UNIVERSITY OF MIAMI
SPONSORED PROGRAMS POLICIES AND PROCEDURES

Section B: Proposal Preparation
Policy B2: Proposal Budget Preparation and Review

PURPOSE:

To establish a policy and procedure to assist faculty members in applying for funding for academic and research programs to be conducted at the university. The procedure shown below will provide advice and information on the format and content of the budget portion of sponsored proposals.

DEFINITIONS:

Budget: The financial expenditure plan to carry out the project. The budget encompasses both the sponsor and non-sponsor share of the proposed plan. It also includes both direct and facilities and administrative costs (formerly indirect costs).

Budget Period: The interval of time (usually 12 months) into which the project is divided for budgetary and reporting purposes.

Budget Category: Groupings of allowable costs into standard generic classifications (e.g., laboratory supplies into a standard supply category). Many sponsor formats require groupings for budget submission.

POLICY:

The faculty member, now to be referred to as a principal investigator (PI), is responsible for the preparation of the proposal budget. This budget must be consistent with the scope of the project.

The budget must be an accurate estimate of the costs to be incurred. This estimate must be based on current and projected cost factors and considerations necessary to meet the project’s objectives.

The proposal budget is a potential commitment of university resources. The university requires the use of budgeted costs as the basis for cost control of sponsored projects.

The university will provide the necessary support services to the PI to assist in preparing an accurate budget in conformity with the sponsor requirements and university policies. This support is the responsibility of Research Administration (RA).

REFERENCES:

PHS Grants Policy Statement.
Research Administration website at http://www6.miami.edu/umpara
PROCEDURES:

General Requirements

1. The proposal budget is prepared in draft form by the PI with assistance from his/her department’s staff, when available, and consultation with other faculty members, department heads, and RA personnel.

2. RA reviews the budget as a part of the proposal package prior to its submission to the sponsor. If the PI does not have departmental support and requires assistance in preparing the budget, RA will assist in the budget preparation.

Proposal Budget Format and Guidelines

1. Prior to preparing the budget, the following should occur:

   - The PI should prepare the technical proposal. The technical proposal’s scope of work, objectives, and approach will be based on an attempt to minimize costs and thus increase the potential of acceptance and funding by the sponsor.

   - Once the technical proposal has been completed, the PI can determine if the project is economically feasible within the funding limits specified by the sponsor. Where such guidelines are unavailable, prior experience and associates or RA personnel may help to make the determination. This determination should be based on similar efforts performed at the university for the same sponsor.

   - Cost estimates will be made in conjunction with authoritative university offices or departments. For example, the Human Resources Office can provide salary and wage cost data and the Purchasing Office can provide up-to-date materials or supply costs. RA can assist the PI in providing cost information such as currently effective facilities and administrative costs (formerly indirect cost) and fringe benefit rates, salary increments, and other rates that may be applicable when the budget period overlaps into university fiscal years.
2. Budget Cost Considerations:

Due to changes in fiscal policies and budget formats of potential sponsors and changes in the university’s facilities and administrative rates and fringe benefit rates, PI’s are encouraged to consult with RA when preparing the proposal budget.

The budget should be prepared once the technical proposal requirements are identified.

Typical items to be considered when preparing a budget may include but are not limited to:

- Personnel costs (University of Miami employees only), including:
  - Principal investigator
  - Co-principal investigator
  - Faculty participants
  - Research assistants
  - Postdoctoral associates
  - Graduate and undergraduate assistants
  - Technicians, machinists, animal caretakers, etc.
  - Fringe benefits for personnel included on budgets (except for student employees)
- Outside consulting fees
- Equipment (items purchased or fabricated costing $2,500 and over)
- Animal maintenance
- Supplies/materials of technical nature
- Communications (long distance)
- Travel, both domestic and foreign
- Shipping/freight
- Publication costs
- Alterations and renovations
- Patient care costs, both inpatient and outpatient
- Tuition, stipends, and required fees
- Rental charges for vessels, cars, equipment, space, etc.
- Subcontracting of outside services
- Facilities and administrative costs (formerly indirect costs)
- Cost sharing
- Matching funds

Please review the Sponsored Programs Policies and Procedure, Section F “Cost Principles” for detailed information on the above.

3. Once the types of costs expected to be incurred for the research project have been identified, a draft of the entire cost estimate should be prepared. RA can assist by providing the PI with a worksheet for this purpose. If the PI does not have departmental support and requires assistance in preparing the budget, RA will complete the budget worksheet. This worksheet will provide a format and instructions to make the budget conform closely to sponsor formats.

4. A draft budget with the required justification for costs is prepared using the worksheet mentioned above or a copy of the sponsor’s budget form. If the PI/department prepared the budget, a completed draft must be submitted to RA with the proposal. The budget will be
reviewed for completeness and mathematical accuracy. Any questions arising out of this review are directed to the PI.

5. The budget review will include a validation of salary and wages, fringe benefit rates, and facilities and administrative costs (formerly indirect costs). Experienced personnel in that office will review budget category totals as they relate to both the estimated total cost of the project and other budget categories and to the type of research project that is being proposed. This review will assist them in suggesting appropriate budget changes.

RA is also responsible for reviewing the proposal to ensure the format and budget meets federal or other sponsor requirements. These requirements include particular consideration to separate line items for all costs requiring prior approval.

6. The final budget must be submitted on the form provided by the sponsor and as part of the complete proposal package.

7. For additional information on budget approval and submission, see Sponsored Programs Policy/Procedure B2.3, “Proposal Approval, Submission, and Signature on Behalf of the University.”

For additional information on budget negotiation, see Sponsored Programs Policy/Procedure B4, “Negotiation.”

For additional information on budget revisions, see Sponsored Programs Policy/Procedure F8, “Pre-award, Rebudgeting, & No-cost Extensions using the Institutional Prior Approval Request (IPAR) System.”