

The budget for a project develops directly from the activities and the time required to complete the project. It naturally follows the narrative and should be as accurate as possible, based on estimated costs. When a project extends for more than one year, an annual budget should be developed, as well as a cumulated one which shows the overall costs.

A budget consists of direct costs—those attributable to the actual project—and indirect costs—those incurred by the University for its management and infrastructure support of the project. Indirect Costs are negotiated by the University annually and are based on salaries and wages (excluding fringe benefits) for personnel working on the project. Call the Office of Research and Sponsored Programs or look in the Office of Research and Sponsored Programs web site under [Institutional Facts](#) for the most current figure. Except where they are specifically disallowed by the funding agency, indirect costs should be requested as part of the budget.

In preparing the budget, read carefully the guidelines from the funder. A funder often establishes limits on allowable costs, and may describe certain expenses as ineligible for funding. A proposal budget must also comply with University policies and current agreements with the bargaining units. A budget consists of several categories of expenses, some of which are listed below. The cost within each category must be based on actual calculations which are explained in a budget narrative.

### **1. Released Time and Summer Month Pay**

Not all funders will support additional pay for faculty members during the academic year. However, a funder may support the value of time someone will commit to the project. The Vice President for Academic Affairs gives final approval for requests for released time. As regards summer pay, the University and the bargaining unit have established policies on how much one can earn in addition to one's regular salary. Check the current Agreement for the limits, which have been thirty percent of base salary. In calculating a pay scale for the summer, check with Human Resources for the base salary of the person working on the project, which is then divided by 10 to find the "value" of one summer month's work.

To calculate the value of released time, divide the base salary of a faculty member by six, since the normal teaching load is six courses per year. This will result in the "value" of one course release which is the commitment of 1/6 of one's full-time to a project. Any variation of this calculation uses the same approach; that is, estimate the percentage of time to be spent on a project and calculate the salary costs of that time by using the same percentage of the base pay.

## **2. Salaries**

Salary is based on time spent at a particular activity and the expertise involved to complete the tasks. A salary is different from a stipend, which is a fixed amount “contracted” for a specific job. A stipend is entered in a different budget category and can be considered a payment for services.

Salaries must be appropriate to the time and task, whether for professionals or student assistants. Calculate the number of hours required to do the job and the pay scale.

## **3. Fringe Benefits**

Any salary charged to the project must also be associated with fringe benefits. These are figured generally at 7.65% of the salary for part-time and summer work. Full-time employment—and this includes the portion of a salary budgeted for course release—should be figured at 40.15% for fringe benefits.

## **4. Travel**

Often a funder asks that the outcomes of a project be distributed at conferences, or that the project principals attend training. Costs for these expenses should be identified specific to an appropriate conference or estimated for the number of people who will be traveling. Mileage costs should be figured at the allowable rate in New Jersey. Add citation of reference for funding rates.

## **5. Supplies, Equipment**

These should be figured based on the activities of the project. Funders often know when a budget is inflated, so be certain to request amounts that are appropriate. Equipment costs should be based on manufacturer’s cost for educators. Equipment costs are rarely estimated and often require documentation from the manufacturer.

## **6. Consultants**

These are payments to experts who will perform a fee for service, e.g. a fixed amount to be given for an assessment of the project. There are no fringes charged.

## **7. Indirect or Facilities and Administration (F&A) Charges**

These are added to the direct costs of a project and are based on rates negotiated by the University with the federal government. The negotiation is a result of an analysis of space, utilities, University budgets, and so on and provide the University with the authority to request compensation for these expenses.

Grant-seekers are encouraged to request the full amount allowed by the funding source.