

Budget Review Checklist

SALARIES/PERSONNEL:

- **Verified with :** _____ MURC* _____ MU HR/Payroll Office __ **UP&S**
_____ Level of Effort/Commitment _____ Department**
**Required to provide MURC with the Names and University ID #s (901-#s) of all MU/UPS/MURC employees in budget*
***Department verification must be made by the employee's budget line supervisor.*
- **Raises:** A 3 % annual cost-of-living raise should be projected for each subsequent year of the grant.
- **Course Reductions:** Budgets that provide for course reductions need to take into account the number of courses the individual faculty member teaches. Most faculty teach 8 courses over the 9-month period, therefore 1 course reduction for 1 semester would be 12.5% effort; while 1 course reduction over the academic year would be 25% effort. All requests for a course reduction must be approved by the department chair/division head.
- **Summer Salary:** Nine-month faculty summer salary must be based on the faculty member's academic year salary listing with his/her University appointment letter, pro-rated out over the summer. This can be up to 3 months, depending on sponsor limitations.
- **Clerical staff** is unallowable unless project meets the definition of a major program. A "major program" is not a basic research project (OMB Circular A-21 F.6.4.2).
- **Intra-university Consultants:** should only be used in unusual circumstances. On federal projects, the intra-university consultant must not be in the same department as the project or must be located at a remote location from the project (see OMB Circular A-21 J.8). Intra-university consulting rates are limited to the faculty or staff member's current salary on an hourly basis plus a 3 % annual raise projection. There are 1,950 hours in a 12-month MU appointment; 1,463 hours in a 9-month academic year appointment. ***Fringe benefits must be calculated for intra-university consultants.***
- **Fringe Benefits:** are budgeted for all positions at the appropriate rate. Fringe benefits cover FICA, annual leave, retirement, health insurance, and workers and unemployment compensation, for all regular employees. Student fringe covers FICA and workers and unemployment compensation. Graduate student benefits cover workers and unemployment compensation only. Fringe benefit rates are based on standardized estimates, actual fringe benefit amounts are charged to the grant.
 - Regular full-time employees MURC or MU full-time employees refer to [Data Sheet](#) for Current Rates
 - 12% students, temporary, and non-benefits eligible positions
 - 7.65% graduate assistants

TRAVEL:

- **Travel allowance costs:** are responsible, necessary, and based on GSA rates. [See MURC Travel Policy.](#)
- **Travel, airfare:** Based on a quote or on reliable specific knowledge of actual airfare costs. All foreign travel must be estimated based on using a U.S. airline (American flag carrier).
- **Travel, mileage:** Actual numbers of trips are estimated and mileage is based on 50.5 cents per mile, **effective 6/30/08.** **You cannot claim mileage on a van/car rental.*
- **Travel, miscellaneous expenses:** Should be estimated (parking, taxi, etc.). [See MURC Travel Policy.](#)
- **Travel, van/car rental:** Based on a quote or on reliable specific knowledge of cost. If you rent a vehicle, you cannot claim "mileage" but will be reimbursed for actual gas receipts, therefore you should estimate total gas expense based on estimate of miles and current gas prices.

EQUIPMENT:

- **Equipment:** Defined as nonexpendable, tangible personal property having a useful life of more than one year and costs in excess of \$5,000 (**beginning 7/1/08**). Cost estimates should be based on actual costs. You do **not** need to get three bids to estimate your equipment costs for the proposal, but you must contact at least one vendor to get an accurate price quote.

SUPPLIES:

- **Laboratory Supplies:** Items necessary for the conduct of the project should be budgeted.
- **General office supplies** (legal pads, folders, pens, etc.) are unallowable unless the project can be considered a "major program" OMB Circular A-21 F.6.4.3 and Exhibit C. "Major program" is not a basic research project. General office supplies should be paid for out of the College's indirect cost reimbursement fund or another source of funds.

CONSULTANTS/SUBAWARDS:

- **Consultants:** Provide a service or product for the project and their services are secured by using a Service Agreement. The Project Director or Principal Investigator do not control how or when the consultant performs the work. If they do, the person should be listed under Personnel. Most federal agencies have minimum rates for consultant compensation; refer to the specific agency's guidelines for further guidance. (For further guidance on the definition of a consultant, review IRS publication 15-A, Form SS-8, Ruling 87-41.)
Consultants cannot be MU or MURC employees.

- **Contractual/Subaward Expenses:** Include any contract for services you expect to let if the proposal is funded. This category also includes any subaward whereby funds will be supplied to another university or entity as a result of this award. When passing funds to another university, provide a sole source justification and, using the agency's budget forms, provide a separate budget and justification for the subaward.

Subaward budgets must conform to the terms and condition of the prime award. The separate budget should itemize expenses requested by the subawardee. The awardee can request their negotiated rate on the Modified Total Direct of the subaward request, within the limits of the sponsoring agencies guidelines. The total of the subawarded budget is then listed as a lump sum on the contractual line in MU's budget.

Contractual services cannot be performed by MURC or MU employees

OTHER COSTS:

- **Other:** typically includes expenses that cannot be classified under any other category, such as communications, publication, or printing costs.
- **Radiation Waste:** Include funds to cover the costs of removal for radiation waste, if applicable to your project.

ADDING UP THE NUMBERS:

- **Total Cost:** includes total direct costs plus Facilities and Administration (F&A).
- **Total Direct Costs:** the total costs from all of the previous categories. **Direct Costs** are costs that will be used to directly support the program activities.
- **Modified Total Direct Costs (MTDC):** Total direct costs minus exclusions. MTDC excludes equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships, as well as the first \$25,000 of subcontract costs.
- **Facilities & Administrative Costs (F & A, Indirect Costs):** are the costs that cannot be directly associated with the grant, but are incurred as a result of the university taking on the proposed activity. Indirect costs are based on actual university costs resulting from an analysis of the university's annual financial report. Example of indirect costs are university security, facility space usage, utilities, services provided by grant and contract development, purchasing, payroll, and a host of other factors. The F&A cost is calculated based on the MTDC total.

The Marshall University F & A negotiated rate through 6/30/08 is:

On-campus rate:	41% MTDC until 6-30-10 42% MTDC after 6-30-10
Off-campus rate:	26% MTDC

Only the MURC Executive Director can alter indirect cost recovery percentages.
All indirect cost reductions must be approved in writing PRIOR TO PROPOSAL SUBMISSION.

COSTSHARING:

- Is the costsharing:
 - Documentable (will leave an audit paper trail and the PI/PD is committed to submitting documentation to MURC on a monthly basis)
 - Allowable
 - Required
 - Not required, but necessary to the success of the proposal (must be documented)
 - Reasonable in relation to the proposal.

All costshare commitments must be approved by the Provost for MU, or the Associate Dean for Finance for MUSOM faculty and staff PRIOR TO PROPOSAL SUBMISSION.

- **Costsharing Items:**
Preferred items for costsharing: ***Salaries, equipment purchases, tuition waivers for graduate students, and F&A.*** F&A under recovery due to agency written guidelines on F&A cost limitations should be used as part of the costsharing contribution, unless prohibited by agency guidelines. Agency guidelines that limit F&A should be attached and flagged in the proposal). F&A costs associated with MU costshare commitments can also be used as costsharing

Program Income: on any project expected to generate funds should be estimated and used to estimate total project costs. Further guidance on allowable program income uses is available in OMB Circular A-110 C.23.

Notes: OMB Circulars are available via the web at
<http://www.whitehouse.gov/OMB/circulars/index.html>

The information provided here should be used as a general guide in all instances. When an agency provides specific budgetary directions those directions should be followed.

Budget Justification/Narrative

- Justification provides evidence of how numbers in budget were calculated.
- Numbers in the narrative must match those in the budget and budget justification.
- Clear justification should be provided for all items. Provide additional detail for any unusual or highly questionable expenses.
- Formatting should be clear and consistent.
- REQUIRED for all proposal submissions