

POLICY

Proposal Budgets

Topic: Sponsored Awards Admin	Department: Grants	Policy No: 5.30.01	Effective Date: 12/26/14	Page No: 1 of 3
---------------------------------------------	------------------------------	------------------------------	------------------------------------	---------------------------

Purpose: Boyce Thompson Institute for Plant Research (BTI) prepares their best estimate of the funds required to carry out the project's statement of work and present it in detail in the budget proposal. This policy provides guidance to be used in developing supportable proposal budgets in accordance with OMB Circular A-122, A-110 (prior to 12/26/14), and 2 C.F.R. 200 Uniform Administrative Requirements for Federal Awards (effective 12/26/14), as well as terms of the individual contract or grant.

Policy:

1. It is the policy of BTI that the Principal Investigator (PI) is responsible for the preparation of a proposal budget that is an accurate appraisal of costs necessary to perform the proposed scope of work.
2. It is essential that the PI work closely with their Grants Manager in establishing a complete and reasonable budget.
3. The proposal budget should be as detailed and complete as possible. The PI should utilize the standard budget format required by the sponsor.
 - While it is understood that the budget is an estimate of future needs, all costs of the project should be considered and included.
 - Estimates should be prepared for the total cost of the project with a breakdown of cost per year.
 - All direct cost budget items should include an appropriate and reasonable increase for inflation for each future budget year in all categories, especially salaries unless the sponsor guidelines specify otherwise.
 - Contributions from other sources, if required by the sponsoring agency, should be listed in a separate budget in similar categories.
4. The proposal budget is composed of direct costs, Facilities and Administrative Costs (IDC) (as applicable), and a budget justification.
 - Direct costs are all costs that can be directly attributed to the conduct of the project and are specified in the proposal budget.
 - Generally, these costs can be readily identified and are itemized by name and amount.
 - The PI should utilize the current IDC and fringe rate agreement that has been negotiated with BTI's cognizant federal audit agency.
 - A budget justification page immediately follows the budget explaining the items that are requested that are necessary in order to perform the proposed work.
 - PIs should indicate how cost estimates were derived for each of the direct cost items unless already obvious.

POLICY

Proposal Budgets

Topic: Sponsored Awards Admin	Department: Grants	Policy No: 5.30.01	Effective Date: 12/26/14	Page No: 2 of 3
-----------------------------------------	------------------------------	------------------------------	------------------------------------	---------------------------

- The justification page should be organized in the same order and reconciled to the budget itself, although not every item in the budget may require justification.
- 5. Some budget costs are included in the BTI IDC calculation and are not allowable when listed as direct costs in a proposal budget. Proposal budget costs should be consistent with the following BTI policies:
 - 5.100.05, Determining Allowable, Allocable and Reasonable Costs Policy;
 - 5.100.01, Accounting for Unallowable Costs Policy.
- 6. The proposal budgets should consider any sponsor limitations on costs. Careful consideration should be given to IDC rate limitations and proposals where the agency has limited the total funds that may be requested.
- 7. All proposals requesting support from any sponsor, either government or non-government, must include a request for full IDC recovery (see 5.120.02, Recovery of Indirect Costs Policy).
 - Some sponsors, particularly certain foundations, have specific written policies that preclude the use of BTI's full IDC rates.
 - All requests for IDC rate modifications or waivers should be submitted to the Vice President of Finance and Operations for approval unless specific IDC rates or IDC rate limits are stated in the proposal guidelines.
- 8. It is BTI's policy to include only the amount of cost sharing in the budget that is required by the agency (see 5.80.05, Cost Sharing Methods and Uses Policy).
 - Cost sharing that is not required should not be shown in the budget but may be referenced as additional available resources within the narrative section of the proposal or cover letter without indicating a dollar amount.
 - Cost sharing reflected in the budget will be reviewed for accuracy and acceptability by the Vice President of Finance and Operations. Cost sharing is subject to the same documentation standards as the sponsor funded costs.
 - When cost sharing is included in a proposal, once the project is awarded, the cost sharing becomes mandatory.
 - The PI is responsible for ensuring that all required cost sharing is met.
 - Failure to fulfill cost sharing may result in proportional reduction in the agency funding.
- 9. When budget proposals for certain federal sponsored awards must be certified, the Vice President of Finance and Operations must review and verify that the budget



POLICY

Proposal Budgets

Topic: Sponsored Awards Admin	Department: Grants	Policy No: 5.30.01	Effective Date: 12/26/14	Page No: 3 of 3
---------------------------------------------	------------------------------	------------------------------	------------------------------------	---------------------------

information is accurate, complete, and current as of the date of submission (see 5.30.02, Certified Proposal Budgets Policy).