The Budget: A Project Management Tool

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Useful Budget Points

- Include both Direct and Indirect costs (Indirect = F&A = Overhead)
- Should be detailed; needs to support research plan
- Include only allowable costs
- If required, include matching or cost-sharing (cost sharing should only be included if required by the Program Announcement/Sponsor)
- If Sponsor does not allow F&A or only allows a lower F&A rate than NU’s, this is not considered a Waiver or Reduction of F&A
Project Management

• The project budget must match the award amount
• If awarded amount is different from proposed amount – a revised budget/research plan(?) is needed
• The more detailed the budget, the more information it can provide to help keep track of spending and progress on the research
• However, changes to this detailed budget will need to be tracked by the department; cost element changes are not done in Banner
Project Management (cont.)

- At the start of the project, meet with the PI to determine who will be working on the project and at what level of effort
- Be sure to charge the PI’s effort to the project!
- With this information, be sure to process all appropriate paperwork with HR, Payroll, and ORAF as necessary
- This information feeds the Effort Certification process so being accurate is essential
Project Management (cont.)

• Banner now encumbers/projects salaries and corresponding fringe benefits for the entire project year and subtracts this amount from the available balance

• F&A costs (indirect costs/overhead) are now calculated on a daily basis in Banner

• Discuss with your PI(s) as often as needed to identify what other costs are necessary to the project’s success; are there “new” costs which have previously been unidentified
Project Management (cont.)

• Charge expenses to grant as they occur; if recurring costs need to be allocated to the project budget, do this on a regular basis
• Keep in mind that invoicing or draw-downs are tied to spending
• Use the expenditures to gauge progress
  – is the project spending too quickly (will we be out of funds before the next increment) or too slowly (will the sponsor think that little/no progress is being made)
Project Management (cont.)

• No Cost Extensions: while having funds available cannot be the justification for a no-cost extension, the rate of expenditures can provide valuable information regarding the status of the project and be the basis of a discussion with the PI around the need to request a no-cost extension or the development of an accelerated spending plan.

• Keep in mind that the PI’s budgeted effort cannot be used to “fund” a No-Cost Extension. Some level of effort for the PI must be charged each project year.
Project Management (cont.)

• QUESTIONS????