

**FLORIDA MEMORIAL UNIVERSTIY**  
**OFFICE OF GRANTS AND SPONSORED RESEARCH**  
**QUICK FACTS**

The Office of Grants and Sponsored Research will assist you with the process of grant and budget development. If assistance is needed, please make sure that you request to meet with the office early in the process so that we can advise you on all facets of the procedure.

**DEVELOPING A BUDGET/BUDGET NARRATIVE**

1. To ensure that you are making the most of the grant dollars that have been rewarded, get an early start in preparing your budget. Budget development is an effective tool to help you conceptualize your project from the beginning to the end. Keep in mind the daily activities associated with the project.
2. Make sure that your budget is realistic. When applicable, seek discounted prices from vendors that are used regularly.
3. Avoid general language and categories. Chose words that will describe in detail the item or activity of what will be purchased. For example, instead of saying “faculty development” use terms that will specifically describe what the faculty will be doing such as travel, conference registration, etc. Also, avoid the use of undefined terms such as “miscellaneous” and “other”. The Office of Grants and Sponsored Research can assist you in current and suggested budget categories.
4. The process of developing a budget narrative is basically the budget planning process in reverse. If the planning process is orderly and documented, developing the narrative is not difficult. The purpose of the narrative is to describe to reviewers how the budget is related to the proposed activities.

Unless otherwise directed by the funding source announcement or grant application package, the budget narrative should include separate statements for each project year. Within each project year, identify each line item indicated in the overall budget and justify the expenses included in the line item.

**For example:**

**Personnel – Project Director (1.0 FTE) \$47, 500; the fulltime project director will be responsible for overseeing all aspects of the project including...**

## **BUDGET CATEGORIES**

1. **When dealing with personnel**, ask yourself the following questions– what personnel are absolutely essential for this specific activity? What percentage of their time will be spent on this activity? Also, provide a job description for each position.
  
2. **Travel** – What travel is associated with this specific activity? When calculating your travel expenses, research the actual cost of travel to and from the location where you will be going. Include airfare (when applicable), lodging, price for rental (fuel expense only when rental is used), mileage (when your own personal vehicle will be used), airport parking, tolls (if applicable), and the per diem. Please be mindful of other expenses that may be incurred such as ground transportation upon arrival (train, taxi, subway, rental car). Including these details in our budget calculations and narrative shows that you have carefully evaluated the costs associated with the proposed activities rather than randomly assigning an amount.
  
3. **Equipment** – This category varies by agency and program. Many Federal programs do not allow equipment purchases or do not allow purchases of equipment that will be used beyond the award period. When using this distinction, carefully examine all information provided by the agency when determining whether you can or should include equipment. A common definition for equipment is >\$5000 with > one year lifespan. (Note: most computers do not fit within this definition and are thus commonly included in the category of supplies or other, depending upon their use.
  
4. **Supplies** – Consumable supplies that are associated with this specific activity.
  
5. **Other** – What cost associated with this specific activity that has not already been covered or allocated in other areas. These may include participant support costs i.e. stipends, course materials, computer equipment software, printing costs, etc.
  
6. **Personnel** – What personnel are absolutely essential for this specific activity? What percentage of their time will be spent on the specific activity? Make sure to always apply the appropriate percentage to the salary for each person that is associated with the specific activity. Determine whether the percentage of time or personnel required will vary in any or all grant funding cycles. Always provide a position description for each.
  
7. **Fringe** – Always apply the appropriate fringe rate to each salary amount.

## GLOSSARY OF TERMS

**% of time** – the percentage of time an individual allocates to activities supported by the proposed grant; this is used to determine the amount of funding needed for personnel.

**Budget Narrative** – the narrative that describes the specific expenses in each line item of a budget and that describes the purpose of the expenses and how they were calculated. (This should be presented by line item within each funding year)

**Contributions** – cash or in-kind donations to any program.

**Conference/workshop/course fees** – registration fees associated with the attendance to professional meetings.

**Cost Share** – requirement that the applicant identify additional funds or in-kind services for a specific portion (e.g. 20%) of the total program budget.

**Equipment Rental/Purchase** – actual cost of equipment to be rented or purchased for the proposed project.

**Event Income** – income produced by project activities. This is in contrast to pre-event income which is generated by project requests, donations, or other activities.

**External Evaluator** – an individual contracted to evaluate a program for which he/she did not provide input into the design, has not participated in the implementation of the program, and does not stand to gain anything from the outcome of the program. (An external evaluator should be unbiased and be from outside of the department or institution operating/implementing the program.)

**Fringe Benefits** – non-salary compensation associated with personnel; typically includes FICA, the cost of health insurance, and similar expenses as a percentage of personnel salary.

**FTE (full time employee)** – Personnel time commitment for project activities. (Example: if a project director of PI contributes 50% of his/her time to a project the FTE would reflect 0.5 FTE. Also refer to % of time)

**In-Kind Contributions** – contributions of services, goods, or personnel (time) rather than a monetary contribution.

**Indirect Costs** – cost not attributed to a specific activity, goal, or objective within the proposed project. This usually covers institutional expenses for utilities, maintenance and up keep, administrative costs, etc. that incurred by the project but are not charged directly to the project/grant.

**Indirect Cost Rate** – a rate negotiated between the applicant institution and the federal agency or funding source to cover indirect costs.

**Internal evaluator** – an individual directly involved in the design and or implementation of a program who evaluates the program activities and or outcomes.

**Materials and Supplies** – consumables required for project activities, i.e. office supplies.

**Other** – expenses directly attributable to the program activities but not included under the itemized options on standard budget forms.

**Professional Fees** – fees paid to consultants, evaluators, or other professionals not directly employed by the project (this does not include personnel).

**Publications** – reports of program results; typically presented in peer-reviewed publications and encouraged as part of the dissemination of program findings.

**Sponsorships** – agreements with outside agencies, foundations, partners and other third parties to cover the cost of certain program activities or to provided general support for a program in exchange for public recognition of their financial support.

**Subcontracts/Sub Grants** – financial agreements to acquire specific services or goods from a partner or vendor for the program; only under select programs and subject to strict regulations.

**Supplies** – consumables require for project activities. (Examples: office supplies, and books).

**Travel** – any costs associated with transportation: lodging, meals, and incidental, incurred while conducting program activities away from the primary project site. This also includes when program recipients or specified personnel travel to the primary site from other locations to participate in planned program activities.