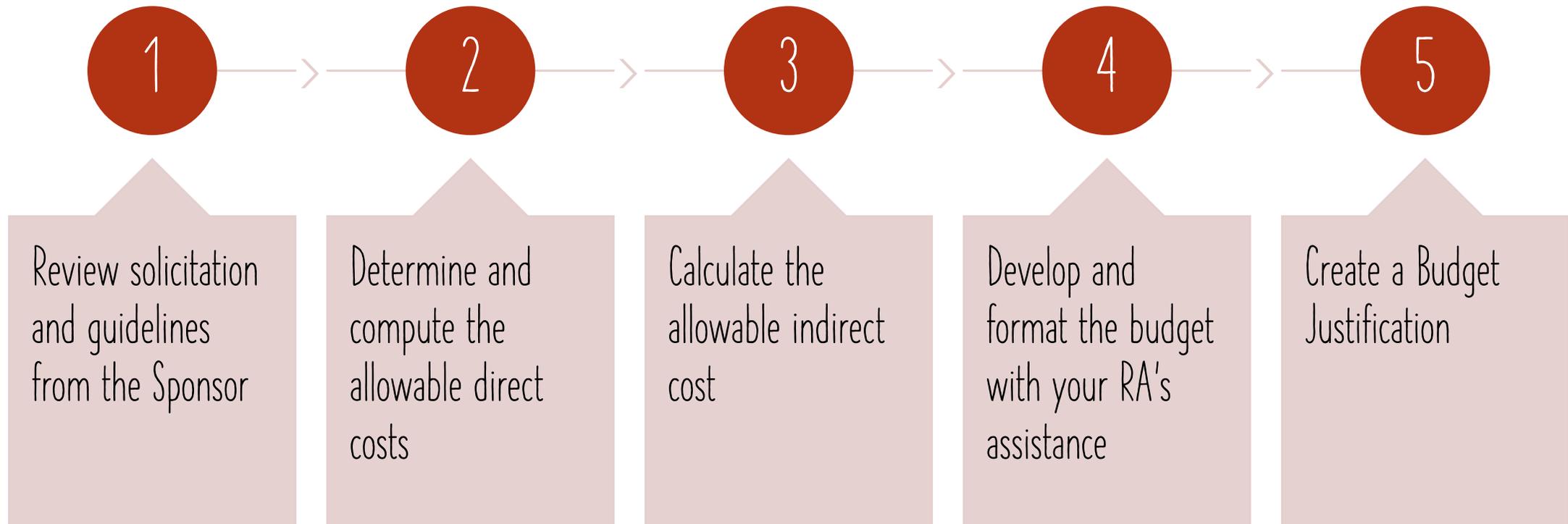


WHAT RA'S CAN PROVIDE FOR YOU?

- Start your WSU draft budget
- Start your eREX draft in myresearch
- Start your proposal online
- Email subaward Admin contact with list of documents needed with due dates
- Review proposal documents as needed
- Upload finalized documents online for submission
- Review of RFP/FOA– for accuracy of items needed
- Can provide templates if needed for proposal documents
- Process the eREX to ORSO



CREATING A BUDGET





WHAT IS A BUDGET?

- Best estimate of financial resources needed to accomplish a project
- Includes a Budget Justification which provides an explanation of included costs
- Allowable Direct Costs + Allowable Indirect Costs (F&A) = Total Project Costs
- Allowable means the costs are:
 - Reasonable*
 - Allocable*
 - Consistently applied*
 - Agreeable with Sponsor specifications

*These terms are taken from the Uniform Guidance



FORMAT THE BUDGET

- Different Sponsors require different formats for budgets
- Check the solicitation and general guidelines to determine if a specific program, form, or system is required for submission

Internal Budget

An internal WSU budget must always be prepared.

The internal budget is extremely helpful for your department and SPS review/post-award management

Remember:

Apply correct fringe and F&A rates to both the Sponsor and internal budgets

The internal budget must match Sponsor budget categories



WSU BUDGET TEMPLATE

<https://orso.wsu.edu/documents/2019/01/budget-workbook.xlsx>

This is located on the ORSO website under forms and templates.

IF ANY INTERNATIONAL COLLABORATION OR FOREIGN INVOLVEMENT IN THIS PROPOSAL IS EXPECTED PLEASE REVIEW THE INFORMATION FOUND AT http://www.orso.wsu.edu/international.asp												
PI Name(s):						YR1	YR2	YR3	YR4	YR5	YR6	TOTAL
Agency Name:												
00 - SALARIES	Pav Rate	# Mos.	% FTE									
PI:	0.00	0.00	0.00%	Salary		-	-	-	-	-	-	-
				Benefits	31.2%	-	-	-	-	-	-	-
PI:	0.00	0.00	0.00%	Salary	31.2%	-	-	-	-	-	-	-
				Benefits	31.2%	-	-	-	-	-	-	-
Co-PI:	0.00	0.00	0.00%	Salary	31.2%	-	-	-	-	-	-	-
				Benefits	31.2%	-	-	-	-	-	-	-
Co-PI:	0.00	0.00	0.00%	Salary	31.2%	-	-	-	-	-	-	-
				Benefits	31.2%	-	-	-	-	-	-	-
Co-PI:	0.00	0.00	0.00%	Salary	31.2%	-	-	-	-	-	-	-
				Benefits	31.2%	-	-	-	-	-	-	-
Post-Doc/Research Assoc:	0.00	0.00	0.00%	Salary	35.2%	-	-	-	-	-	-	-
				Benefits	35.2%	-	-	-	-	-	-	-
Classified Staff:	0.00	0.00	0.00%	Salary	42.5%	-	-	-	-	-	-	-
				Benefits	42.5%	-	-	-	-	-	-	-
PHD Student ~ Step #				Salary	QTR	-	-	-	-	-	-	-
QTR Inflation - 4%/year				Benefits	15.4%	-	-	-	-	-	-	-
Master Student ~ Step #				Salary	QTR	-	-	-	-	-	-	-
QTR Inflation - 4%/year				Benefits	15.4%	-	-	-	-	-	-	-
				Benefits	15.4%	-	-	-	-	-	-	-
01 - WAGES	\$ Per Hr.	Hrs/Wks	# Wks.									
Student:	\$0.00	0	0	Wages	2.2%	-	-	-	-	-	-	-
				Benefits	10.0%	-	-	-	-	-	-	-
Student (enrolled part-time) :	\$0.00	0	0	Wages	10.0%	-	-	-	-	-	-	-
				Benefits	10.1%	-	-	-	-	-	-	-
*Non-Student Temporary	\$0.00	0	0	Wages	19.5%	-	-	-	-	-	-	-
				Benefits	64.9%	-	-	-	-	-	-	-
**Non-Student Temporary	\$0.00	0	0	Wages	19.5%	-	-	-	-	-	-	-
				Benefits	64.9%	-	-	-	-	-	-	-
***Non Student Temporary	\$0.00	0	0	Wages	64.9%	-	-	-	-	-	-	-
				Benefits	64.9%	-	-	-	-	-	-	-
				Total Salary		-	-	-	-	-	-	-
				Total Wages		-	-	-	-	-	-	-
				Total Salary & Wages		-	-	-	-	-	-	-
07 - BENEFITS												
				QTR		-	-	-	-	-	-	-
				Total Benefits (minus QTR)		-	-	-	-	-	-	-
				Total Salaries/Wages/Benefits		-	-	-	-	-	-	-
02 - PURCHASED SERVICES (Personal Services Contracts and Consultants and Computer Services)												

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REVIEW SOLICITATION AND GUIDELINES

Review:

- Sponsor Guidelines
 - Request for Proposal (RFP)
- Specific Sponsor/application questions?
Contact your Grant Admin



Look for:

- Min./Max. Duration of the project
 - Floor/Ceiling for budget
 - Budget limitations and restrictions
- It is helpful to note the specific proposal you are applying for in the internal budget



HOW TO START THE DRAFT BUDGET?

- Send an email to your RA to get the help to start your WSU draft budget.

Basic example -email contains the following info.

- Start date: June 1, 2023
- End date: May 30, 2025

WSU budget each year:

- PI: 1 month summer per year
- 1 graduate students , 12 months per year
- Supplies: \$30k for each year
- Services: \$6k each year



TYPICAL BUDGET CATERGORIES

Personnel - i.e. Salaries, Wages,
and Benefits

Goods/Services - i.e. Project
related Supplies and Materials

Travel

Equipment

Consulting/Personal Services

Subaward

Participant Support

Facilities and Administration
Costs (F&A)/ Indirect Costs



DIRECT COSTS

- Determine and specify what *direct* expenses fit within the Sponsor guidelines and are necessary to complete the project

Common Direct Costs

- Salary/wages and fringe benefits for all personnel (including students)
- Travel costs (both domestic and foreign)
- Equipment (\geq \$5,000)
- Materials and supplies
- Subawards (direct and indirect costs)

Other Direct Costs

- Participant support costs
- Research Subject Compensation
- Publication costs
- Consultant services
- Computer service center charges

This list is not all-inclusive



PERSONNEL – I.E. SALARIES, WAGES, AND BENEFITS

Personnel Costs – *Salary/Wage Expenses*

- Salary is calculated using
 - 3 basic salary/wage bases:
 - Calendar Year (CY) - 12 months
 - Academic Year (AY) - 9 months
 - Summer Term - 1-3 months
- Seek assistance from your Grant Admin. in determining the salary/wages. Most payroll information is pulled from Workday.

Sponsors may impose a salary cap



DISCUSS COURSE BUYOUTS

Approved by chair

How it is calculated

Is showed on budget
like salary and
benefits



GRADUATE STUDENT PAYRATES:

Graduate Student Employees in Hourly Appointments

Academic Student Employees are paid hourly rates based on their working hours at half of the full-time equivalent (FTE). In the state of Washington, a full-time job for 12 months is equivalent to 2,088 hours per year, which is equal to 174 hours per month. Since Academic Student Employees work at a .5 FTE, their work hours are half of this full-time monthly total, resulting in 87 hours per month (174 divided by 2). The monthly salary figures provided in this context are based on these 87 hours.

- [Assistantship Salary Table \(Full\)](#)

Location	Admitted to Master's Program			Admitted to Doctoral Program			Doctoral Candidate		
	Step	Salary	Hourly	Step	Salary	Hourly	Step	Salary	Hourly
Pullman	59	\$2,318.50	\$26.65	64	\$2,437.00	\$28.01	69	\$2,561.00	\$29.44
Spokane, Prosser, Tri-Cities, Wenatchee	66	\$2,485.50	\$28.57	71	\$2,612.00	\$30.02	76	\$2,747.50	\$31.58
Mt. Vernon, Puyallup	73	\$2,664.50	\$30.63	78	\$2,800.00	\$32.18	83	\$2,945.50	\$33.86
Vancouver, Everett	84	\$2,974.00	\$34.18	89	\$3,124.00	\$35.91	94	\$3,284.50	\$37.75



WA STATE DEPT OF L & I

*CHANGES TO OVERTIME RULES

- The Department of Labor & Industries (L&I) has updated the employment rules that determine which workers in Washington are required by law to be paid at least minimum wage, earn overtime pay, and receive paid sick leave and other protections under the state Minimum Wage Act..
- Changes to these rules mean some employers might have to provide overtime, minimum wage, and paid sick leave to some employees who were previously treated as exempt. In other cases, employers may need to increase salaries for exempt employees.
- <https://www.lni.wa.gov/workers-rights/wages/overtime/changes-to-overtime-rules>



SALARY THRESHOLD

<https://www.lni.wa.gov/forms-publications/f700-207-000.pdf>

For large employers with 51 or more employees

When the rule takes effect	Multiply minimum wage by...	Projected salary threshold, weekly	Projected salary threshold, annual
July 1, 2020	1.25	\$675.00	\$35,100.00
Jan. 1, 2021	1.75	\$958.30	\$49,831.60
Jan. 1, 2022	1.75	\$1,014.30	\$52,743.60
Jan. 1, 2023	2	\$1,259.20	\$65,478.40
Jan. 1, 2024	2	\$1,302.40	\$67,724.80
Jan. 1, 2025	2.25	\$1,499.40	\$77,968.80
Jan. 1, 2026	2.25	\$1,537.20	\$79,934.40
Jan. 1, 2027	2.5	\$1,751.00	\$91,052.00
Jan. 1, 2028	2.5	\$1,795.00	\$93,340.00

Index. These projections have been updated from previous versions.

- These tables do not apply to computer professionals paid by the hour who have higher minimum wage multipliers.

PUBLICATION F700-207-000 [10-2024]



FRINGE BENEFITS

Personnel Costs - *Fringe Benefits*

Contact your Grant Admin for help with determining appropriate fringe "rate pools"

Fringe benefits include:

- Social Security
- University Retirement Programs
- Life Insurance
- Health Insurance
- Disability Insurance
- QTR= Qualified Tuition reduction
- Etc.

AVERAGE BENEFIT RATES	FY 2024 RATES
PI- FACULTY	31.2%
GRADUATE STUDENT	16.9% AY & 12% SUMMER
POST DOCS	35.2%

Example of some rate pools and rates



OTHER DIRECT COSTS

Materials and Supplies/ Publication Costs/ Computer Services/ Equipment or Facility Rental, or User Fees/ Ect.

Details to Include:

- List the general categories of expenses included in this budget area and include an amount for each category.
- For example, project-related supplies could include the categories of: software, educational or field supplies, and laboratory supplies such as chemicals, reagents, and glassware.

TIPS:

- Categories less than \$1,000 do not usually need to be itemized.
- *Do not* include general office supplies such as post-it notes, pens, pencils, etc.
- Don't forget tax and shipping costs on materials, supplies, and equipment ordered from an off-campus supplier.



TRAVEL

Details to Include:

- List destination and purpose of travel for each proposed trip.
- Provide breakdown of associated costs for each trip, e.g., airfare per person or mileage x mileage reimbursement rate; car rental; lodging per night per person; per diem per person x number of days.

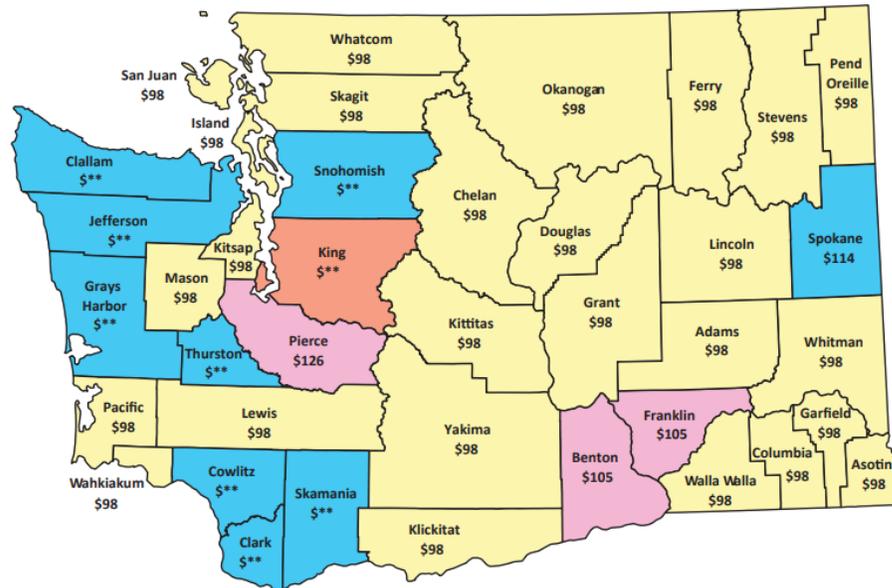
TIPS:

- *Use Per Diem and mileage rates from <http://www.gsa.gov> when estimating domestic travel.*



TRAVEL - WA STATE PER DIEM MAP

Per Diem Rates - As of October 1, 2022



Meal Rates			
TOTAL	B	L	D
\$59	\$14	\$17	\$28
\$69	\$17	\$19	\$33
\$74	\$18	\$20	\$36
\$79	\$19	\$22	\$38

\$ Maximum Lodging Rate
**** Seasonal Lodging Rates for Counties:**

Clark, Cowlitz & Skamania	06/01 - 10/31	\$182
	11/01 - 05/31	\$152
Clallam & Jefferson	07/01 - 08/31	\$206
	09/01 - 06/30	\$113
Grays Harbor	07/01 - 08/31	\$146
	09/01 - 06/30	\$111
King	05/01 - 10/31	\$232
	11/01 - 04/30	\$176
Snohomish	06/01 - 08/31	\$139
	09/01 - 05/31	\$116
Thurston	09/01 - 10/31	\$120
	11/01 - 08/31	\$140

POV Mileage Rate

The privately owned vehicle mileage reimbursement rate is \$0.625 per mile.
 (effective 7/1/2022)

For Out-of-State Per Diem Rates, refer to the GSA website at: <http://www.gsa.gov>. To get the total meal and incidental expense rate breakdown of individual meal allowances, refer the State Administrative and Accounting Manual (SAAM), Subsection 10.40.10.c

OFM Statewide Accounting



EQUIPMENT*

Equipment is defined as an item of property that has an acquisition cost of \$5,000 or more and an expected service life of more than one year. General-purpose equipment, such as a vehicle, is not eligible for support unless primarily or exclusively used in the actual conduct of the research, education, or outreach project.

Details to Include:

- List each item of equipment separately, and its cost. Briefly describe its purpose on the project and indicate the project year in which the item will be purchased.

TIPS:

- Don't forget to budget for necessary maintenance, repair, and upkeep in the goods and services section.
- Purchase near the beginning of the project.

*Not allowed by all agencies.



PARTICIPANT/TRAINEE SUPPORT COSTS*

The cost to support participants attending a conference, workshop, or training opportunity related to the proposed project or program. Expenses are usually paid on behalf of or directly to the participants or trainees who are generally not employees or students of WSU.

Details to Include:

- Costs should be itemized and justified with a dollar amount provided for each item. Costs could include scholarships, stipends, tuition, travel and subsistence.
- Participant travel should have the same level of detail as the non-participant travel.
- Must include the total number of people expected to participate in the workshop or conference.

**Not allowed by all agencies.*



SUBAWARD VS PERSONAL SERVICE AGREEMENT

 **Subaward vs. Personal Services Agreement –**
ORSO Guideline 22

Subrecipient	Vendor
<ul style="list-style-type: none">• Carries out SOW/Co-PI• Performance measured w/meeting objectives• Authority for administrative decisions• Responsible for program compliance	<ul style="list-style-type: none">• Provides a service available to many• Operates in a competitive environment

Remember!
When making your determination, the *substance* of the relationship is more important than the form of the agreement.



CONSULTANT SERVICES

Consultant Services - services provided are standard services provided to all & the collaborator works independently from the rest of the grant team. Can not hold a Co-PI role.

Details to Include:

- Identify each consultant, the services he/she will perform, the total number of days, travel costs, and the total budgeted.

Details to Include:

- Briefly indicate and describe the costs associated with the project. Include the name of the collaborator and his/her organization, a brief description of work to be performed, and a brief description of the expenses being charged to the project.



SUBAWARDS

Subawards:

A subaward is needed when the WSU Department or Principal Investigator would like to collaborate with a colleague at a different entity to complete the goals of the project.

$$\text{Subaward Direct Costs} + \text{Subaward Indirect Costs} = \text{Total Subaward}$$

- See Sponsor Guidelines or policy for any restrictions on F&A
- The WSU is allowed to recover indirect costs (F&A) on the first \$25,000 of each individual subaward for new or competitive proposals
- Once the subaward's total costs (which includes direct and indirect costs) reaches \$25,000 the remaining subaward costs will be removed from the modified total direct costs bases (MTDC) in subsequent years for the UI



The total subaward costs are included in the WSU Direct Costs

Indirect costs recovered against the first \$25,000 of each new/competitive subaward



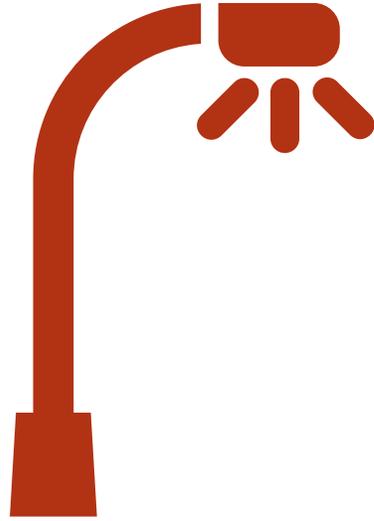
REQUIRED SUBAWARD DOCUMENTS:

**** ADMIN NEEDS SUBAWARD ADMIN CONTACT- TO EMAIL DETAILS

Here is a list of items needed from a subaward per WSU:

1. Statement of Work/ Scope of Work
2. Senior Personnel documents (CV, Current and Pending Support Doc, etc.)
3. Letter of commitment/support signed by authorized institutional official
4. Budget & Budget Justification
5. *F&A rate agreement
6. *FCOI Form - These are documents required by ORSO
7. *RCR Form - These are documents required by ORSO
8. *Financial documents- These are documents required by ORSO
9. *W-9 or W-8 BEN/BENE Foreign

Note: Agencies in the federal clearing house <https://fdpclearinghouse.org/> these * items will not be needed



DO YOU LIKE THE LIGHTS ON
IN YOUR LAB?



INDIRECT COST= IS A GOOD THING

Indirect Cost/ Facilities and Administration

These are costs that cannot be uniquely associated with a particular project, but which are nonetheless incurred by the university due to the project. They include costs such as departmental accounting and clerical support, network support, equipment depreciation, building and facilities operation and maintenance, library, general and sponsored projects administration. These costs are budgeted and charged as a percentage of some of the direct cost elements.



FACILITIES AND ADMINISTRATIVE COSTS

AKA: F&A, INDIRECT COSTS OR OVERHEAD

- F&A is the cost of doing business at WSU and supports buildings, lights, heat, maintenance, libraries, office support, etc.
- Our federally negotiated F&A rate must be applied to all externally funded projects, unless agency policy restricts or prohibits it.
- The US Department of Health and Human Services (DHHS) audits, reviews, and sets F&A rates for WSU.

Rates starting 7/1/2019 or later (% of Modified Total Direct Costs)

Type	On Campus	Off Campus
Research	53%	26%
Instruction	57.5%	26%
Other Sponsored Activity	36%	26%

Details to Include:

- Indicate how the indirect costs are determined, such as "Indirect costs are calculated at the WSU's federally negotiated indirect cost rate of 53% of modified total direct costs."



INDIRECT COSTS

Determining the MTDC

- The first step in calculating total indirect costs (F&A) is to determine the Modified Total Direct Cost base (MTDC)

$$\text{Indirect Costs} = \text{Modified Total Direct Costs (MTDC)} \times \text{Appropriate F\&A Rate}$$

$$\text{Total Direct Costs} - \text{Exclusions} = \text{MTDC}$$

Exclusions

- Equipment ($\geq 5,000$)
- Student tuition remission
- Subcontract costs above \$25,000
- Participant support costs
- Scholarships and fellowships
- Patient care costs
- Rental costs of off-site facilities
- Capital expenditures



INDIRECT COST STATEMENT:

- Facilities and Administration costs are calculated at Washington State University's approved F&A rate of 53% of the Modified Total Direct Costs (MTDC). Qualified Tuition Reduction (QTR), Participant Support cost/stipends and equipment, and all but the first \$25,000 of any subcontracts are excluded from the MTDC base. MTDC base is \$ xxx,xxx for a total of \$ xxx,xxx indirect cost. Cognizant Federal Agency: Department of Health & Human Services (Helen Fung; 415-437-7820).



BUDGET JUSTIFICATION

Budgets usually require justification which is a narrative explanation designed to help the Sponsor evaluate the expenses proposed for the project

Budget Justification writing tips:

- Follow the Sponsor proposal instructions closely
- Organize and align budget items for ease of review
- Provide adequate detail for items on the budget
- Explain why every cost/cost category on the budget is needed to accomplish the proposed project
- Make it clear that all budget requests are reasonable and consistent with Sponsor and University guidelines



WHAT IS COST SHARE

Uniform Guidance– defines cost sharing or matching funds as a portion of the project or program costs not borne by the federal government, and therefore covered by some other source.

- All units must consider the impact of extraordinary cost share on current resource availability and the ability to meet future mandatory cost share obligations when including voluntary cost share commitments in a proposal. The University discourages including cost share when not required by the sponsor, to avoid unnecessary administrative burden on faculty and staff and a negative impact on the University's F&A cost recovery efforts."

COST SHARE -WHAT IS ALLOWABLE PER WSU?



**DEPT APPROVAL WILL BE REQUIRED

list of examples of suggested cost share items (Per ORSO Guideline#2):

- 1) Faculty time: Salaries, wages, benefits, and F & A
- 2) Cash commitments from Departments, Colleges, and Organized Research.
- 3) Straight equipment match
- 4) Purchase of other new equipment
- 5) Replacement parts and maintenance contracts
- 6) Renovation of facilities
- 7) Potential cost share of space lease costs (if it is off-campus)
- 8) Leveraged Gifts
- 9) Leveraged/Related Grants from non-Federal Agencies (e.g. WA State agencies)
- 10) Graduate Research Assistantships (includes fringe and F & A)
- 11) Graduate student tuition waivers
- 12) Graduate Teaching Assistantships
- 13) Third party funding applied for or received
- 14) Subcontractors' portions of cost-sharing obligations
- 15) Volunteer contributions



SUMMARY

- 4 Steps for Creating a Budget

- 1. Contact your RA first!
- 2. Review solicitation and guidelines from the Sponsor
- 3. Develop and format the budget with your RA.
- 4. Create a Budget Justification

$$\begin{array}{r} \text{Allowable Direct Costs} \\ + \text{Allowable Indirect Costs (F\&A)} \\ \hline = \text{Total Project Costs} \end{array}$$

$$\text{Indirect Costs} = \text{Modified Total Direct Costs (MTDC)} \times \text{Appropriate F\&A Rate}$$



AVAILABLE RESOURCES:

- When in doubt check the request for proposal, agency guidelines and university guidelines and remember your department research administrator (RA) and central grants department(s) can be a wealth of knowledge!
- *Departmental RA List* <https://myresearch.wsu.edu/Grants/DepartmentContacts>
- *ORSO Guidelines (Guideline 2 & Budget Template)* <https://orso.wsu.edu/wsu-policies-guidelines>
- *Sponsored Programs Services* <https://sps.wsu.edu>



ANY QUESTIONS?





THANK YOU!