Indirect Costs/F&A?

Subaward/Consultants?

Salary Savings?

Fringe Benefits?

Allowable/Unallowable Costs?

Cost Share?

Budgets
Project Budget

List of anticipated project costs that represent the PI’s best estimate of funds needed to support work described in a proposal.

\[ \text{Direct Costs} + \text{Indirect Costs/F&A} = \text{Total Project Budget} \]

\[ \$100,000 + \$33,750 = \$133,750 \]
All Proposed Costs Must be:

- **Allowable**
  Consistent with federal regulations, sponsor guidelines and NDSU policies

- **Reasonable**
  Reflects costs that a “prudent person would accept”

- **Allocable**
  - Costs can be assigned to a project objective in a “reasonable and realistic proportion”
  - Costs are allocable to a proposal when incurred solely for the benefit of the sponsored project

- **Consistently Treated**
  Handling similar costs in the same manner as either a direct or indirect cost
Direct Costs

Direct costs are defined by the federal government as "costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easy with a high degree of accuracy." Examples include:

- Personnel (salaries and fringe benefits)
- Equipment
- Travel
- Professional Services/Consortium/Contractual Costs
- Materials & Supplies
- Other Direct Costs (e.g., tuition, publications, service center costs)
**Fringe Benefits**

If you are budgeting employee salaries to be paid from a sponsored project, you must also budget a proportionate amount for fringe benefits.

### Fully Benefited Positions:

<table>
<thead>
<tr>
<th>Annual Salaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(above $100,000)</td>
<td>30%</td>
</tr>
<tr>
<td>(between $75,000 and $99,999)</td>
<td>30 - 38%</td>
</tr>
<tr>
<td>(between $50,000 and $74,999)</td>
<td>38 - 48%</td>
</tr>
<tr>
<td>(between $25,000 and $49,999)</td>
<td>48 - 78%</td>
</tr>
<tr>
<td>(below $24,999)</td>
<td>78%</td>
</tr>
</tbody>
</table>

### Non-Benefited Positions:

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time graduate or undergraduate students:</td>
<td>3%</td>
</tr>
<tr>
<td>(Students taking classes during the semester they are employed.)</td>
<td></td>
</tr>
<tr>
<td>Part-time staff/students that do not meet <a href="#">ACA guidelines</a></td>
<td>10%</td>
</tr>
<tr>
<td>(Includes students NOT taking classes during the semester they are employed, such as summer.)</td>
<td></td>
</tr>
<tr>
<td>Part-time staff/students that do meet <a href="#">ACA guidelines</a></td>
<td>10% + $4,564</td>
</tr>
</tbody>
</table>

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[^ACA guidelines]: Please refer to [ACA guidelines](#) for detailed information.
Indirect Costs/F&A

Indirect costs/F&A, are charges that cannot be directly tied to a project. However, a portion of these costs are recovered by NDSU through our federally negotiated F&A rate agreement. Types of activities (research, instruction, other) are defined in NDSU Policy 813.

Indirect costs are charged as a rate and include expenses that cannot be charged directly to grants and contracts, such as:

- lights and heat
- snow removal
- office supplies
- building maintenance
- the services of administrative offices (e.g., Sponsored Programs, Library)
NDSU Federally Approved Indirect Cost/F&A Rate

<table>
<thead>
<tr>
<th>Sponsored Activity</th>
<th>On Campus</th>
<th>Off Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research (effective 7/1/2014-6/30/2022)*</td>
<td>45.0% of MTDC</td>
<td>26.0% of MTDC</td>
</tr>
<tr>
<td>Instruction (effective 7/1/2014-6/30/2022)*</td>
<td>50.5% of MTDC</td>
<td>26.0% of MTDC</td>
</tr>
<tr>
<td>Other Sponsored Activity (effective 7/1/2014-2022)*</td>
<td>43.2% of MTDC</td>
<td>26.0% of MTDC</td>
</tr>
</tbody>
</table>

*Effective dates are for projects starting within the date range specified.
How to Calculate Indirect Costs/F&A

\[ \$100,000 \ - \ \$25,000 \times 0.45 = \$33,750 \]

Total Direct Costs - Exclusions (e.g. equipment, tuition) \times Required Indirect Cost Rate = Total Indirect Costs
Budget Justification

- Ties budget into workplan
- Explains why each cost is essential to performing the project
- Explains how project costs were estimated
- Explains any special circumstances applicable to the project
- Is concise and easy to read
- Be organized and follow the detailed budget page
- Most importantly, check to be sure math is correct
- Templates are available on RCA website
Frequently Asked Questions

• Should I include salary support for myself?
• What are salary savings?
• Are there costs I can’t include in a budget?
• How much should I pay students, post-docs etc…?
• What happens to the indirect costs that are collected?
• Does NDSU waive indirect costs?
• Can I include cost share in my budget?
• What are participant support costs?
• What is a consultant vs a subaward?
Sponsored Programs Contacts

- Val Kettner, Associate Vice President  
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