

Guide to Budgeting and Allowable Costs

The following guidance is intended to assist applicants in preparing proposal budgets, and to advise awardees on allowable expenses under their award. Awardees should refer to the program Request for Proposals (RFP) or award agreement for specific rules and exceptions.

General Principles

In order for an expense to be included in a budget or charged to award, it must meet *all* of the following criteria:

Criteria	Definition	In Example
Necessary	Required in order for the awardee to complete the objectives of the award	A trip to a conference that was not in the approved proposal may not be necessary to complete the objectives of the award.
Reasonable	Not more expensive than what a prudent person would spend under the circumstances	Travel by first-class airfare is not a reasonable expense.
Allocable	Charged to the award in proportion with the relative benefits received by the award	A microscope purchased for use on another funder's project is not allocable to the CRDF Global grant.
Allowable	Not specifically prohibited by the award agreement or 2 CFR 200*	Alcoholic beverages are not allowable expenses under U.S. Government funded awards.
Documented	A record exists explaining what was charged, when it was charged, how much it cost and why it was charged to the award	Supplies purchased at a local market for which there is no receipt are not properly documented.

*for U.S. Government funded awards only

Budget Components

Proposal budgets should be divided into four basic categories:

1. Individual Financial Support/Salary
2. Equipment, Supplies and Services
3. Travel
4. Indirect Costs

Individual Financial Support (“IFS”)/Salary

Refers to labor costs associated with work performed on the project by approved participants and as permitted by the participants' institutions. IFS/Salary expenses will be reimbursed for documented actual hours worked on the project, unless otherwise specified in the program RFP.

IFS/Salary should be budgeted based on the anticipated level of effort (LOE) by project participants and an appropriate labor rate (see below). LOE should be estimated in the number of hours or days each project participant is expected to perform project-related work. If a fringe rate is applicable, it should be applied as well.

Fig. 1: Example IFS budget entry

Participant Name	Position	Total # of Person-hours to be Devoted to Project-Related Work	Labor Rate	Fringe Rate	Total
John Doe	Researcher	1000	\$15.00	10%	\$16,500.00

The maximum amount a participant can work on a CRDF Global funded project is 8 hours per day for 20 days in a calendar month (160 hours total max). Participants with other responsibilities at their institution or roles on other projects that prevent them from working full time on the CRDF Global award shall not be billed at maximum LOE.

Labor rates must be justifiable and aligned with local-labor-market wages. Unless otherwise called for in the RFP, the labor rate should be based on the participant's actual rate of pay at the institution, inclusive of fringe benefits. If you are unaware of a participant's labor rate, you may calculate one by dividing an annual salary by 2000 hours. For example, if a participant's annual salary is \$20,000 per year, hourly labor rate would be \$10 per hour. It is advisable to review any institutional salary support policies for external grants for assistance in budgeting IFS/Salary along with institutional policies regarding the inclusion of fringe rates.

To ensure the requested labor rates are fair and reasonable, applicants may be asked for certification of the accuracy of labor rates. This generally takes the form of a letter from an authorized institutional representative on institutional letterhead, or similar documentation.

Applicants should review any award agreement for timekeeping requirements. Unless otherwise authorized, participants must maintain CRDF Global timesheets. Timesheets must be completed by each paid participant on a daily basis and submitted to the Principal Investigator for review each month. IFS/Salary payments will be based on actual hours recorded on the timesheet.

Equipment, Supplies and Services ("ESS")

Refers to costs associated with procuring project-related physical items and services. This includes laboratory and research equipment, computers and related hardware, subscriptions to scientific/professional journals, reagents and other laboratory supplies, and the use of professional services, such as third party laboratory testing. Any good or service valued at more than \$1,000 must be specifically described in an applicant's budget. Items should be budgeted based on actual cost at the time of proposal submission.

At the time of purchase you will be required to perform a competitive selection of vendors for orders greater than or equal to \$5,000. A competitive selection process means at least three separate potential vendors are given an opportunity to bid on providing the good or service. The following factors should be taken into account when reviewing bids:

- Cost
- How well the bid meets the technical requirements
- Past performance of a bidder
- Warranty and maintenance terms
- Delivery and payment terms

Teams must maintain all selection documentation and should prepare to provide this information to CRDF Global.

Travel

Refers to costs of transportation, meals, lodging and other related expenses for travel. Travel expenses billed to the award must be limited to time spent traveling for project objectives. Costs for personal travel are not allowed.

Each distinct trip in a budget should be described with its destination, dates of travel and purpose. Applicants should use the guidelines below in preparing budgets.

Transportation

Applicants must utilize the most logical and reasonably economical form of international or domestic transportation for the trip purpose. The following cost guidelines apply to all travel:

1. Unless otherwise explicitly stated in the Request for Proposals or award agreement, airfare is subject to the provisions of the Fly America Act. This means tickets must be purchased from a U.S.-flagged air carrier if such a carrier is available.
2. Applicants must purchase the lowest cost airfare available to meet the objectives of your trip.
3. Business- and first-class airfare are unallowable unless required for a documented medical accommodation.

Meals and Incidental Expenses (M&IE)

CRDF Global utilizes a daily M&IE stipend method. The stipend is intended to cover the costs of food and related expenses like tips. Receipts for meals and other expenses covered with this stipend are not required.

Unless otherwise stated in the Request for Proposals or award agreement, applicants must use the following U.S. Government established rates for M&IE:

Foreign locations: http://aoprals.state.gov/web920/per_diem.asp

U.S. locations: <http://www.gsa.gov/portal/category/104711>

If a destination city is not listed, applicants should use the “other” or “standard” rate for locations without specified rates. M&IE is provided for all days during which project-related business is conducted. The first and last days of travel should be calculated with 75% of the M&IE rate to reflect the fact that travelers often do not travel for an entire day on the first and last days.

Fig. 2: Example of M&IE rates in India

Country Name	Post Name	Season Begin	Season End	Maximum Lodging Rate	M & IE Rate	Maximum Per Diem Rate
INDIA	Agra	01/01	12/31	181	114	295
INDIA	Bangalore	01/01	12/31	364	110	474
INDIA	Chennai	01/01	12/31	300	111	411
INDIA	Goa	01/01	12/31	149	53	202
INDIA	Hyderabad	01/01	12/31	235	110	345
INDIA	Kolkata	01/01	12/31	225	87	312
INDIA	Mumbai	01/01	12/31	389	126	515
INDIA	New Delhi	01/01	12/31	291	109	400
INDIA	Other	01/01	12/31	200	91	291
INDIA	Pune	01/01	12/31	273	72	345
INDIA	Trivandrum	01/01	12/31	182	56	238

In example, for a 5-day trip to a conference in Bangalore, teams should budget \$495 in M&IE. This is calculated based on three full days of M&IE (at \$110/day) plus two days of 75% of M&IE.

Lodging

CRDF Global will pay for actual lodging costs (room and tax only) provided they are below the following U.S. Government established maximum rates.

- Foreign locations: http://aoprals.state.gov/web920/per_diem.asp
- U.S. locations: <http://www.gsa.gov/portal/content/104877>

Teams should make every effort to utilize a reasonable lodging provider within the maximum rates. However, if no such reasonable option is available, they may spend up to 150% of the maximum rate. Costs above this amount require prior authorization from CRDF Global.

Note that rates can be different during some seasons. For instance, a rate can be higher during summer than it is during winter. You must follow the rules listed in the websites listed above.

Traveler's Medical Insurance

CRDF Global requires traveler's medical insurance coverage when travelling on CRDF Global business or projects. This is for emergencies related to and occurring during travel only; it does not cover issues known prior to travel. An estimate of \$50 per person per trip may be used when budgeting.

Other Travel Expenses

Other allowable travel expenses may include:

- Local transportation costs (taxis, public transportation)
- Costs in obtaining a visa (for project trip locations only)
- Trip related internet/phone calls
- Checked baggage fees

The following expenses are generally not allowable:

- Personal phone calls
- Business-class air tickets
- Dry cleaning
- Mini-bar/movies charged to the hotel bill
- Personal travel (even when appended to a project trip)
- Other meals when receiving M&IE

Indirect Costs

Indirect costs (IDCs) refer to costs incurred as a result of the general operation of an institution that is not of direct benefit to the project. IDCs are sometimes referred to as Overhead, General and Administrative (G&A) or Financial & Administrative (F&A). Please review the Request for Proposals for specific rules with regard to IDCs.

CRDF Global will generally allow the recovery of IDCs using one of these two methods:

- Institutions with a Negotiated Indirect Cost Rate Agreement (NICRA) with a USG agency may claim up to their NICRA rate.
- Institutions without a NICRA may claim a 10% de minimis rate.

Indirect Costs are always requested at the Institutional level. Primary Institutions *and* Secondary Institutions may request indirect costs/overhead expenses on all direct costs except for equipment purchases over \$5,000, capital expenditures, rent, student tuition, participant support costs and Secondary Institution expenses after the first

\$25,000 *if and only if* the Secondary Institution's expenses are funded through sub-contracts under the Primary Institution's award. Total direct costs minus these items is considered the modified total direct cost (MTDC) amount to which the IDC rate should be applied.

IDCs combined with the total direct costs cannot exceed the funding total allowed to request. Below are helpful calculations:

$$\text{IDC \$} = \text{IDC\%} \times \text{MTDC \$}$$

$$\text{Maximum Total Team budget} = \text{total direct costs \$ (including MTDC)} + \text{IDCs \$}$$

Please refer to the specific program announcement or RFP for the most accurate information regarding Indirect Costs as guidelines may vary between programs.