Creating Grant Budgets That Work

John Nunnery, Office of Research
Stephanie Harris, ODU Research Foundation
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Pre-workshop Survey Summary

Experience

General overview of process, best practices

What program officers and reviewers look for (reasonableness, over/under, how much detail, “red flags”)

Generating budget estimates, especially how to estimate personnel costs

Budgeting as a team process w/ co-PIs, ODURF, O of R
College Affiliations
Session Outline

- Critical functions of the budget proposal
- Make it or break it: Strategic and tactical considerations in developing a proposal budget
- A few Red Flags
- Process recommendations for developing proposal budgets
- Collaborating with the Research Foundation Pre-Award Team
- Discussion/ Q & A
The budget is a critical component of all funding requests

- Can “make or break” a proposal
- Sets the stage for a successful project
- Clearly identifies expected roles, responsibilities, and time commitments of team members
- Aligns institutional support with the project goals
Make it or break it Rule #1
Ask not what your sponsor can do for you- Ask what you can do for your sponsor

“Spare a dollar for some lab consumables, buddy?”
Sponsors are looking for value-added contributions to their mission

◊ Sponsor funding is conveyed to help you activate or develop resources to further the objectives of the funding program.

◊ Start with a “clean slate” for each proposal.

◊ Engage in a dialectic between your ideas and sponsor objectives, rather than simply trying to “find the right funding opportunity” for your ideas.

◊ The solicitation provides only a limited understanding of “what is really wanted” and even less on “what is really necessary” for a project.

◊ In what ways can you deepen your understanding of the implicit aspects of the request and requirements of a given funding opportunity?
Make it or break it Rule #2
The budget request should be realistic

“Great plan. Could we get some more details?”
Keeping it real….the deal is in the details

- Estimate *every* budget item in as detailed a manner as possible.
- Use real data, vendor quotes, etc. as possible. For example, for travel, know why you are sending people (dissemination, data collection), how many people you plan to send, for how long, where they are going, etc., and base your request on the associated per diems, airfare, etc.
- This will help with the budget narrative justification and result in a manageable project upon award.
- If you are temporarily “stuck” writing narrative, this is easy work that will help you continue to make progress.
- Helps you really “visualize” the project and convey it with more clarity.
- Helps identify faulty logistical assumptions when you fully cost everything out.
Estimating personnel costs

- Write a preliminary project plan that includes deliverables for all personnel per objective. This can be done at varying levels of description, but the more detailed the better.
- Write a task analysis per deliverable, estimating the time in hours required of each personnel on each subtask *per semester*.
- Solicit input from the person expected to do the task!
- Sum subtask times per personnel per semester to get hours per semester. These can be converted to rough percentages or other metrics for faculty, research scientists, or other full-time employees.
- Use these percentages as the basis for requesting a draft budget from ODURF.
- Identify when and by how much personnel are undersubscribed or oversubscribed.
- Budgeting then becomes a social and technical balancing act of harmonizing objectives, deliverables, task assignments and resource allocations.
- As with estimating other components, this process will result in a well-grounded budget narrative, help identify flawed logistical assumptions in advance.
- Keep in mind that personnel items used for institutional cost share are real financial and legal commitments. Incorporate these into your plan and project management the same way you treat sponsored activity.
Keeping it real: Translating sponsored effort into hours on task

<table>
<thead>
<tr>
<th></th>
<th>Weeks</th>
<th>Total Hours (40 hour week)</th>
<th>Leave/Holiday Adjusted Hours</th>
<th>25%</th>
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<tbody>
<tr>
<td>Fall</td>
<td>19.5</td>
<td>780</td>
<td>646</td>
<td>162</td>
</tr>
<tr>
<td>Spr</td>
<td>19.5</td>
<td>780</td>
<td>646</td>
<td>162</td>
</tr>
<tr>
<td>Sum</td>
<td>13</td>
<td>520</td>
<td>476</td>
<td>119</td>
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</table>
A simple example of personnel budgeting

- An investigator is submitting an application for a grant that has a performance period from October 15, 2017 through June 30, 2018.
- A major objective of the grant is to publish a report from a teacher instructional practices survey.
- Her co-PI, who is primarily responsible for completing this objective, is budgeted for 25% Fall, 25% Spring, and 50% Summer sponsored effort.
- The objective has three deliverable components: 1. develop the instructional practices survey instrument; 2. administer the survey; and 3. publish the report.
**Task analysis and input for budget revision**

<table>
<thead>
<tr>
<th>ODURF period</th>
<th>Objectives</th>
<th>Tasks</th>
<th>Due Date</th>
<th>Planned Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall, 2017</td>
<td>1. Develop instructional practices instrument</td>
<td>1.1 Review literature 1.2 Draft instrument 1.3 Revise 1.4 Format</td>
<td>11/10/2017 11/20/2017 12/05/2017 12/31/2017</td>
<td>18 22 4 4</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>48</td>
</tr>
<tr>
<td>Spring, 2018</td>
<td>2. Administer instructional practices survey</td>
<td>2.1 IRB approval 2.2 Collect data 2.3 Input data 2.4 Conduct data QC</td>
<td>1/25/2018 3/31/2018 4/15/2018 5/15/2018</td>
<td>6 9 4 8</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>96</td>
</tr>
</tbody>
</table>

162 (total hours associated with 25%)
-48 (total hours estimated on objective)
114 hours **UNDERSUBSCRIBED**

135 hours **UNDERSUBSCRIBED**

60 (119 hours X 50%)
-96 (estimated on objective)
-36 **OVERSUBSCRIBED**
Findings of the task analysis

- The co-PI is grossly undersubscribed in the Fall and the Spring.
- The co-PI is grossly oversubscribed in the Summer.

Assume the application goes forward as is without adjusting to these findings.

* The project is not sufficiently ambitious in the eyes of reviewers.
* Even if reviewers do not look at the budget, competitors will be proposing more value.
* The co-PI left critical objectives unpursued.

Assume the award is made without adjusting

* The co-PI may perceive that they did all their work in the Fall and Spring as agreed, but that they are being terribly and probably unfairly overworked in the Summer.
Make it or break it Rule #3
The budget request should be reasonable
What makes for a “reasonable” budget?

- Budget allocations are “reasonable” to the extent they are proportional to the value-added of the project components they support.

- A starting place for budget and project planning is to “chunk” the budget by points awarded for each review criterion.

- If the review does not use a point system, chunk the budget yourself. The point is to be conscious of the strategic value added trade-offs you are making.

- Being disciplined with respect to this principle reinforces the linkage between the value-added of your project components and the sponsor’s program objectives.

- Obvious chunking: if 10% of the points are for “external project evaluation,” then a starting estimate for the evaluation component and subcontract line item is 10% of the total request.

- Less obvious: If 5% of the points are awarded for “project management plan,” then 5% of the starting budget should go to this. However, this 5% will be distributed as unequal amounts of time for various project personnel and not as a line item.
Getting to reasonable

擅 You should be able to link each project activity/task to an objective, and each objective to a domain of the review.

擅 If you follow the suggestions for personnel budgeting, you should easily be able to estimate a rough cost for each objective by adding associated equipment, supplies, travel, etc.

擅 Sum your rough estimates by domains of the review, compare to your initial “chunking,” and revise accordingly.
Keeping it real: Red flags.....

- A multi-year grant has equal funding requests for each year, but the scope of work or other commitments change dramatically from year to year.
- Budget items are included without a clear rationale for how they add value to the project.
- The budget narrative not well integrated with the project plan.
- Budget items are disproportionate to the value added to the project.
- Appropriate budget format is not used (e.g., NIMH)
- Subcontract components not fully executed at submission.
Carefully review the solicitation in its entirety, noting budgetary implications, requirements, or restrictions that may impact project design or proposal approval

- Cost share provisions (expected, disallowed)?
- Direct cost restrictions (salary, equipment, animal purchases)
- IDC restrictions
- Performance period
- Does the solicitation directly or indirectly require certain expenditures? (e.g., external evaluation)
Create a rough project plan and budget

- Plan the project and budget by semesters
- Overlay semesters onto the performance period
- Write objectives, activities, milestones, etc. into the semester blocks
- Identify personnel and their time requirements by semester
- Estimate expenditures in other categories by semester. Be sure to include *something* in every category you plan to use in the final proposal.
Iteratively align your proposal budget to your project design.

- Solicit a preliminary budget from pre-award services.
- The preliminary budget will give you an idea of how “under” or “over” budgeted your project is.
- Reformulate your project to work toward your budget target.
- Typically, you will be over budget. Carefully consider the value-added trade-offs involved, and modify your project and budget accordingly. For example, a power analysis might reveal that you can reduce your planned sample size and save data collection costs, you might need to eliminate or change some project objectives, etc.
- You can make changes to the draft budget spreadsheet to test how modifications are likely to impact the final budget. Review and discuss changes with your team as much as possible.
- When you are satisfied that you have optimized the budget, request another draft from ODURF. Repeat as necessary…
Team budgeting

- Allocate the budget based on value added contributions of each team member.
- As much as possible, engage team members in an open and transparent process.
- Ensure that team members understand the budget requirements.
- Converge on the final budget allocations as a team by engaging members in the process of iteratively revising the draft budget and project objectives.
- You may want to establish some ground rules that provide some flexibility and understanding at the outset.
- At a bare minimum team members are entitled to active consent to perform tasks and allocate their time as described in the proposal. Although this is inherent in the proposal transmission process, the PI should directly communicate expectations and changes to team members individually to avoid any misunderstanding.
Take-aways

- Budget development is equal in importance and should “speak” coherently to all other aspects.
- Begin working with ODUF pre-award as soon as possible.
- Being detailed and disciplined with the budget improves the overall product in many ways.
- Don’t let the perfect get in the way of the good. It is not always possible or even advisable to follow every recommendation.
- Sponsors are eager to fund well designed proposals that can advance their agency or organizational mission.
Getting started: Pre-award Services at ODURF

◊ Stephanie Harris, Pre-Award Senior Grant and Contract Administrator

◊ How to contact Pre-Award and what to include in your e-mail
◊ What to send us to begin your budget
◊ Review the internal budget sheet
How to Contact Pre-Award

◇ Pre-Award consists of 5 individuals:
  ◇ Richard Brammer, CRA, M.S. Ed. – Manager of Sponsored Programs
  ◇ Jim Gregory, M.A. – Grant & Contract Administrator
  ◇ Stephanie Harris, M.A. – Senior Grant & Contract Administrator
  ◇ Sean Jacobs – Grant & Contract Administrator
  ◇ Carly Thomas, CRA – Senior Grant & Contract Administrator

◇ Email request to preaward@odu.edu and include: Solicitation, due date, name of PI, and any additional information
What to Send Us to Create a Budget

◊ Not sure? Use the Budget Development Form found here: http://www.researchfoundation.odu.edu/forms/forms.html

◊ Or e-mail us your information (include start and end dates as well as personnel names if not TBN)
Review the Internal Budget Sheet