



Office of Sponsored Program (OSP) South Dakota School of Mines and Technology

NSF Budget Development

Budget: is reviewed for compliance with SD Mines' policies and procedures as well as the sponsor's requirements and cost principles (2 CFR Part 200, Subpart E).

- The cost must be necessary, reasonable, allocable, and allowable.
 - Conform to any limits or exclusion set forth 2 CFR Part 200, Subpart E.
 - The best strategy is to request a reasonable amount of money to do the work, not more and not less.
 - The budget request should be realistic for the project and reflect the goals of the project.
1. **Senior Personnel Salaries:** PI, Co-PI's. NSF limits the salary requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received **from all NSF-Funded grants**.
 2. **Administrative & Clerical Salaries & Wages:** normally be treated as indirect costs (F&A), direct charging of these costs may be appropriate only if all the conditions identified below are met:
 - Administrative or clerical services are integral to a project or activities
 - Individuals involved can be specifically identified with the project or activities
 - Such costs are explicitly included in the approved budget or have the prior written approval of the NSF Grant officer; and
 - The costs are not also recovered as indirect costs
 3. **Other Personnel:** Admin, students, etc. If you are budgeting Graduate Student wages you will also incur Tuition Remission costs as they go hand –in-hand.

The names of the PI(s), faculty, and other senior personnel and the estimated number of full-time-equivalent person-months for which NSF funding is requested, and the total amount of salaries requested per year, must be listed. For consistency with the NSF cost sharing policy, if person months will be requested for senior personnel, a corresponding salary amount must be entered on the budget. If no person months and no salary are being requested for senior personnel, they should be removed from Section A of the budget. Their name(s) will remain on the Cover Sheet and the individual(s) role on the project should be described in the Facilities, Equipment and Other Resources section of the proposal.

Fringe Benefits (FB): are a direct cost charged as a % of salary/wage.

4. **Equipment:** equipment with a net value over \$5,000 (NOTE: an assembly of components each costing less than \$5,000 is considered a piece of equipment if they are functioning as if they were one item. EXAMPLE: The Examiner consists of a Reader (cost = \$3,000), a Scanner (cost = \$2,500), an Analyzer (cost - \$4,500). When assembled the Examiner's net cost = \$10,000 (3,000 + 2,500 + 4,500) and it can function for 5 or 10 years. This is a piece of equipment even though no

single component cost more than \$5,000. ALSO NOTE: per policy IX-03, there is a Major Scientific Equipment Acquisition Plan required when a grant purchases equipment over \$35,000.

5. **Travel:** When anticipated, travel and its relation to the proposed activities must be specified, itemized and justified by destination and cost. Funds may be requested for field work, attendance at meetings and conferences, and other travel associated with the proposed work, including subsistence. In order to qualify for support, however, attendance at meetings or conferences must be necessary to accomplish proposal objectives, or disseminate its results.
 - Domestic and international: we are limited to SD travel rates. Attendance at meetings or conferences must be necessary to accomplish proposal objectives, or disseminate its results.
 - Foreign Travel includes travel to Canada and Mexico: the countries to be visited should be listed in the justification and also on the Cover sheet.
 - If the specific location of the international conference is not known at the time of the proposal submission, proposer should be enter “Worldwide”.
6. **Participant Support:** This budget category refers to direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with NSF-sponsored conferences or training projects. Any additional categories of participant support costs other than those described in 2 CFR § 200.75 (such as incentives, gifts, souvenirs, t-shirts and memorabilia), must be justified in the budget justification, and such costs will be closely scrutinized by NSF.

To help defray the costs of participating in a conference or training activity, funds may be proposed for payment of stipends, per diem or subsistence allowances, based on the type and duration of the activity. Such allowances must be reasonable, in conformance with the policy of the proposing organization and limited to the days of attendance at the conference plus the actual travel time required to reach the conference location. Where meals or lodgings are furnished without charge or at a nominal cost (e.g., as part of the registration fee), the per diem or subsistence allowance should be correspondingly reduced. Although local participants may participate in conference meals and coffee breaks, funds may not be proposed to pay per diem or similar expenses for local participants in the conference. (These costs are excluded from our indirect cost calculations)
7. **Materials & Supplies:** When anticipated, the proposal budget justification must indicate the general types of expendable materials and supplies required. Details and justification must be included for items requested to support the project.
8. **Publication/Documentation:** The proposal budget may request funds for the costs of documenting, preparing, publishing or otherwise making available to others the findings and products of the work conducted under the grant.
9. **Consultant(s):** The proposal budget may request costs for professional and consultant services. Professional and consultant services are services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the proposing organization. Costs of professional and consultant services are allowable when reasonable in relation to the services rendered and when not contingent upon recovery of costs from the Federal government. Anticipated services must be justified and information furnished on each individual’s

expertise, primary organizational affiliation, normal daily compensation rate, and number of days of expected service. Consultants' travel costs, including subsistence, may be included. If requested, the proposer must be able to justify that the proposed rate of pay is reasonable.

10. **Subawards** – All proposing organizations are required to make a case-by-case determination regarding the role of a subrecipient versus contractor for each agreement it makes. A subaward is an agreement with another institution to complete a portion of the work on a research project. The primary institution submits the proposal on behalf of all parties and is responsible for disbursing the funds to each institution upon receipt of the award. If SD Mines is named as a subaward on a proposal from another institution, the same internal procedures as a regular proposal apply. If a subaward is listed on a SD Mines proposal, the following documents are required from the subawardee's institution prior to proposal submission:

- Statement of Work
- Letter of Commitment signed by the institution's designated official
- Budget (must come from the institution's OSP)
- Budget Justification
- Copy of the institution's indirect cost rate agreement, if applicable
- Fringe benefit rate vilification
- Audit Report
- Post Doc Mentoring Plan (if NSF & budget contains a Post Doc personnel)
- NSF Non-discrimination Form (if NSF proposal)

** OSP will help to obtain all the required documents.

11. **Equipment/Facility Rental Fees:** What equipment? What's charge rate? # of hours?

12. **Others:** Conference Registration Fees, grad student tuition remission, etc. Tuition Remission – (See “Other Personnel” above – these are calculated at the out-of-state rates as a default unless you know the student's circumstance.)

13. **Indirect Costs** – also known as Facilities & Administration Costs or F&A. SD Mines has a federally negotiated and approved rate of 39% MTDC on campus and 26% off campus.

Except where specifically identified in an NSF program solicitation, the applicable SD Mines indirect cost rate(s) must be used in computing indirect costs (F&A) for a proposal. Use of an indirect cost rate lower than the organization's current negotiated indirect cost rate is considered a violation of NSF's cost sharing policy.

The modified total direct costs (MTDC) base excludes the following cost components:

1. Equipment, capital expenditures
2. Tuition remission
3. Rental costs of off-site facilities
4. Fellowships/scholarships-Participant Cost
5. Subaward and subcontract in excess of \$25,000.

****SD Mines does not waive or reduce the F&A rate unless it is required by the project guidelines.*