BUDGET DEVELOPMENT GUIDANCE

Budgets must be prepared in accordance with the applicable Office of Management and Budget (OMB) cost principles to determine allocable costs (consolidated in 2 CFR Part 200, Subpart D - Cost Principles), must include the appropriate indirect cost rate (when allowable), and include cooperator contributions (for the Non-Assistance Cooperative Agreement (NACA). Note that while the cost fields allow cents to be entered, all cost fields should be presented in whole numbers, unless an exact dollar amount is being awarded or deobligated. Please round to the nearest whole number.

OMB-Approved Budgets.

- OMB approved "**Research and Related Budget,**" also referred to as the **R&R Budget**, is to be used for the Grant and Cooperative Agreement. (The REE-455 budget is still available, for now.)

- OMB approved "**Research and Related Budget (Total Fed + NonFed),**" is to be used for the NACA. (The REE-454 budget is still available, for now.)

- **All** budgets require a Budget Justification.

- <u>The budgets are broken down by periods (12 months per budget period)</u>
  - ◊ A separate budget is required for each year and shall coincide with the "Period of Performance" identified on the Award Face Sheet (REE-451). (ARS, ERS and NASS agreements cannot exceed 5 years.)
  - ◊ If the Period of Performance specified in your award is less than a full year, the budget justification will identify the number of months.
  - ◊ When agreements are being modified to add funds, the budget(s) shall again reflect the number of year(s)/months being added.
  - ◊ Requests for budget revisions must specify which budget year the revision is to be applied, and must use the same format for budget information that was originally used. (refer to 2 CFR Part 200, Sec. 200.308)

Direct Costs. Those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. (2 CFR Part 200, Sec. 200.413)

Indirect Costs. Those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. (2 CFR Part 200, Sec. 200.56)

Modified Total Direct Cost (MTDC). All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first $25,000 of each subaward or

subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward and subcontract in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs. (2 CFR Part 200, Sec. 200.68)

Cooperator Resource Contributions. All NACAs require cooperator resource contributions. Cooperator Resource Contributions means a real and substantial contribution of resources (more than nominal), in furtherance of the objective(s) of the award, in order to evoke a partnership such that all parties to the agreement have a true stake in the project. The cooperator must contribute non-Federal funds in support of the project for which they intend to engage in research of mutual interest with the Agency. More information on cooperator resource contributions is found in 7 CFR Part 550, Sec. 550.109(a)(3) Budget.

Cost Sharing or Matching. For Grants or Cooperative Agreements, cost sharing or matching refers to a statutorily specified percentage, whether specified as a fixed or minimum percentage of non-Federal participation in an allowable program or project costs that must be contributed by a recipient in order to be eligible for Federal funding or a not-to-exceed percentage of Federal participation. Cost sharing or matching means the portion of project costs not paid by Federal funds. Allowability of costs for cost sharing or matching purposes is determined by the applicable cost principles. Some subawards have matching costs. (2 CFR Part 200, Sec. 200.29 and 200.306)

Reimbursement of Indirect Costs. If the cooperator is eligible to receive reimbursement for indirect costs, then:

- The Cooperator's negotiated indirect (F&A) cost rate agreement (NICRA) must be reviewed by the Agency ADO to determine the applicable rate.
- The NICRA in effect at the start date of the period of performance will be used to determine the amount budgeted for indirect costs for each year of the award.
- A copy of the current NICRA must be provided to the Agency for inclusion in the official file.

BUDGET CATEGORIES

Salary Costs – Provide a breakdown of roles, no. personnel per role, and period of time per role. Total Salary, Wages and Fringe Benefits will populate with the justification on the Budget Justification page. Details of collaborators at other organizations will be provided in the Subaward budget for each subaward organization.

A. Senior/Key Person – include the name(s) of senior/key person(s) of the cooperator who is/are involved on the project in a particular budget year. Details of collaborators at other institutions will be provided in the Subaward budget for each subaward entity. Project Role could also include such roles as Co-PI.
B. Other Personnel (Post-doctoral Associates, Graduate Students and Undergraduate Students) - For each project role category identify the number of personnel proposed.

C. Support Personnel - In most circumstances, the salaries of administrative or clerical staff at educational institutions and nonprofit organizations are included as part of indirect costs.

Do not include consultants in this section. Consultants are included in Other Direct Costs.

Equipment – List tangible personal property items (including information technology systems) and estimated cost of each item exceeding $5,000. Include shipping and any maintenance costs and agreements. Justify each item in the Budget Justification.

Travel – Costs are allowable for expenses for transportation of persons, lodging, subsistence, and related expenses incurred by the cooperator's employees in travel status on official business. In the Budget Justification include the purpose, destination, dates of travel (if known), and number of individuals for each trip.

Participant/Trainee-Support Costs – not applicable at this time. Use All Other Direct Costs should this category be required.

Materials & Supplies – Describe costs to be directly purchased to support the project. In the budget justification, indicate general categories such as glassware, chemicals, animal costs, including an amount for each category.

- Categories less than $1,000 are not required to be itemized.
- Tangible property is a supply if the purchase cost is under $5,000.
- Computing devices (i.e., laptops, tablets; desktop computers) are a supply if the value is under the $5,000 threshold for equipment.

Publication Costs – List the funds requested for the costs of documenting, preparing, publishing, or otherwise making available to others the findings and products of the work conducted under the award. In the budget justification include supporting information. Examples: journal fees (includes on-line journal fees); CD/DVD publication; policy briefs; infographics; joint symposium book chapters.

ADP/Computer Services – List costs for ADP/computer services. The cost may include computer-based retrieval of scientific, technical and education information; wireless charges per session; software updates and software licenses; internet charges. In the budget justification, include the established computer service rates at the proposing organization, if applicable.

Subawards – List each subaward by entity name and respective budget total (include both direct and indirect costs). Copies of subaward budgets must be provided.[1]

[1] Contractual Costs – The R&R Budgets place this type of cost under Subawards/Consortium/Contractual Costs. Contractual costs for support services, such as the laboratory testing of biological materials, clinical services, or data processing, are occasionally sufficiently high to warrant a categorical breakdown of costs. When this is the case, provide detailed information as part of the budget justification.

All Other Direct Costs – List and describe each "other direct cost" such as consultant services[2]; contractual costs for support services such as laboratory testing of biological materials; genome sequencing; Equipment or Facility Rental/User Fees (i.e., audio-visual rental; leased computer equipment; nursery charges; greenhouse bench fees); tuition remission for grad students (when allowable); Participant/Trainee Support Costs.

Indirect Costs / Facilities & Administrative (F&A) Costs –

- Indicate the indirect Cost Type (e.g., Salary & Wages, MTDC, or Other [explain]). Also indicate if off-site/off-campus. If more than one rate/base is involved, use separate lines for each.
- Indicate the most recent indirect (F&A) cost rate(s) (%)
- Indicate the amount of the base for each indirect cost type

Budget Justification – Use the Budget Justification to provide the additional information required for each budget category identified above, and any other information which supports the cooperator/recipient's budget.

- The following budget categories must be justified, when applicable: equipment, travel, participant/trainee support and other direct cost categories.
- Only one file may be attached. The attachment is required.

This is a link to the Electronic Code of Federal Regulations: http://www.ecfr.gov

The R&R Budgets are available via the ARS, AFM, Partnership Resources web page.

[2] Consultant Services – The R&R Budgets places this type of cost under Subawards/Consortium/Contractual Costs. List the total costs for all consultant services. In the budget justification, identify each consultant, the services he/she will perform, total number of days, travel costs, and the total estimated costs.