

# Application Budget Planning and Financial Management



**DALHOUSIE**  
UNIVERSITY



# Overview

- Tips for Preparing Application Budgets (Sue)
- Financial Management (Ken)
- Q&A



# Flow of Events

## Application submission

- Submit for Internal Approvals in ROME0
- Review of Application by Facilitator
- Final Submission to Funder

**ORS Pre-Award**

## Authorizes Account Opening Compliance

**ORS Post-Award**

## Active account Monitor spending/ compliance with Funder

**Financial Services**



# Tips for Preparing Application Budgets

- Read the Guidelines for the Parameters
  - How much can I ask for?
  - How long does the funding last?
  - Is there a maximum per year? Is there a minimum per year?
  - What expenses are eligible and ineligible?



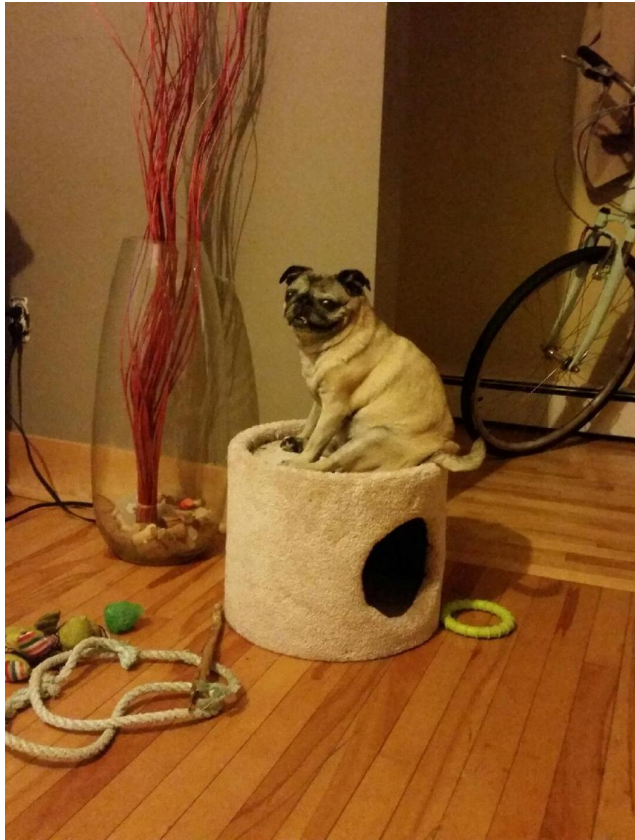
# Associated Costs of Research

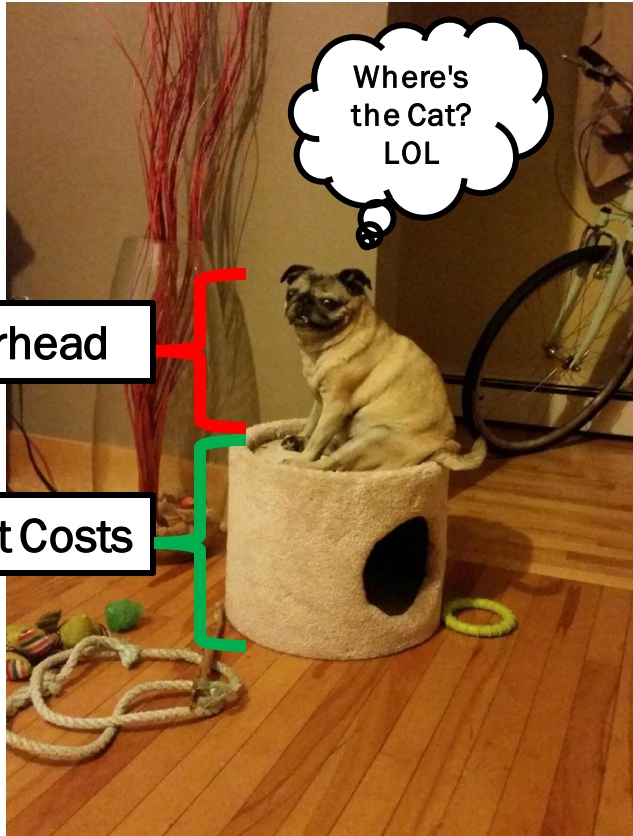
- Also known as "overhead" or "indirect costs" or "administrative fees"
- Expenditures incurred by the University in the conduct of research not readily identifiable as expenses specific to a particular project.
  - Facilities maintenance; management and administration of research; regulatory requirements; library resources; communications; IT support; research promotion etc.
- Recovered through an overhead line item incorporated in the project funding and budget.
  - Overhead must be included in all budgets for contracts and applicable grants as a cost item (excluding Tri-agency grants).
- [Dalhousie Overhead on Research Funds Policy](#)



# Associated Costs of Research

- Why don't I need to include overhead in an application to Tri-Agency?
  - Research Support Fund (RSF) recuperates these costs already
  - [Dalhousie Research Support Fund Reports](#)
  
- How do I incorporate overhead in my budget for all other funding opportunities?
  - Rate depends on the type of funder and whether the funds arrive as a grant or contract
  - Refer to [Dalhousie's Overhead on Research Funds Policy](#) for rates
    - 15% for Grants





Where there is no upper limit on the grant amount, overhead is added on top of the direct costs:

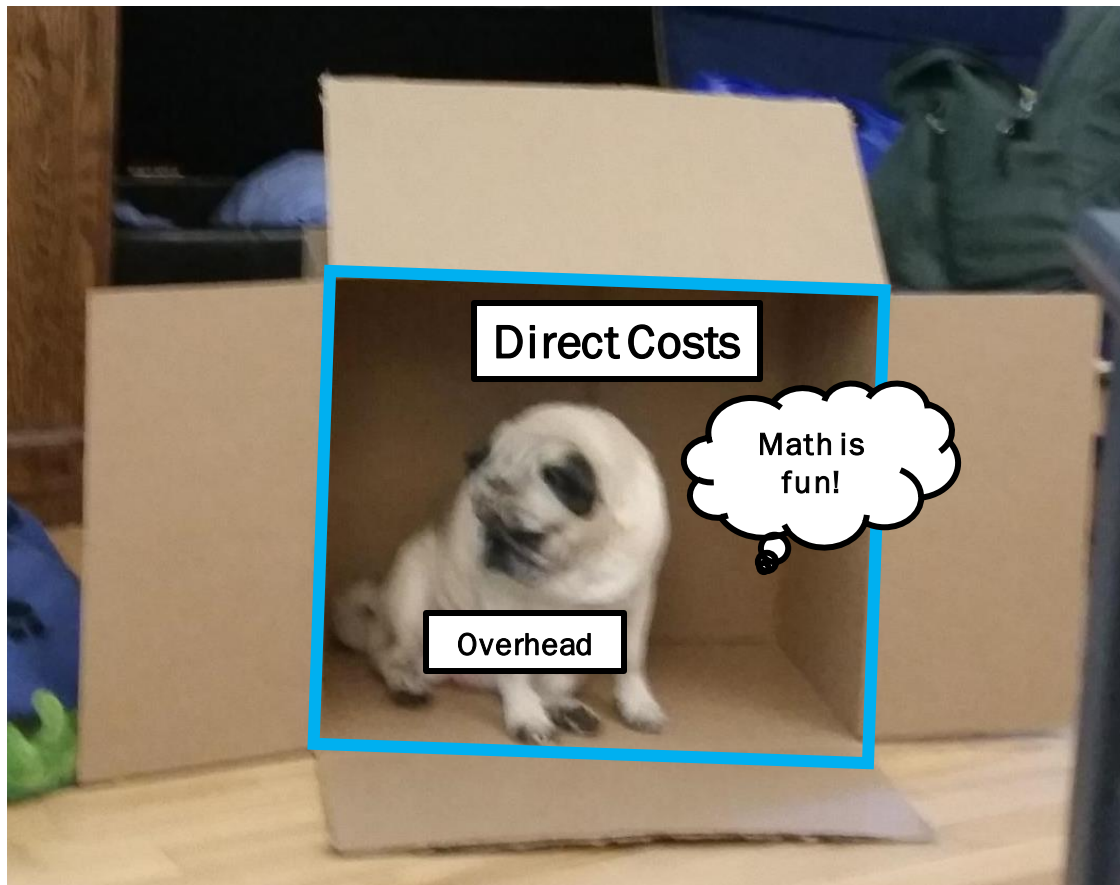
Direct costs: \$100,000

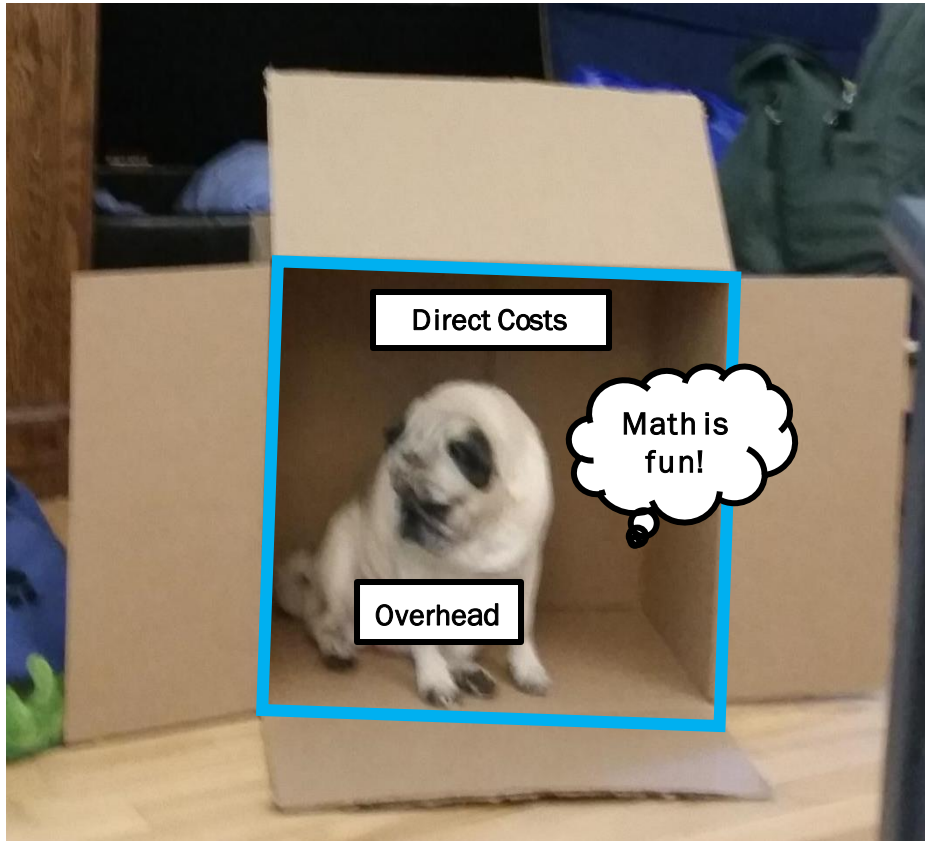
If overhead rate is 15% of the direct costs:

$0.15 \times \$100,000 = \$15,000$  for overhead

$\$100,000 + \$15,000 = \$115,000$  Total







## Calculate the Maximum Cash Ask:

If Overhead Rate is 15%, and overall value of the grant is \$100,000:

$$1.15x = \$100,000$$

Where x is the maximum amount of direct costs you can ask for without going over \$100,000 including overhead

$$1.15x/1.15 = \$100,000/1.15$$
$$X = \sim \$86,956.22$$



# Cash and In-kind Contributions

- Check funder guidelines for cash/in-kind matching requirements and eligibility of contributions
- Confirmation **and documentation** of contributions is required (from a person in a position to make those contributions)
- Space valuation – consult your Faculty
- Don't duplicate resources– keep track of what promises are made in various applications



# Budgeting for Personnel and Students

## Pay Rates

- Students:
  - Use your Department's or Faculty's rate
  - If above has no rate, consult directly with Dalhousie HR for rates ([grantpaid@dal.ca](mailto:grantpaid@dal.ca))
- Non-Student Grant Paid Personnel: Consult with HR ([grantpaid@dal.ca](mailto:grantpaid@dal.ca))



# Budgeting for Personnel and Students (cont'd)

## Fringe Benefits

- The rate and types of benefits will depend on the [type of grant-paid employee](#) you hire
  - For Temporary Grant Paid, Casual, or Research Students, the rate is 12% (includes Canada Pension Plan (CPP), Employment Insurance (EI), Accidental Death & Dismemberment (AD&D) Insurance, and 4% vacation pay.
  - For Regular Grant Paid positions, the rate varies by annual gross salary, and in addition to CPP, EI, and AD&D, includes other benefits as well. See the Table in [HR's Budgeting for Salary Considerations](#) Sharepoint page.



# Final Tips from a Pre-Award Perspective

- Reminder that Dalhousie's HST rate is 4.95%
- Travel Per Diem rates (including guidance on [international travel rates](#)) and Mileage rates are available in the [Per Diem Rates page of Financial Services' Sharepoint site](#).
- Make your budget justification easy for a reviewer to understand and provide the math – don't make your reviewer do any math!
- Ensure the figures in the budget match the figures in the justification
- Justify the request in terms of why it is vital to the success of the project.



# Research Finance Information

## Agenda

- Best Practices
  - Budget Compliance
  - Spending rules
  - Associated cost of research – Indirect cost
  - In-kind contributions



# Budget Compliance

- The approved budget dictates the type and amount of spending
- PI must ensure spending is consistent with the budgeted expense categories (e.g.: if no budget for travel, travel expenses would not be permitted)
- Multiyear projects – need to refer to individual agreements to determine if carry over of unspent funds is permitted from one budget year to the next (e.g., some DFO and ACOA projects)





# Spending Rules

- Expenses must be incurred within the approved granting period of the project.
- No spending before the start date of the project. Start date could be a specific date in the agreement or the date the agreement is signed (confirm start date before spending).
- Be mindful of individual funder's rules and regulations.



# Associated Cost of Research

- Important to ensure the cost of research is factored in the budget
- Some funders do not allow for indirect cost to be charged to the project
- FS follow the approved rate by the VPRI office and what is approved by the funder



# In-Kind Contributions

- It is important to obtain support for the amount that is included in the budget.
- Consider how to prove that the amount contributed is reasonable once the application is successful and in the event of an audit
- When time is being contributed, ensure the budget reflects the estimated number of hours and the hourly rate
  - If project is successful you will need to track time spent directly on the project using approved time sheets and use the offer letter/salary to support the rate per hour
- For external In kind contribution, ensure that the letter provided is well supported (obtain a detailed letter from the donor on a company letter head, signed by the appropriate authorized parties ).
- Consider conflict of interest – is there any perceived or actual conflict with accepting the in-kind contribution (including PI affiliation with the partner).



# Q & A

