Guidelines for AES and ES Grant Budget Preparation and Management

April, 2013

GENERAL POLICIES

- All proposals, with the exception of SBARE grants, must be approved by the University (Amy Scott, amy.scott@ndsu.edu, Sponsored Programs Administration [SPA]) before they are submitted to the funding agency.

- All agreements/contracts, with the exception of commodity groups, must be signed by Amy Scott, SPA. The Vice President for Agricultural Affairs is the Authorized Organizational Representative (AOR) for ND commodity groups.

Do not start incurring expenditures for a grant project before the grant is officially awarded. Officially awarded means either having an appropriately signed agreement in place or having received a check for the project and having a project set up with Grant and Contract Accounting. Contact Grant and Contract Accounting or Ona Vig if you need pre-award costs. It is preferable to set up a grant in advance of receiving the award than to charge expenditures somewhere else and transfer them when the grant is awarded.

- Office supplies, postage and secretarial support are not allowed on Federal grants, and while not specifically prohibited on other grants, the budgeting of these items is strongly discouraged unless there is a compelling reason to include them. If you feel they are a necessary, direct cost to the project, they must be specifically requested and justified in the proposal budget, and approved by the Federal agency.

- Appropriately assign costs. Grant funds are not one big pool of money on which to draw. Each expenditure needs to be directly related to the grant project. When assigning expenditures, ask yourself if you would be able to explain to an auditor how the expenditure is related to the project.

MATCHING FUNDS

- If matching funds are not required and it is not one of the ranking criteria for the proposal, don’t show them anywhere in the proposal.

- Know the exact source of matching funds before you commit them. If allowed as match, facilities and administrative costs, salaries and fringe benefits should be the first choice to use as match. Avoid using operating costs such as travel and supplies from state appropriated funds or other grants as match. Make sure you have notified individuals you plan to use as match and verify that they agree to work on the project.

- DO NOT COMMIT THE RESOURCES OF OTHER ORGANIZATIONS. We do not have the authority to show matching funds from counties, other colleges or other state agencies without written authorization from an appropriate official (i.e. county auditor, or president of a university) of that organization. The same applies to using other grant funds as match. We will need documentation indicating approval to use the grant funds as match. If it is necessary to use matching funds from other organizations, that organization will need to document the matching funds and have the documentation available for an audit. THE PRACTICE OF USING 3RD PARTY MATCH IS STRONGLY DISCOURAGED.

- MATCHING FUNDS MUST BE SPENT DURING THE SAME TIME PERIOD AS THE GRANT. Previously spent funds or funds spent after the grant has terminated, are not allowable as match. For example, if you have a grant with effective dates of March 31, 2012 through March 31, 2013, the matching funds must be spent during that same time period.

FRINGE BENEFIT RATES - See Section 808 in the NDSU Policy Manual

- Fringe benefits for most employees include social security, unemployment, worker’s compensation, health insurance, retirement benefits, disability insurance and life insurance.

- 30% for faculty, 35% for full-time staff (includes anyone who has been employed for more than five months and works more than 17.5 hours per week, excluding students)

- 10% for temporary employees paid on an hourly basis and not enrolled in school. This category includes seasonal labor during the growing season. Higher rates may be used for budgeting if you know it will exceed 10%.

- 3% for graduate students and undergraduate students enrolled in school.

- Fringe benefits need to follow salary dollars. Salary can’t be paid from one source and fringe benefits from another source.

PRE-PROPOSALS

- Pre-proposals need to go through the University approval process if any kind of itemized budget information is included, especially if it includes matching funds.

- If a pre-proposal is selected for further development, the full proposal will need to go through the approval process but a new Proposal Transmittal Form (PTF) is not needed. A copy of the fully signed PTF used with the pre-proposal may be attached to the full proposal.

FACILITIES AND ADMINISTRATIVE COSTS - See Section 813 in the NDSU Policy Manual or Sponsored Program webpage.

- 44.5% for on campus research, increasing to 45% on July 1, 2013; 26% for off-campus research.

- 38.1% for other sponsored activities, most Extension projects fall into this category.

- F&A costs are computed on modified total direct costs (MTDC). MTDC consist of all salaries and wages, fringe benefits, materials, supplies, services, travel and subcontracts (up to the first $25,000 of subcontracts). Equipment over $5,000 is excluded from MTDC. Example: Total direct costs in a grant budget are $56,000 with $6,500 in equipment and a $30,000 subcontract, ($56,000 - 11,500) *.445 = $19,358.

- Approximately 42% of the total amount generated is returned to the Vice President for Agricultural Affairs and usually half of that amount is returned to the department that generated it.

FOR MORE INFORMATION SEE SECTIONS 800 - 823 OF THE NDSU POLICY MANUAL.