

Budgets: Costs and Computation

The most common reason for declension of a grant proposal is a poorly conceived budget. Conversely, a masterful budget gives you academic “street cred.”

There are three critical elements to a good budget: (1) allowable categories, (2) line items, with justifications, and (3) narrative. Here is a clarification of each:

1. **Allowable categories:** Each agency identifies categories that can be funded for its different grants.
 - a. These are the most commonly allowed categories.
 - i. Personnel
 - ii. Fringe Benefits
 - iii. Equipment
 - iv. Supplies
 - v. Travel (domestic and foreign)
 - vi. Participant/Trainee
 - vii. Facilities & Administrative
 - b. These are the most commonly *unallowed* categories.
 - i. Entertainment
 - ii. “General use” equipment and supplies
 - iii. Academic year salary
 - iv. All costs not specific to grant project
 - v. All costs not in line with institution’s regular practices
2. **Line items, with justifications:** Working budgets are best generated on Excel spreadsheets that can automatically calculate and re-calculate costs. Each ‘item’ (e.g., an undergraduate research assistant) is referred by the line of the spreadsheet on which it is entered. The item is entered on the left, followed by your method of computation. This allows reviewers to grasp at-a-glance how you arrived at your figures. Here are examples:
 - a. PI summer salary = 2/9s of Academic Year salary ($\$53,527 \times 2/9s = \$11,894$)
 - b. RT airfare from Washington, D.C. to Buenos Aires @ $\$789 \times 3$ participants = $\$2,367$
 - c. Computer Cluster: 20 Intel Pentium workstations @ $\$1,149 = \$22,980$
3. **Budget Narrative:** In the narrative, you argue why each line item is essential for the project and why all costs reasonable and sufficient, demonstrating that you do authority to argue this. Here are example entries:
 - a. Line Item 12: Personnel includes a lab coordinator to set up and ensure all video, audio, and computer equipment are operational. Based on my experience setting up a Psychology Development Suite in my post-doc work, this set-up and training should take 25 hours at a rate of \$50/hour (total= $\$1,250$).
 - b. Line Item 36: Funds are used to cover the RT airfare, lodgings, and MIE for the external evaluator. The amounts have been estimated from the U.S. General Services Administration (GSA) per diems and from current economy airfares; all funds will be cost reimbursable for the actual amounts expended *up to allowable GSA rates*.