PREPARING CLEAR & EFFECTIVE BUDGETS & BUDGET JUSTIFICATIONS

NOVEMBER 2021
Proposal and Award Policies and Procedures Guide (PAPPG)

- The current PAPPG is NSF 22-1, the new guide will be NSF 23-1, and so on.
- This document is referred to as the “PAPPG” or the “PAPP-G”
PROPOSAL BUDGET

• Allows reviewers and NSF staff to understand where taxpayer dollars will go and how they will be spent.

• When preparing a proposal budget always remember that all costs need to be allowable, allocable, reasonable and necessary.
NSF regards research as one of the normal functions of faculty members at institutions of higher education.

Compensation for time normally spent on research within the term of appointment is deemed to be included within the faculty member’s regular organizational salary.
BUDGET LINE D: EQUIPMENT

- >$5K
- Not permitted by the AISL solicitation
BUDGET LINE E: TRAVEL

• Travel for project staff and other employees must be specified, itemized and justified by destination and cost. Use gsa.gov for federally acceptable costs.

• This line item is not intended to support travel for participants, consultants, or others who are not employees of the lead institution.

E. Travel.

E.1. Domestic

NSF PI Meeting – Years One and Three:
The PI will attend the Biannual NSF ASSL two-day PI meeting as required, ($1,325 per trip, 2 nights, 3 days of travel, $253/night lodging, $69/day per diem, $595 air fare, $50 ground transportation).

Professional Conferences – Year Three:
2 staff members will attend appropriate professional meetings to present project activities and findings. Estimate 2 nights, 3 days of travel, $1,662 per person, per trip, $250/night lodging, $65/day per diem, $700 air fare, $300 registration.
BUDGET LINES F1-F4: PARTICIPANT SUPPORT

• This budget category refers to direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of project participants or trainees only (not employees or those providing services to the project).

• Any additional categories of participant support costs other than those described in 2 CFR § 200.75, such as incentives, gifts, souvenirs, t-shirts and memorabilia, should be listed in G6: Other. (See slide for Budget Line G6.)

• What are “participants?”
What is Participant Support?

Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (not employees) in connection with NSF-sponsored conferences or training projects.

2 CFR 20.75
The following slides will provide insight into several sub-categories of the G. Other Direct Cost section of the Proposal Budget.
BUDGET LINE G1: MATERIALS AND SUPPLIES

- Up to $5K per item
- Provide sufficient detail of what the item is
- Provide a rationale for its use in the project
BUDGET LINE G2: PUBLICATION COSTS

- Open Access and related costs
BUDGET LINE G3: CONSULTANT SERVICES

• Professional and consultant services are services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the proposing organization.

• Costs of professional and consultant services are allowable when reasonable in relation to the services rendered and when not contingent upon recovery of costs from the Federal government. Anticipated services must be justified and information furnished on each individual’s expertise, primary organizational affiliation, normal daily compensation rate, and number of days of expected service.

A Common Mistake

Advisory Committee Costs
BUDGET LINE G4: COMPUTER SERVICES

• Webhosting and similar
BUDGET LINE G5: SUB-AWARD

- A subaward is to an institution for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient.

- A separate budget and a budget justification of no more than five pages, must be provided for each subrecipient, if already identified, along with a description of the work to be performed.
Sub-Awards v. Contracts

**Sub-Awards**
A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient.

**Contracts**
A contract is for the purpose of obtaining goods and services for the non-Federal entity’s own use and creates a procurement relationship with the contractor.

2 CFR 200.330 & 2 CFR 200.414
When necessary to accomplish program objectives, and if reasonable in amount, incentive costs can be allowable. “Any other direct costs not specified in Lines G1 through G5 must be identified on Line G6. Such costs must be itemized and detailed in the budget justification.”

PAPPG: Part I Proposal Preparation Instructions, Section II, sub-section 2G-f

Remember, they must be documented and easily tracked. Cash cards & gift cards with trackable numbers are typically used.
Incentive Payments

When necessary to accomplish program objectives, and if reasonable in amount, incentive costs can be allowable.

Remember, they must be documented and easily tracked. For example, gift cards with trackable numbers may be allowable.

2 CFR 200.430(f)
BUDGET LINE I: INDIRECT COSTS

• Except where specifically identified in an NSF program solicitation, the applicable US Federally negotiated indirect cost rate(s) must be used in computing indirect costs for a proposal.

• If an institution does not have a federally negotiated indirect cost rate, it should use the 10% de minimus rate.
Indirect Costs

Costs that are not readily identifiable with a particular cost objective but are still necessary for the general operation of a project

Must use current federally negotiated rate on proposals

Supplemental funding must use IDC rate from the Agreement in place at the time of original award

2 CFR 200.414
Questions