

UNIVERSITY OF ROCHESTER PROPOSAL BUDGETING INFORMATION

DIRECT COSTS: Direct Costs are costs that can be specifically identified with a particular sponsored project. Direct Costs may include salaries, fringe benefits, equipment, travel, subcontracts, tuition, and operations expenses such as materials and supplies, consultants, photocopying/printing, and long distance telephone toll charges.

NOTE: Due to revisions to OMB Circular A-21, if requesting direct charges for salaries of administrative and clerical staff, office supplies, postage, local telephone costs and memberships, a justification for direct charging (as opposed to indirect charging) should be included with the proposal budget.

Salary: The following information is for budget planning purposes only. The U of R is not required to propose or report salary costs in person-days or man-hours.				
1 work month		4.3 weeks	22 person day	173 hours
Academic Year (AY)	Sept 1 thru May 31	39.0 weeks	195 person days	1560 hours
Fiscal Year (FY)	July 1 thru June 30	52.0 weeks	260 person days	2080 hours
Summer (3 months)*	June 1 thru Aug 31	13.0 weeks	65 person days	520 hours

*NSF budgets for summer salary is limited to 2 months per summer (total).

- List the amount of time (percent of effort) to be spent by each U of R employee who will work on the project and the rate of pay (institutional base salary), when applicable.
- Compensation on sponsored projects must not exceed authorized base rate of pay at U of R or sponsor-imposed salary caps.
- New job classifications and compensation for staff must conform to U of R Human Resources classifications.
- Time can be shown in percent of full-time effort or in person-hours, -days, or -weeks or -months. Percent of full-time effort or months are the preferred methods because hours, days and weeks vary by pay period, and using those units of measurement can create some discrepancies in budgeting estimates versus actual costs.
- Effective 1/1/08 the NIH salary cap is \$191,300 for awards issued with FY 2008 funds. The Fiscal Year 1999 DOD cap is \$360,650/yr; this is applicable to contracts only. Fringe benefits should be calculated on the authorized base rate of pay, not the capped salary amount.
- Compensation (wages, fringe benefits and tuition remission) for graduate students paid from NIH funds should normally not exceed \$36,996 per year.
- Use an annual escalation factor of 3% for NIH; 3-4% for other sponsors, unless otherwise restricted.
- Budgeting for secretarial/administrative support on projects are appropriate only when effort can be specifically identified with the project. Federal sponsors are now requiring additional justification of the need for these positions.
- Budget undergraduate student employees starting at the federal minimum wage of \$7.15 per hour (effective 1/1/07). Increases may be added based on experience and policies of Student Employment.

Fringe Benefits: (Fiscal Year 2009 Effective 7/1/08)

Faculty/Academic Professionals - Rate 1	27.7% of direct salary up to \$101,999. Please refer to ORPA Homepage http://www.rochester.edu/orpa/ for rates above \$102,000.	Covers FICA, health insurance, unemployment and worker's compensation retirement, etc.
Professional, Administrators, Supervisory and nonexempt staff - Rate 2	31.8% of direct salary	Covers FICA, health insurance, unemployment and worker's compensation, retirement, etc.
Postdoctoral Employees - Rate 4	24.0% of direct salary	Covers FICA and health insurance
Faculty Summer Compensation - Rate S	13.3% of direct salary	Covers FICA, health insurance, unemployment and worker's compensation

During the summer, undergraduate and graduate students who are not enrolled on a full-time basis will be charged at 9.7% (Rate 3).

Postdoctoral students on training grants are not eligible for student health insurance unless they are enrolled in a degree program; effective 7/1/07 budget \$1,656 (\$576 mandatory UHS fee, \$1,080 for single-coverage insurance) as a direct cost in training grant proposals. NRSA grants also allow for family health insurance; the cost for trainees and fellows who are eligible for family health insurance coverage at the awardee institution, effective 7/1/07, is \$9,728.88 per yr/trainee plus the mandatory UHS fee (\$576) or \$10,304.88/year/trainee; for the two person family (1 adult, 1 child) \$8,445.00/per yr/trainee plus the mandatory UHS fee (\$576) or \$9,021.00.

Capital Equipment: Separately list any capital equipment purchases (defined as having a useful life of more than one year, and an acquisition cost of \$1,000 or more per unit). Equipment rental should be listed as operational costs. Capital budgets are strengthened by including the basis of the cost of proposed equipment, i.e., telephone quotes, vendor catalog prices or bids.

Travel: Follow U of R *Travel Policy and Conference Handbook* in budgeting for travel expenses. Transportation equals the estimated round-trip airfare at lowest possible fares, or 58.5 cents per mile (effective 7/1/08) if driving is appropriate. Per diem costs (lodging, meals, and incidentals) should be estimated; the Federal per diem rates may be used as guidance. Proposed travel should include conference name, location, purpose, and cost. Foreign travel should be budgeted separately and usually requires additional prior written approval from the sponsor.

Operations: Operations include, but are not limited to:

Expendable materials and supplies	best estimate: check catalogs and historical records
Copy services	best estimate: at copy center \$.055/copy, over 2500 copies \$.04/copy
Long distance telephone, fax, network	best estimate: includes installation, long distance,
Postage/express mail	best estimate: \$0.41 for 1 oz. letter; \$0.26 postcard by U.S. Post Office
Office Supplies	best estimate: check catalogs and historical records
Equipment maintenance	best estimate: check historical records or contact Procurement Services (x5-2002) for annual contract rates
Consultants	actual daily rate with proper documentation
Subcontracts	Authorized budget or written estimate/quotation on subcontractor's letterhead with subcontractor's authorized signature - refer to sponsor guidelines
Renovation	contact U of R Planning and Construction (x5-4887) for estimate
Lab animal costs	contact Vivarium (x5-2651) for per diem and purchase rates
RSRB Fees – Clinical Research (Effective 4/1/08)	Initial Review \$1,750; Continuing Review \$825; Changes to Research \$285
RSRB Fees – Single Patient or Expanded Access w/ Research Objective (Effective 4/1/08)	Initial Review \$825; Continuing Review \$360
WIRB Fees (Effective 4/1/08)	Initial Review \$1,750; Multicenter Studies, Additional Investigators (each) \$825; Renewal Review \$825; Changes to research \$285; Co-Investigator or Change of Investigator \$825; Videoconference \$350; Teleconference \$150; Generic Non-Protocol Related Material \$550; WIRB Written Consent Form \$150 per hour; WIRB Translations \$150 per hour

Tuition and Fees 2008-2009: for the College \$36,410, Eastman School of Music \$34,860, School of Nursing \$32,500, School of Medicine and Dentistry \$38,700, Simon School \$39,030, Warner School \$32,930.

Indirect Costs or F&A: Indirect costs are costs that cannot be specifically identified with a sponsored project, but which benefit that project (e.g., purchasing, utilities, payroll, facilities management, department administration).

Indirect Cost (F&A) Calculation: When full F&A are allowable, apply the appropriate F&A rate to the modified total direct costs (MTDC) base. Items included in the MTDC base are:

- Salaries and wages
- Fringe benefits
- Travel
- Copy services
- Subcontracts (1st \$25,000 only)
- Telephone/mailing costs
- Computer software
- Materials and lab supplies
- Office supplies
- Publication/page charges
- Consultant services

Items not in the MTDC base are:

- Tuition remission, scholarships, and fellowships
- Capital equipment (items at least \$1,000)
- Subcontracts over the first \$25,000
- Patient care costs
- Construction, alteration, and/or renovation
- Rental Cost of Off-Site Facilities

If the rate used is **less than the University's negotiated rate**, F&A may be **calculated on total direct costs**, versus modified total direct costs. Contact your ORPA Research Administrator for assistance.

Indirect Cost Rates: These rates were negotiated with the Department of Health and Human Services (Agreement dated 7/19/06)

Applicable to	Effective 7/1/06 to 6/30/08
on campus	54.0%
off campus*	28.9%
Industry-sponsored clinical trials	25.0% (on total direct costs)

*Activities conducted outside University premises are considered off-campus if the activity is conducted at an off-campus location and the activity is conducted for thirty (30) consecutive days. If a project is judged to be off-campus, as measured by the above criteria, it shall normally be considered wholly off-campus. The use of on-and off-campus rates is not normally appropriate for a single project.

Effective 10/1/01, NIH will provide 8% F&A costs (TDC excluding equipment) to foreign and international organizations to support the costs of compliance with DHHS & NIH requirements such as, protection of human subjects, welfare of animals, conflict of interest, and invention reporting.

