Step by Step Process: Budgeting
# Contents

**INTRODUCTION**

- Background ........................................................................................................... 1

**THE BASICS** ........................................................................................................ 2

- Budget Page Layout ............................................................................................ 2
- Entering Personnel Budgets ................................................................................. 3
- Entering Non-Personnel Budgets ......................................................................... 5
- Entering Subaward Budgets .................................................................................. 6
- Entering Justifications ........................................................................................... 9
- Entering Indirect Costs ......................................................................................... 9
- Finishing Up ......................................................................................................... 12

**DETAILS** ................................................................................................................ 13

- Budget Validation ............................................................................................... 13
- Cost Sharing ......................................................................................................... 14
- F&A (Facilities and Administrative Costs) .......................................................... 17
- Importing/Exporting ............................................................................................ 19
- Inflation ................................................................................................................. 19
- Justifications ......................................................................................................... 20
- Mode (Edit, View) ............................................................................................... 22
- Modular Budgets ................................................................................................... 23
- Non-Personnel Budgets ....................................................................................... 27
- Personnel Budgets ............................................................................................... 28
- Source View ......................................................................................................... 28
Introduction

Background

This document details the budgeting process for proposals, grant awards and monetary agreements in the Proposal Development and Proposal Tracking modules of the START system. The budgets are built (proposed and awarded) in these modules and are confirmed in the Award Tracking module before it is published to Financial Tracking.

UTHealth requires a detailed budget for all grant proposals and monetary agreements regardless of sponsor requirements.

Comments, Assumptions, and Caveats

- Note that the screenshots in this document may not exactly match what you see. This may be due to a variety of reasons: software updates subsequent to the shots being taken, differing browsers and/or window sizes, the user having more or less security than assumed here, etc. Also, not all screenshots may have been taken of the same records and so may not be entirely consistent with one another.
The Basics

Budgeting for grants and monetary agreements may involve interacting with multiple tabs in the Navigation Panel at the left of the screen. (Note that not all users will have access to all tabs on all proposals.) However, the large majority of work will take place on the “home” Budget page, shown below.

This section lays out instructions for entering a detailed budget. Specific budgeting variations such as modular and multi-project budgets are included in the Details section.

Budget Page Layout

Source View: Each budget contains a Sponsor budget, a Cost share budget, Unallowable costs (such as over the federal salary cap) and a Project budget which is the sum of all three. You can select the budget view by selection from the Source view dropdown. The Mode indicator (green rectangle) shows whether or not the user can make changes to the budget. Only when the Mode is “edit” will this be allowed.

Rollup Subprojects: allows you to see total budget for multi-project proposals (Roll up) or to view each component separately (not-rollup).

The selection of Source View determines what shows up in areas ②, ③, and ④. Area ① is not affected by the Source View. Area ① is view only and shows the current total project budget.

Areas ②, ③, and ④ are used to enter direct costs for personnel, everything except personnel and subawards, and subawards themselves, respectively.
Note the highlighted “show/hide” toggles. These allow you to adjust the amount of detail being shown at any one time. They are reset upon leaving the page. See Details: Show/Hide.

**Entering Personnel Budgets**

All individuals added on the personnel tab automatically appear in the personnel section of the budget. UTH ealth has interfaced the START system to the PeopleSoft Human Resources and Payroll system. This means that current salaries (and fringe benefits) for all employees will be pulled into the budget based on the appointment selected.

For Industry Sponsored Clinical Trials and all industry agreements; follow the instructions for entering personnel and effort and use the total compensation appointment.

To add or modify a personnel budget, click the DETAIL button next to the person to open budget details.

Click on the appointments tab. There are generally two appointments for each employee; base and total.

**Base appointment** is the institutional base salary. This is used for all federal and not-for-profit grant proposals and contracts.

**Total appointment** is the all-inclusive total compensation for the employee and is used for all agreements with for-profit companies.

You must delete whichever appointment you are not using for the proposal by clicking the blue arrow in the delete column. Click Save. Then click on the Detail tab.
Enter the effort/calendar months for each of the budget years. You can toggle between effort and calendar months by clicking on the Person Months drop down.) Salary and Fringe benefits will auto-calculate. Click Save and Close to return to the budget page. Repeat for each person listed.

Note that the top level budget tab provides budget summary information only by period. Click the plus sign to open each budget period to see detail. Indirects and Cost Sharing (if applicable) is discussed below.

Additional personnel can be added here or on the full “Personnel” tab (outside of the Budget area). If you want to add them here, type in any part of the desired person’s name or department (yellow) and then – once found – click the name to select it. Choose a Type and Role (green). Click ADD PERSON. You can now continue as above.
If the person being sought does not exist (e.g., in the case of a “to be named” individual), click ADD NEW PROFILE, (Temporary Profile will auto-select.) enter any desired information (a last name and department are required, as indicated by the red asterisks) and click SAVE. (Note: a last name of “TBD,” “TBN,” “grad student,” etc, are all fine. Any department – including the top node – is also fine.) The “person” will now be listed just if s/he had been selected from a list and you can continue as above. You can also add a pending new-hire.

Entering Non-personnel Budgets

Non-personnel direct costs are easy to enter. Click the budget category field. Scroll to locate and then click the desired category. UTHealth has mapped all Peoplesoft expense accounts and budget pools to sponsor budget categories.
In addition to selecting the Expense category, you will also need to select the budget pool. In most cases, there is only one option for the budget pool due to the expense to pool mapping. Click Add Item.

On the popup window, the Description will default to the budget category name but can be changed to reflect the purpose of the budget line. This is especially useful if you will be entering multiple lines for a single budget category. Enter the amount for the first year. Subsequent years will automatically populate with the same value, but these values can be overwritten or inflated. You can inflate out-years by either choosing a pre-defined value from the Annual Inflation dropdown or manually enter a value in the period’s inflation field. Click SAVE or SAVE AND CLOSE. Do not enter inflation for NIH proposals.

To change a previously entered value, click its DETAIL button (yellow). To add multiple lines at a time, click ADD BULK ENTRY (green; the same data entry fields are available).

For Industry Sponsored Clinical Trial Budgets, enter the balance of Direct Costs as one amount in the “Other” Category. (Total direct costs – salaries and fringe = direct cost balance). Indirect costs will calculate automatically. Attach the completed Coverage Analysis and Budget Tool (excel) in the attachments tab.

**Entering Subaward Budgets**

**Note:** if your subrecipient sent you an Adobe package subrecipient budget form, you do not need to rekey that information. It can be imported. See Details: Importing/Exporting
To add a new subaward manually, click the institution name box (yellow) and type in any part of the desired institution’s name and then – once found – click the name to select it. Then, click the subaward PI box (blue) and type in any part of the PI’s name and – if found – click the name to select it.

If the person is not found, click the ADD NEW PROFILE button instead. (This button only appears after choosing the institution.) Record as much information as you have available (much of this is required if you are submitting to Grants.Gov; it can be updated later, if necessary), including either choosing an existing depart or keying in a new one (this is a SMART system data requirement more than a sponsor requirement, so perfect accuracy is not needed). Click SAVE.

Both the subrecipient institution name and sub PI name should be listed. Click ADD SUBAWARD. A popup window will appear with the automatic subaward number and name for this subaward. **You must update the Subaward Title to include the sponsor name abbreviation followed by the project title.**
The subrecipient will be automatically added to all budget periods. If you wish to adjust this, Click **ADD TO PERIOD** to unselect specific budget periods. (Note, on the subaward budget, you will need to enter zeros for years in which the subrecipient will not be included on the project.  Click **SAVE**.)

The subaward will now appear as a budget line, with a pre-determined pool budget (green). To add or change its budget, click the subrecipient name. (Other information will appear in a small box prior to clicking; it is not vital to the budgeting process.)

The subaward budgeting page is very similar to the main proposal budget that you have been working on, with the subaward PI as the sole person (to start). Budgets can be entered in the same as on the main page, including the identification of “sub-subawards.” Note the “subaward” watermark in the background.

The biggest difference between the main budget page the subaward budget page is the necessity to explicitly record F&A/indirect costs on the subaward (yellow). Indirects on the main budget are entered on a separate F&A page.
Entering Justifications

When justifications are required by the sponsor, they can be entered in a couple ways. By far, the more common approach is to use the Justifications page to select a file from your computer (yellow) and upload it (blue). Uploads can be in any file format, .pdf and .doc files being the most common. (If the file is not in .pdf format, it will automatically be converted.) For another approach, see Details> Justifications.

Entering Indirect Costs

(For much more detail, see also Details: F&A.) Indirect costs (F&A) can be addressed at the period level (red) but is much more commonly addressed at the proposal level (green).
The full F&A page is quite long. Most users, however, only need to be concerned with the part within the green box. An F&A scheme is a pre-defined base (TDC, MTDC) and rate combination. The default scheme (yellow) defaults from the “target” and populates the base and rate. Any of the three can be changed, as needed.
If the desired rate is not among the pre-defined ones in the rate dropdown, the first value in the Rate dropdown, Manual Entry, displays a new box (yellow) for entry of any numeric rate. After any change, click APPLY to force the re-computation. You can also click MANUAL F&A to apply costs at a line-by-line basis. **Note:** The Effective rate value is not necessarily the rate being applied; rather it results in the calculation of indirect costs divided by base.
Finishing Up

As mentioned, this section only addresses entering the most common aspects of budgets. These will generally constitute the large majority of your budget work. However, it may also be necessary to handle cost sharing, modular budgets, etc. These are all described in the Details section below.

When your budget has been finalized, return to the main Budget page and click COMPLETE BUDGET. This button only exists in Proposal Development. Clicking this button has two main purposes: (1) like other PD “complete” buttons/boxes, it flags completion by changing the page (and all other budget pages) from Edit to View Mode (green) and displaying a checkmark in the navigation panel and (2) “publishes” (pushes) the budget (and personnel) pages, in their entirety, to the “requested” section of Proposal Tracking.
Details

This section presents an alphabetical list of all the pages, principal sections, and important concepts that are included in the overall category of “grants budgeting.”

Appointments (see Personnel)

Budget Validation

The budget tool will do the basic (and sometimes complex) math for you, while also allowing for manual adjustments when necessary. Various types of validations may exist depending on factors such as the nature of the application (S2S and specific forms) or sponsor (e.g., NIH, NSF). For example, applications using the SF424RR budget forms for electronic submission are required to have a budget justification.

NIH has various budget-related rules, many of which vary by activity type or mechanism. For example, most NIH applications require prior approval if any budget period will be equal to or exceed $500,000. A validation rule exists for this purpose, listed on the Setup Questions screen as well as on a tab in the Budget > Setups screen, documenting this requirement; if prior approval has been received the user can opt out of that validation rule and the user will be able to proceed with finalizing the budget when one or more periods is greater than or equal to $500,000. NIH R21 applications are limited to a project period of two years with a total direct cost limit of $275,000 and do not allow more than $200,000 in any single year. These rules are enforced when an R21 application is being developed. The extent of budget-related rules and associated validations varies across NIH activity codes/mechanisms.

Similarly, NSF has begun implementing automated compliance checks for applications received via Grants.gov. The determination as to which rules are in effect for an NSF proposal is based on the user selection of the Funding Mechanism on the NSF Cover Page. Once a value is selected and saved on that form, then relevant validation rules for the application will be displayed on the Setup Questions screen as well as on the Budget > Setup > Mechanism Opt In/Out tab.
To opt out of a specific validation rule, check the associated Opt Out box and SAVE the screen. That validation rule then will not be enforced.

For other agencies, budget-related validation rules will reflect the rules coded into the Grants.gov forms used in the application (e.g., the SF-424A or SF-424C among others).

**Cost Sharing**

Cost sharing, including tracking sources and documenting the nature and type of support, is supported in the budget development tool. Users can begin with a project budget amount (e.g., centrifuge costing $50,000) and break the cost down to request $30,000 from the sponsor and document $20,000 support from an institutional account (breakdown method). Alternatively, a user might initially build their budget based on sponsor costs, recording a sponsor request for the centrifuge of $30,000 and then in documenting cost sharing s/he could add the $20,000 institutional support amount (build up method).

Cost sharing is recorded item-by-item in the detail popup screens for each item, which can be accessed from the budget summary screen:

Alternatively, the person- or item-detail popup can be accessed from the main Cost Sharing screen:
The two locations referenced above both allow users to manage cost sharing for personnel or items across multiple periods in the same window. Cost sharing can also be documented on a period-by-period basis if desired by visiting the cost sharing screen associated with an individual period (if visible):

Cost Sharing
To request cost sharing, you will need to select “yes” on the Data Collection form and provide a justification in this section of the form. Upon selecting “yes” you will be prompted to provide type of cost sharing, the source of cost sharing funds with a drop down list and provide the chartfield string.

Go to the budget and complete the budget as previously instructed. For the section that you want to enter the amount for cost sharing, click the detail button.
Select the cost sharing tab. There are three fields under the cost sharing tab. Sponsor, institution and over the cap/unallowable. The sponsor field lists how much of the costs will be paid by the sponsor. The institution tab is the amount the department/institution will cover from a departmental or institutional chartfield. Over cap/unallowable will list the amount that is unallowable per the sponsor’s guidelines (i.e. NIH salary cap). In the example below, 100% of the costs for the budget category has been allocated to the Institution field. Once you’ve entered this information, save and close.

Click on the Cost Sharing tab on the Budget tab. The cost sharing tab will list the budget categories requested and a breakdown of the costs that are budgeted to the sponsor, institution, and over cap/unallowable.

After completion of the budget tab and other required tabs, go to Uploads and Reviews to select the Budget Review route for approvals.

**IDC Waiver**

When requesting an IDC waiver, you will need to select “yes” in the Data Collection form and provide a waiver justification in this section of the form.

Complete the mandatory tabs including the Budget tab. Complete all of the budget related information. Go to the F&A tab under the budget tab to manually enter the F&A rate you are requesting for the waiver.
Open the drop down list for rate and choose manual entry. After choosing the manual entry, enter the proposed rate and hit apply for the adjusted F&A rate.

After the new rate has been applied, the F&A breakdown with the revised F&A breakdown will be listed per year at the bottom of the F&A page.

After completion of the four tabs, go to Uploads and Reviews to select the Budget Review route for approvals.

**Drift** (see F&A)

**Effort Periods** (see Personnel)

**F&A (Facilities and Administrative Costs)**

*Note*: all of these features are available to UTHealth but a number are in use only and only visible by administrators. F&A will generally be automatically calculated for a proposal while developing the budget. Each time a budget item or person is added, the related F&A is calculated taking into account budget categories that are included or excluded in the base definition (e.g., MTDC, TDC, etc.). During proposal creation, based on the choices set for Program Type and whether most of the work will be carried out on or off campus, an **Institution Base/Target Scheme** will be established. The same scheme will be set as the one used for proposal calculations. The target scheme is typically the institution’s US federally negotiated F&A rate and typically would not be changed by users – in fact, it may be hidden or view only for most users. If adjustments in the
automatic calculations for the proposal need to be made the user can change the Scheme, Base, or Rate options and click APPLY to re-calculate F&A based on updated rules. The difference between the Target Scheme calculated F&A amount and the proposed calculated F&A amount constitutes drift, which generally reflects under recovered F&A. When drift exists, a red flag appears on the F&A tab in the navigation to aid in review.

Clicking on the Show link associated with either the target or proposal calculation criteria opens a popup demonstrating the relevant rates and base definitions.

The Calculation Rate Method only has an impact when F&A rates vary over the course of the budget period. If the rate changes mid-period, then when ‘Prevailing’ is selected, the rate at the beginning of the budget period will be used for the entire period’s F&A calculation. If ‘Blended’ is selected, then the different rates will be used during the appropriate time segments to calculate F&A resulting in an effective F&A rate somewhere between the lower and higher rate values.

The MANUAL F&A button allows the user to make manual adjustments to either the item-level base or requested F&A or to the period level data in the summary grid at the bottom of the screen. The button may be hidden or not available for use by most users.
Fringe Benefits (see Personnel)

Importing/Exporting

External budgets can be imported as subawards and UTHealth budgets can be exported to be used as subawards by UTHealth’s prime funder. These features are explained in a separate document, the Subaward Import/Export Tool

Indirect Costs (see F&A)

Inflation

In most places, either a pre-defined Inflation Scheme or (if “manual entry” is chosen) a numeric rate can be applied. UTHealth does not permit inflation to be included on NIH proposal because NIH deducts inflation costs from the proposal budget prior to making an award.
Justifications

In addition to the Upload Form approach described in *The Basics: Entering Justifications*, an alternate approach is to click the SHOW button (red) on the Justifications page to access the Use Database option. (You may not have access to the SHOW button but your department administrator might.)

When using this option, you can key (or paste) your justifications directly into the appropriate box.
An extension of using this approach is that you can record line-by-line justifications on individual budget lines as you enter the budget numbers (green for personnel budget lines, blue for non-personnel budget lines) to record justifications on a line-by-line basis. (On the personnel budget, clicking the AUTO FILL button in yellow will populate the justification with the person’s name, role, effort, and a few introductory words, shown here in yellow.)

When such line-level justifications are entered, they can be used as sources for the Use Database option just described, either by copy-and-paste or by clicking the checkboxes (blue) to move the text directly.
Mechanism Opt In/Out (see Budget Validation)

Mode (Edit, View)

In order to be able to edit a given page, it must be in Edit Mode.

There are a variety of reasons why a page might be in View Mode: a completed budget,
... having a Source View (see Details> Source View) of “Project” when there is cost share or over-the-cap budgeting (warning icon in blue).

... or attempting to access a page on which another user has “edit” rights...

...can all put you into View Mode.

**Modular Budgets**

InfoEd supports building budgets for an NIH application using a modular budget format with as much or as little budget detail information as required by UTHealth policy. If UTHealth allows you to simply set the number of modules and include no further budget detail, the tool will handle that; if your institution requires a full detailed budget reflecting the modular requested amounts for each period that is also supported. This variation is supported through a feature called the Modular Budget Transaction, which is displayed in the summary section at the bottom of the budget summary screen.
If you have selected 8 modules, then initially the modular budget transaction will display $200,000 (8x$25,000) for each period. As you record detailed budget data (e.g., personnel or non-personnel costs, subawards, etc.) those costs are deducted from the $200,000 modular amount reflected in the modular budget transaction. The modular budget transaction amount floats, varying with the direct costs you enter onto the budget and reflecting the difference between the detail costs you record and the modular amount that will be requested. The detailed budget data (and the modular budget transaction value) will be retained locally but not submitted to NIH with the application.

The Modular Budget screen allows users to set the number of modules to be requested for each budget period. A configuration exists to default the number of modules to zero or 10 initially, however users can then make manual adjustments on this screen when appropriate. As described above, the number of modules set here defines the maximum amount of the modular budget transaction on the budget summary screen.

**Multi Project:**

Budget for each Component (see ‘Component’ section below) for each year must be entered.
Subprojects within subprojects (Projects or subcontracts within each Core, for instance) can also be created to roll up to the main grant budget – click on ‘Show’ to find the ‘Add Subaward’ option:

If a sub-project starts in later years, all previous years’ budgets must be zero. Enter each field to complete the subaward, including the subaward periods:

Click on the subaward on the left tabs to complete the subaward budget and to add budget justification:
Complete the F&A section for each of the Components and its subawards, if applicable:

If there is a subaward within the subaward, it can be added to the first subaward’s budget:

Complete the budget for each component by adding needed personnel and other costs as usual.
Non-Personnel Budgets

When entering Non-Personnel budgets, you may notice that some categories are suffixed with asterisks.

These only appear when your proposal is to be submitted to Grants.Gov, and only in Proposal Development. The asterisked categories are those that do not explicitly map to the projected electronic budget form and the number of them that can be selected may therefore be restricted. For example, the R&R budget form allows a maximum of three asterisked categories, which then appear as lines 8, 9, and 10 of section F.

Otherwise, the Basics section covers most of the instructions relating to Non-Personnel budgets. Most of what remains is addressed in the Justifications, Cost Sharing, and Show Calculations entries in this Details section.
Personnel Budgets

The personnel budget section will include anyone listed on the separate Personnel tab that has a role that can be budgeted. For example, “other significant contributors” listed on the Personnel tab proper will not appear in the personnel area of the budget. Conversely, a person added to the personnel budget section will also appear on the separate Personnel tab. That is, people can be added in either place (although non-budgeted people should be added directly to the Personnel tab). Otherwise, the Basics section covers most of the instructions relating to Non-Personnel budgets.

Source View

The project source view shows all budgets from all sources, sponsor shows only the budget to be requested from the sponsor, institution (there may be multiple of these) shows only the budget to be used from a source other than the sponsor (“cost shared”), and over cap/unallowed shows only the budget disallowed by the sponsor and not eligible for “true” cost sharing.

You can generally enter budgets in any of the views. The biggest exception to this is when any cost sharing or over-the-cap budgets exist. When that happens, project source view is view-only and you must continue any budgeting in either the sponsor or institution views.