

Contracts and Grants Budget Preparation Cheat Sheet

University of California Agriculture and Natural Resources

[Budget Calculator Tool](#) (Bookmark the link as it will be updated a couple times each year)

[Sample Budget and Budget Justification](#) (For reference only. Follow the Sponsor's format requirements.)

Basics

- The proposal budget is a best estimate of the actual costs to conduct the scope of work
- The budget justification tells the sponsor why the projected costs are necessary to conduct the project
- **Follow the Cost Principles** when preparing your budget. Costs must be **allowable** per both UC and Sponsor guidelines (be sure to review the Sponsor's guidelines in the RFP.) Costs must be **allocable**: the project that pays the cost is the project that benefits from it (or prorated accordingly.)
- [Click Here for More Information](#)

- PIs and Co-PIs must commit a minimum of 1% effort (<\$25k) or 2% effort (> \$25k) on federal projects
 - Budget for projected salary increases of 3% to 5% each year (or use step increases if applicable)
 - Budget for a 3% projected increase in fringe benefits each fiscal year
- Budget justification: include the employee's name, title, annual salary, percent effort on the project, and a description of their role on the project
 - When formally cost sharing effort, do not budget for projected increases unless necessary
 - Costs for administrative personnel are typically not allowable unless integral to the project.
 - I need current salary information for my budget: contact OCG@ucanr.edu
 - I need the [salary range for a TBD position](#)
 - I need the [ANR Academic Salary Tables](#)
 - I need the current [fringe benefit rates](#)
- [More Information on Budget Preparation](#)

Personnel

Travel

- Think about items such as mileage reimbursement (\$0.7 per mile as of 1/2/25), number of travelers, number of nights, lodging rates (<https://www.gsa.gov/travel/plan-book/per-diem-rates>), Meals and Incidentals (\$92 per day max effective 10/2024), [Air Travel](#), Rental Cars, Parking/Other Fees
- Budget Justification: specify the destination of each trip, if known, who's going, and the purpose of the trip.
- The budget justification should include a breakdown of the costs so the sponsor can determine reasonableness

Supplies / Other Direct Costs Categories

- Allowable supplies typically include items such as consumable lab/field supplies that are used in the performance of the scope of work.
- General office supplies are typically unallowable as they fall under indirect costs. They may be allowable in limited circumstances if necessary to conduct the project. Example: the project involves mailing a large amount of surveys so greater than normal printing and paper costs would be involved in performing the scope of work.
- Equipment is defined as tangible, nonexpendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Equipment over \$5k goes under the Equipment line item on the budget, not supplies. However, some sponsor's guidelines may specify a lower threshold for equipment.
- Computing devices / tablets may be an allowable cost provided the device is essential and allocable, but not solely dedicated, to the performance of the project.
- Other possible costs include Publication Expenses, Printing Costs, Subawards and Vendors (see below for details), and Recharge Rates.
- What is [GAEL](#) and why should I include it on my Non-Federal/Non-State budgets? The University of California assesses each campus, and ANR, to fund the University's self-insurance program for general liability (GL), Auto Liability (AL), Auto Physical Damage (APD), and Employment Practices Liability (EPL). The rate is calculated as an assessment per every \$100 of payroll. This is not applicable to federal or CA State fund sources.
- [More Information on Budget Preparation](#)

Subrecipients versus Vendors

- A subaward relationship is when the entity will have responsibility for programmatic decision making regarding the scope of work, they will publish results or serve as a co-author, and they have to adhere to the compliance requirements of the prime agreement.
- Subawards should be budgeted as a separate line item under Other Direct Costs on the proposal budget.
- Subawardees must provide a letter of authorization from the collaborating institution, a scope of work for their portion of the project, budget, budget justification, subrecipient commitment form, and other required forms listed in the RFP.
- A Vendor or Consultant, on the other hand, provides these services as part of their normal business operations and provides these services to many different purchasers. They are not involved in the programmatic decision making of the project.
- Vendors/Consultants should be categorized under the Supplies & Expenses category of the budget
- Vendors/Consultants may need to provide a quote or letter of support to include with the proposal. Purchasing may need to competitively bid out the services before selecting a specific vendor.
- [More Information on Budget Preparation](#)

Participant Support Costs

- On Federal funds, Participant support costs include stipends, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.
- A participant is receiving, not providing, a service or training opportunity from a workshop, conference, seminar, symposium or other short-term instructional activity. A participant is not the provider of a service or training such as a collaborator on a project who is contributing to the project deliverables.
- [More Information on Participant Support Costs](#)

Indirect Costs

- Indirect costs, sometimes called overhead, are those that are incurred for common or joint objectives and which cannot be easily identified with a particular project or grant with a reasonable degree of accuracy. Indirect costs are real, actual expenses incurred by the University and associated with all activities of the University for facilities and administrative purposes.
- What's our current rate? Our federally negotiated rate is 26% MTDC for both Off-Campus Research and Off-Campus Other Sponsored Activities. See the [Rate Agreement](#) for On-Campus rates and details.
- Our Federal Rate Agreement uses a Modified Total Direct Costs (MTDC) base which is the Total Direct Costs (TDC) less: Equipment, Capital expenditures, Tuition remission, Rental costs of off-site facilities, Scholarships and fellowships, and the portion of each subaward in excess of \$25,000.
- Sponsor's may have rate caps and/or different base for calculating indirect costs specified in their RFP. Depending upon the sponsor, we may or may not be able to accept a reduced rate. Contact OCG with specific questions. This sponsor policy exception does not generally apply to for-profit organizations, foreign government organizations, or State Agency rates below 25%.
- [More Information on Indirect Costs](#)

- Cost sharing/Matching is the portion of the project expenses provided by UC.
- Un-recovered indirect costs may be used as cost share with the prior approval of the awarding agency.
- On federal proposals voluntary cost share is not required and cannot be used as a factor in the review of proposals. The RFP will let you know if cost share is mandatory per federal statute. Cost Share should only be offered by the University if its mandatory.
 - [More Information on Cost Share](#)

Cost Share