

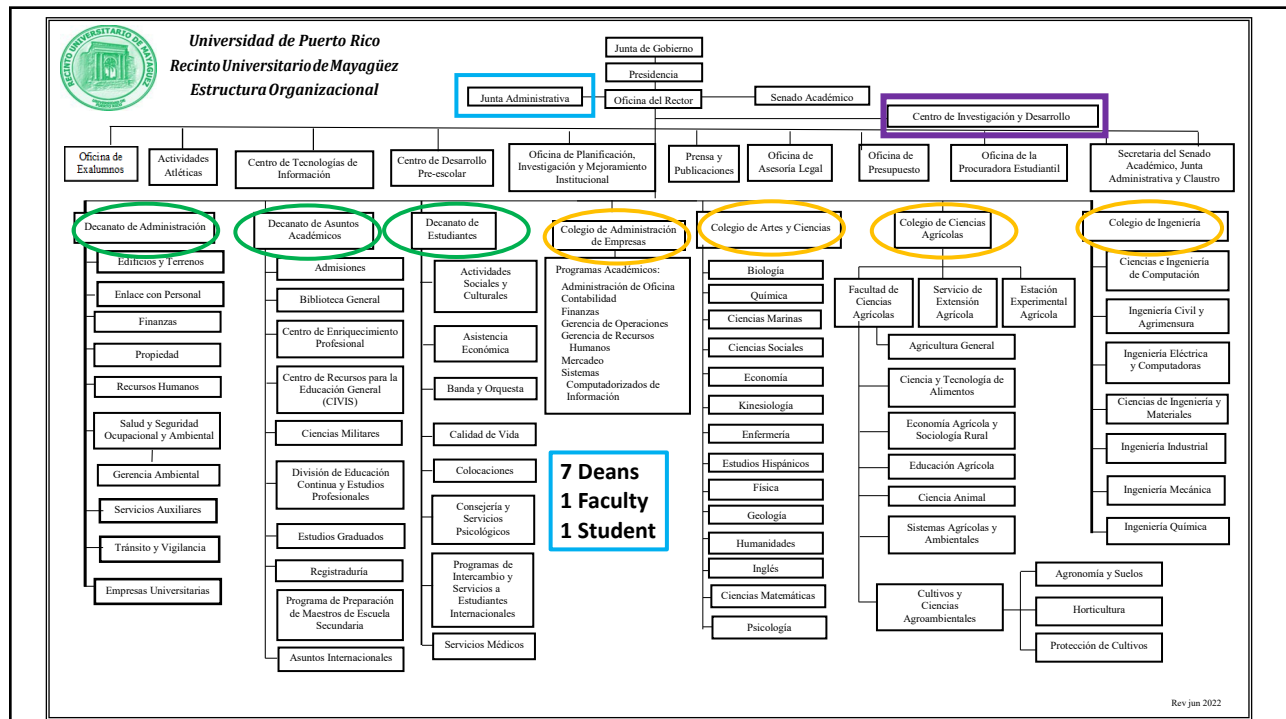


# Budget Preparation at UPRM

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## Components of UPRM Research Ecosystem

- Special Advisor to the Chancellor for Research
- Research Academy
- Institutional Research Committee
- Comité Institucional de Asuntos Relacionados a la Investigación (CIARI)
- **Centro de Investigación y Desarrollo (CID) – R&D Center**
- Estación Experimental Agrícola (EEA) – Servicio de Extension Agrícola (SEA)
- Centro de Negocios Universitario y Desarrollo Económico (CNDE)
- Plan de Práctica Intramural Universitaria en el Recinto del Mayaguez (Cert. JA 20-21 137)

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## BUDGET

- A blueprint for spending the project's funds.
- Your budget is an **estimate** that reflects the costs required to perform the work statement you propose.
- If funded, the budget will become the **financial plan** used by the funding agency to provide support.
- Get reasonable estimates from the internet, catalogs, vendor quotes, etc... and keep them!

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## Guidelines vs. Budget Needs

### Read the funding opportunity announcement

- Program Guidelines tell you:
  - The dollar limit
  - Allowable costs
  - Are matching funds required?
- Assessing your budgetary needs:
  - Does the scope of your project fit the solicitation?
  - Will the cost of the project exceed the allowable dollar limits?
- Is **cost share or matching** required?
  - If yes, what type is allowed?
- Are **indirect costs** allowed?
- Are certain costs excluded or limited?
- Are certain costs required?
- What are the maximum and minimum amounts allowed?
- What is the anticipated budget period?

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## Allowable expenses

- **Reasonable** and **necessary**
- **Allocable** to sponsored projects
- **Consistently treated**
- Conform to any Federal and institutional limitations or exclusions
- Defined: Office of Management and Budget (OMB)  
<https://www.whitehouse.gov/omb/>

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## Types of costs

### Direct costs

- Can be specifically and easily identified with a particular project or activity and are allowable under the sponsoring organization's guidelines.

### Indirect costs

- Incurred for common or joint objectives and cannot be easily and specifically identified with a particular sponsored project or any institutional activity.
- Also called: **Facilities and Administrative costs** (F&A) or **Overhead**

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## DC-Personnel

### Faculty

- Faculty with 9-month academic appointment.
  - Could request summer salary
  - Faculty could **buy-out academic time**, if allowed by sponsor and department
- Follow sponsor salary limitations.
- Fringe Benefits for Summer Compensations: 9.05%
- Fringe Benefits for buying academic time: full rate plus prorated health plan costs.

### Technician, Postdocs, Special appointments

- Monthly salaries – limited by HR
- Has Full employee Fringe Benefits
  - Social Security, Medicare, State Insurance, Retirement Plan
  - Health Insurance (currently \$802.59 per month)
  - Christmas Bonus (currently \$600 to be paid as salary and **accrues** fringe benefits of 9.05%)
  - Unemployment Insurance 1.4% of first \$7,000 of salary

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## DC-Personnel Students

### Graduate Research Assistantships

- Assistantships are a form of graduate student employment, earning a compensation package (may include both salary and tuition) for the performance of research
- See applicable graduate school regulations
- Remember to budget for **tuition costs**

### Undergraduates

#### Hourly Wages

- Paid at federal minimum wage
- Get paid according to the number of hours worked
- Require time sheets and signatures
- Fringe benefits: 1.55% (State Insurance Fund)

#### Assistantships

- No set pay rates for undergrads
- Generally, does not cover tuition costs
- No Fringe benefits

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## Other Direct Costs

- **Equipment:** Tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$10,000 or more per unit.
- **Travel:** Distinguish between domestic and foreign travel, identified and justified.
- **Participant Support Costs:** Allowed only if clearly stated in the Program Announcement; **stipends**, **subsistence allowances**, **travel allowances**, and **registration fees** paid to or on behalf of participants or trainees (but not employees) in connection with sponsored conferences or training projects.
- **Materials and Supplies:** Consumable items that have a life span of less than a year (reagents, glassware, software, etc.)
- **Publications/Documentation**
- **Consultants**
- **Other** - Equipment maintenance, lab tests, services, graduate student tuition, etc.

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## Subawards

To include another institution in your budget/proposal, they must provide the following:

- Detailed budget in appropriate Budget Form
- Budget Justification
- Signed (by AOR\*) Subaward Commitment Form
- Statement of Work
- Indirect Cost Agreement
- Link to their A-133 Audit

\*AOR= Authorized Organizational Representative- authorized to submit proposals on behalf of the institution

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## Subaward vs. Procurement

### Subaward

- Programmatic involvement identified as a separate scope of work, budget & organizational approval.
- Have responsibility for programmatic decision making.
- Responsible for compliance to sponsoring agency.
- Have right to publish results.

### Procurement

- Not involved in programmatic work of project.
- Provides similar services/goods to many different purchasers.
- Not subject to terms & conditions of the sponsoring agency.

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## UPRM Indirect cost rates (F&A)

The rate is negotiated with the federal government Department of Health & Human Services (DHHS) and applies to Modified Total Direct Costs (MTDC)

**50% (26% + 24%) On Campus Research**      **26% Off Campus**

### Excludes:

- Equipment
- Capital expenditures
- Patient care costs
- Tuition remission
- Rental costs of off-site facilities
- Participant support: Scholarships and fellowships [NOT Assistantships]
- Portion of each subaward in excess of \$50,000

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## Budget Justification

- Explains how costs were **calculated**
- Discloses all **personnel effort** devoted to the project
- Identifies costs and explains **why they are needed**
- Reflects objectives of the project
- Costs must be **itemized and justified**
- Follows the **same order** as that in the itemized budget or sponsor's **budget form**

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## Release Time (\$\$\$\$ sustitución de tareas)

- Associate Dean in each College oversees **release time** negotiation as substitution of tasks in the academic program (programa docente)

$$R = \frac{IC+Equip+Student+etc}{\text{release time}}$$

- Purchase your time with external funds (**buy-out**)
- Before submitting a proposal, requests must be **discussed with your deans and approve by your department chair.**

### Criteria:

- Budget
- Indirect costs
- Student assistantships
- Equipment
- Academic task, products, impact for UPRM

Departamento	Créditos Solicitados	Créditos Aprobados	Aportación por Salario	% del Total Otorgado
Biología	6	6	\$ 19,184.42	9.3
Ciencias	6	3	\$ 9,592.21	4.7
Matemáticas				
Estudios Hispánicos	12	9	\$ 37,773.55	18.4
Física	9	6	\$ 24,729.22	12.0
Geología	2	2	\$ 7,732.68	3.8
Humanidades	18	15	\$ 48,394.09	23.5
Inglés	18	15	\$ 58,306.70	28.3
Química	3	0	0	0
TOTAL	74	56	\$205,712.87	

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## Work WITH the CID staff

- Very few program announcements require PIs to submit proposals as an individual; hence, most proposals are submitted on behalf of the institution by the Sponsor Research Office (SRO) = Center for Research and Development (CID).
- Read the **Request for Proposal (RFP)** carefully in the program announcement.
- Contact the Proposal Submission Unit (PSU) (psu@uprm.edu), at least **15 business days before** proposal is due.
- Work with CID staff to prepare your proposal, especially **the budget.**

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After analyzing the RFP and determining what is allowed start your budget. Your project should be feasible with \$\$\$ available.

For this discussion we will use the template in Excel provided by CID:

## The Budget

1. **Rates:** Includes the current rates for tuition, fringe benefits, health insurance, retirement
2. **Researches:** Calculates in terms of base salary the amounts needed for the project
3. **Students:** Includes assistantships and hourly rates
4. **Administrative:** If need to calculate additional compensation for administrative support personnel
5. **Special Appointments:** Postdocs, special assistance, secretary for the project, managers, etc.
6. **Equipment:** Major instrumentation defined by federal guidelines (usually >\$5,000)
7. **Travel:** International and domestic supported by the project
8. **Participant:** Refers to participant support, students on stipends, travel, lodging and other expenses
9. **Other DC:** Here includes materials and supplies for the project, consultant services, tuition repayment, computer services
10. **Indirect Cost:** Variable, depending on the agency, the project and other regulations. The base for our Campus is 50%.
11. **Matching:** Variable, matching costs are offered by the institution if the agency requires it. Could be in-kind or in cash.

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[illegible]

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PI Name								
RELEASE TIME								
	Annual Salary	Rel. Time \$	FB	Health	Retirement	Bonus	SubTotal FB	R/T + FB
Year 1	69,660.00	17,415.00	1,576.06	1,382.00	3,483.00	-	6,441.05	23,856.05
Year 2	69,660.00	-	-	-	-	-	-	-
Year 3	69,660.00	-	-	-	-	-	-	-
Year 4	69,660.00	-	-	-	-	-	-	-
Year 5	69,660.00	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>17,415.00</b>	<b>1,576.06</b>	<b>1,382.00</b>	<b>3,483.00</b>	<b>-</b>	<b>6,441.05</b>	<b>23,856.05</b>
BUY TIME								
	Annual Salary	B/T \$	FB with Unemploym	Health	Retirement	Bonus	SubTotal FB	Buy /T + FB
Year 1	69,660.00	52,245.00	4,826.17	4,145.99	10,449.00	-	19,421.16	71,666.16
Year 2	69,660.00	-	-	-	-	-	-	-
Year 3	69,660.00	-	-	-	-	-	-	-
Year 4	69,660.00	-	-	-	-	-	-	-
Year 5	69,660.00	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>52,245.00</b>	<b>4,826.17</b>	<b>4,145.99</b>	<b>10,449.00</b>	<b>-</b>	<b>19,421.16</b>	<b>71,666.16</b>
SUMMER SALARIES								
	Annual Salary	Summer \$	FB with Unemploym	Health	Retirement	Bonus	SubTotal FB	Salary + FB
Year 1	69,660.00	15,480.00	1,498.94	-	-	-	1,498.94	16,978.94
Year 2	69,660.00	-	-	-	-	-	-	-
Year 3	69,660.00	-	-	-	-	-	-	-
Year 4	69,660.00	-	-	-	-	-	-	-
Year 5	69,660.00	-	-	-	-	-	-	-
<b>TOTAL</b>		<b>15,480.00</b>	<b>1,498.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,498.94</b>	<b>16,978.94</b>

Release Time	
Year 1	25.00%
Year 2	0.00%
Year 3	0.00%
Year 4	0.00%
Year 5	0.00%

Buy-Out Time	
Year 1	75.00%
Year 2	0.00%
Year 3	0.00%
Year 4	0.00%
Year 5	0.00%

Summer Month(s)	
Year 1	2.00
Year 2	-
Year 3	-
Year 4	-
Year 5	-

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- Award are made for the INSTITUTION
- The PI executes the project
- The University puts the money forward; hence, it is university money subject to ALL regulations of UPR

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# **Thank You !**

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