



Office of Research and Sponsored Projects Pre-Award / Proposal Routing Guidance

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The purpose of this document is to provide the prospective Principal Investigator (PI) or Project Director (PD) guidance on the preparation and submission of the Proposal Routing Form (PRF) and eventually the submission of a grant or contract proposal. Though this document offers many considerations, the inclusions are by no means complete as each project will likely have its own peculiarities.

The ORSP team is available to help the PI/PD with this process and provide the necessary forms for executing any required administrative actions.

REF: [NMHU Research Policy Handbook](#)

Pre-Award Steps / Checklist

1. Notify ORSP of intent to submit PRF.
2. ORSP will determine if there is a conflict with other projects or proposals, or if the university is unable to support the project.
3. Develop abstract or summary of project.
4. Identify if this is a new, supplement, or transfer project.
5. Identify where the project will occur, e.g., on/off campus.
6. Determine the Indirect Cost Rate (IDC) for the project.
7. Determine if there will be cost sharing (in-kind or matching).
8. Identify key personnel or collaborators to be involved.
9. Determine type of proposal, e.g., research, subaward, public service, equipment, etc.
10. Identify office, lab, equipment, and infrastructure requirements.
11. Determine the administrative costs for project.
12. Develop project budget.
13. If multi-year, develop annual escalator(s).
14. Complete PRF.
15. Submit PRF to ORSP for review.
16. After ORSP review, route PRF through the approval chain.
17. After PRF is approved, coordinate the submission of the proposal with ORSP.



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Principal Investigator (PI) Responsibilities

When applying for a grant from a sponsored agency, the PI will be responsible for overseeing all terms and conditions of the sponsored project. In carrying out these critical tasks, the PI is also responsible for compliance with and understanding of the underpinnings of laws and regulations that touch on all applicable aspects of the sponsored project, including:

Review and submission of proposals, pre-award activity, and post award activity.

- General research, policies, and procedures (Section 2)
- Assurances – see section 3.6.1
- General and fiscal administration and management
- Research property, including inventions, patents, copyrights, licensing, and authorship
- Human subjects
- Laboratory animals
- Disclosures and conflict of interest
- Appointments of non-faculty research appointments
- Adherence to appropriate research conduct and misconduct reporting.

The ORSP submits the proposal to the granting agency on behalf of NMHU and the Principal Investigator (PI). All awards must be officially accepted by the ORSP, on behalf of the university, to assure that all requirements incumbent upon the university from the award are reviewed, appropriately acknowledged, and agreed to.

The proposal process typically consists of the PI working within or among departments, schools, centers, or institutes to prepare and circulate the proposal to obtain the appropriate signatures before sending the application for review and submission to the sponsoring agent by the ORSP. In addition, the ORSP will provide guidance in completing all aspects of the application as needed. Below is a description of the steps involved in the planning and submission of proposals.

Communication

Throughout the process of preparing the Proposal Routing Form (PRF), the prospective Principal Investigator (PI) or Project Director (PD), it is imperative that the PI/PD maintain a clear, communicative, and collaborative relationship with the Office of Research & Sponsored Projects (ORSP). Most proposals require cross-campus collaboration. ORSP will provide the guidance necessary to meet the needs of the proposal.

Getting Started – Macro Considerations

- Is there a project in mind?
- Is there a sponsoring agency whose objectives align with the proposed project?
- Is the sponsoring/funding agency federal, state, or private?
- Is this a multi-year endeavor?
- What is the necessary time commitment for this project?
- Does the department and school/college support the proposed project?
- Are there other institutions (outside collaborators) involved with the project?



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- What resources (equipment, talent, infrastructure, lab space, etc.) are necessary to execute this project?
- Will there be any cost sharing required to execute this project?
- What are the short- and long-term benefits or contributions to academia, the university, students, and community of this project?
- Who will be writing the final proposal? If the project is large and/or multi-year, a professional grant writer may be warranted.
- How much is all of this going to cost? Ultimately, the proposal is about identifying a need or capability and requesting financial support from a sponsoring agency to fund the project to meet the need. The budget development is extremely important in the proposal process as it provides the bottom line to the “ask.”

Popular Federal Grant Resources:

- [National Science Foundation](#)
- [U.S. Department of Education](#)
- [National Institutes of Health \(NIH\)](#)
- [Grants.gov](#)

Common State Grant Resources:

- [NM Higher Education Department](#)
- [NM Public Education Department](#)
- [Children, Youth, and Families Department](#)

Indirect Costs

The Indirect Cost Rate (IDC) is a cost that accounts for facility and administration costs associated with a project. The IDC may also be considered the overhead or the cost of doing business. NMHU has a federally negotiated IDC rate. The rate is reviewed and negotiated every four years and published through a document known as the **Negotiated Indirect Cost Rate Agreement (NICRA)**. The federal agency that determines the IDC and publishes the NICRA for NMHU is the Department of Health and Human Services.

Prior to budget development, it is important to refer to the NICRA for the most complete information. The information provided above is only a summary of the NICRA provisions. It is important to determine the allowable IDC rate and application for the sponsoring agency before budget planning.



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Presently, the Indirect Cost rates for NMHU are:

On Campus

- Organized Research Activities: 48.5%
- Instruction: 48.5%
- Other Sponsored Activities: 38%

Off Campus

- All Programs: 24%

The current NICRA allows for IDC rates to apply toward:

- Salaries, wages, and fringe benefits
- Materials and supplies
- Services
- Travel
- The first \$25,000 of a subaward (regardless of period of performance of the subaward)

The NICRA also lists exclusions. Exclusions indicate activities in which the IDC rate cannot be applied. Presently, the NICRA does not allow IDC rates to apply toward:

- Equipment and capital expenditures
- Charges for patient care
- Rental costs
- Tuition remission and scholarships
- Fellowships
- Participant support costs
- The portion of a subaward more than \$25,000

The IDC generated by the university is used to cover the facility and administrative overhead associated with sponsored activities. Those IDC funds, sometimes referred to as reallocation funds may be used to fund research needs such as equipment, repairs, or project overruns. A certain portion of the IDC funds may also be returned to the lead researcher or project personnel to support their individual research or other activity needs. Presently, the rate is 15% of reallocated IDC funds.

Example – Professor Yosemite Sam has a research project sponsored by the National Science Foundation. The project has a cost of \$2.2M. The IDC generated by the project is 48.5% of the allowable inclusions which may be \$500,000. If the project is spent down to the penny as originally planned, Prof Sam should expect \$75,000 (15% x \$500,000 IDC) to be available for their individual research activities.

The policy that outlines the IDC allocation is found in the NMHU Research Policy Handbook – Appendix A: Indirect Cost Allocation.

Ref:

- [Negotiated Indirect Cost Rate Agreement \(NICRA\)](#)
- [Research Policy Handbook](#)



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Though NICRA is a negotiated agreement that is well-vetted and approved by a leading federal agency, not all prospective sponsoring agencies follow the rates allowed by NICRA. For example, some agencies may deviate from NICRA as follows:

- May not pay IDC.
- May pay a much lower IDC rate.
- May have different IDC inclusions/exclusions.
- May allow IDC to apply to all expenses.



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Budget Planning – Indirect Costs

Indirect Cost Rate (IDC)

- Does the sponsoring agency follow the NICRA terms?
- If not, do they have their own IDC rate?
- What costs are included and excluded in IDC application?

Key Takeaways

1. **Determine IDC rate.**
2. **Determine IDC rate inclusions and exclusions.**
3. **Apply IDC to all allowable direct costs.**
4. **Add IDC to the budget.**

Cost Sharing

Cost sharing, also referred to as cost match or in-kind, is the portion of total program costs related to the grant that is not provided by the sponsor agency.

Please note that the practice of including cost share in proposals is discouraged without prior discussion with ORSP and the university administration. Once cost share is included and quantified in a sponsored project budget, it becomes a campus commitment that must be honored and documented. Therefore, cost sharing should only be offered in a proposal when it is a requirement of the request for proposal or the program announcement and in cooperation with the university who would typically need to support the project through fiscal or in-kind matching.

The following matrices illustrate the cost sharing approach.

Cost Sharing	Quantified	Non-Quantified
Sponsor Requires	Mandatory Commitment	N/A
Sponsor Does Not Require	Voluntary Commitment	Voluntary Uncommitted

If it can be quantified, it must be tracked.

Cost Share Type	Description
Mandatory Commitment	Sponsor agency stipulates that cost sharing or matching funds are required as a condition of receiving an award. Tracking costs is required.
Voluntary Commitment	Sponsor does not require cost sharing or match; however, cost sharing is included in the proposal budget. If the proposal is awarded, cost sharing is considered mandatory. In-kind match can be a voluntary commitment. Tracking is required.
Voluntary Uncommitted	Sponsor does not require cost sharing or match, and no cost sharing is included in the proposal budget; however, University provides additional funds or in-kind support such as release time to enhance the grant. Tracking is not required.



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The committed effort is a cost that is quantifiable.

Cost Share Type	Examples
Mandatory Commitment	<ul style="list-style-type: none"> The sponsor agency stipulates that as a condition of the award, the grantee must pay 20% of salaries and fringe benefits. Sponsor agency requires a 1:1 cash match as a condition of the award.
Voluntary Commitment	<ul style="list-style-type: none"> Principal Investigator (PI) pledges 25% effort on the grant but only includes 15% in the proposal budget – the 10% difference becomes voluntary committed match once the proposal is awarded, and the 15% must be tracked.
Voluntary Uncommitted	<ul style="list-style-type: none"> PI includes 5% effort in the proposed grant budget with no cost sharing proposed; however, PI knows that additional effort will be necessary to satisfactorily complete the project objectives. The effort more than the 5% included in the budget represents voluntary uncommitted cost share. At the end of the award period, there is a cost overrun in the supplies line-item budget. Excess costs transferred to another campus internal account are a type of voluntary uncommitted cost share.

Funds committed to a sponsored project can no longer be used for anything but the project.

More Cost Share Types	Description
In-Kind Match	Non-cash donations of a good or service that can be given a monetary value and is used in achieving the program objectives.
Cash Match	Cash contributed by the University for the specific purpose of the grant.

If the sponsor agency on a cost sharing grant does not pay Facilities & Administrative (F&A) or Indirect Costs (IDC) and cost share is required, then the foregone IDC should be requested as a matching contribution from the university.



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More Cost Share Types	Examples
In-Kind Match	<ul style="list-style-type: none"> • Personnel time given to the project. • Person on loan from another organization/corporation. • Use of existing equipment. • Use of existing laboratory facilities or equipment. • Unrecovered F&A (IDC). • Office space may be counted as an in-kind match if the sponsoring agency deems it allowable.
Cash Match	<ul style="list-style-type: none"> • Cash contributed by the University. Matching cash should always reside in its own unique account for ease of tracking. • Equipment to be purchased by the University for sponsored project activities. • Existing equipment may be counted as a cash contribution if purchased within the award performance period and sponsor agency deems it allowable. • Personnel hired by the University to assist with the sponsored project, but who would have otherwise not been hired if the grant had not been funded. • Marketing cost associated with the sponsored project; i.e., project brochure and/or distribution expense.

In a case where a federal award requires a payroll match, the match must be included as part of Time & Effort Reporting.

NOTE: Committed in-kind match must have a value tied to it. When including existing equipment as a match, it's best to use the University's process for assigning fair market value.

Cost sharing can be a complicated process in tracking and reporting. It is important that all details of cost sharing are clearly communicated internally during the proposal's development. Any match is a commitment by the university and should be carefully considered prior to proposal submission.

Unallowable Cost Sharing	Examples
Federal to Federal	Federal appropriations or contracts and grants funded by Federal agencies, either directly or indirectly as flow-through funding, are not allowable as cost share for another Federal project.
Costs Included in the F&A (IDC) Rate	Expenses that are included as part of the F&A cost rate, such as building and equipment depreciation, utilities, department administration, etc., cannot be used as cost share.



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Double Dipping	Cost sharing can only be committed and reported as cost share once. Cost sharing that relates to two or more projects must be pro-rated among the projects so that, in total, it is only reported once.
Costs Incurred Outside the Project Period	Costs incurred prior to the official award start date or after the project termination date are generally ineligible for cost sharing unless allowed as pre-award costs or with specific sponsor agency approval.

Additionally, if the grant preparer has external commitments by third party agencies to apply toward matching, then there should be letters of commitment provided from those third-party agencies submitted with the proposal for internal approval.

The Cost Sharing Authorization Form shall accompany the Proposal Routing Form during the internal review process.

Ref:

- [Proposal Routing Form](#)
- [Cost Sharing Authorization Form](#)

Budget Planning – Cost Sharing

Depending on the type of cost sharing, the budget may be affected differently. Whatever the case may be, it is important to coordinate with ORSP early in the planning process.

Key Takeaways

1. **Avoid Cost Sharing, if possible.**
2. **Determine if the type of share: Cash Match or In-kind.**
3. **Determine the value of any In-kind match.**
4. **If a PI/PD or department does not have the resources necessary to effectively track committed cost share, then they should not commit.**
5. **Do not apply IDC to the Matching costs.**
6. **Add costs to the budget.**

Identifying Key Personnel / Collaborators

The successful execution of a sponsored project often requires a team effort. It is important to identify early the talent necessary for a given project. These key personnel may be current NMHU staff or faculty, colleagues from other institutions, or may require hiring. The identification of personnel needs to execute a project is not an easy task and may require additional consultation to ensure that the right mix is in place to start and complete the project.

Key Considerations:

- **Time:**
 - How much time (in hours per week) will this project consume for each key person?
 - Are there elements to the project that require only one-time type events?
 - Example: Campus or community event that needs personnel to support the event for a few days.



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- Personnel Limitations:
 - If the key personnel are already employed by NMHU and project support would be supplemental to their regular duties, then relevant policies should be reviewed for any limitations related to additional work. Relevant policies may include:
 - **Personnel Policies and Procedures Manual**
 - [Faculty Collective Bargaining Agreement](#)
 - **Staff Collective Bargaining Agreement**
 - If key personnel are already employed by another institution or organization and this work could be considered a second job or “side hustle,” then it is important to recognize any time or attention limitations that might impact the project.

- Common Types of Grant Personnel:
 - Project Director
 - Principal Investigator
 - Co-Principal Investigator(s)
 - Coordinator(s)
 - Research Collaborators
 - Consultants/Contractors
 - Administrative Support
 - Technical Support
 - Short-term Support
 - Students

Ultimately, the success of the project will depend on the team assembled to execute the scope of work. The project may lead to cutting-edge research, great learning experiences for students, or new opportunities that have a positive impact on the surrounding community

Budget Planning – Personnel

Once the talent and personnel needs are identified, it is recommended that you find “similar” positions across campus that have duties and responsibilities that align with the proposed position. A query to ORSP or HR may offer typical salary ranges for that position. In lieu of a query to ORSP or HR, the following salary ranges may be considered.

Fulltime Salary Ranges – New Hires (yearly): Consult with HR

Part-time Salary Ranges – New Hires:

- Depending on the anticipated level of effort (LOE), i.e., 0.10 FTE, 0.25 FTE, 0.50 FTE, etc., it is recommended that the product of LOE and FT Salary Range become the PT Salary Range.
- *Example* – A project needs administrative support that is expected to be about four (4) hours per week.



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- The adjusted salary range should be 4 hours (out of 40) or 0.10 FTE x \$36,000 – \$42,000. The result is \$3,600 – \$4,200 / year.
- If the support is needed for only four months, then the salary should be adjusted to 1/3 the PT salary or 1/3 x \$3,600 – \$4,200. The result is \$1,200 – \$1,400 for the desired period.

Supplemental Salary Ranges – Current NMHU Personnel:

- **Professional Staff & Administrators (Exempt Personnel):**
 - The recommended salary for positions to be held by exempt professional staff and administrators is typically no more than 15% of their current salary.
 - *Example* – Dean Bugs Bunny will be the PI of a proposed NSF project. Dean Bunny has a base salary of \$125,000/year.
 - The supplemental salary for the NSF project should be no more than 15% x base salary (\$125,000). The result is a supplemental contract of \$18,750/year.
- **Administrative & Technical (Non-Exempt Personnel):**
 - Non-exempt personnel are those that are paid an hourly wage. If their services are necessary for the proposed project, then the additional work must be time-based and offered at the overtime rate since their effort will be beyond the 40-hour work week.
 - The recommended salary for positions to be held by non-exempt staff and technicians is typically no more than an additional 6 hours/week (0.15 FTE) paid at 1.5x their regular rate.
 - *Example* – Daffy Duck is an experienced administrative assistant who will take care of the administrative needs of a proposed project. Daffy earns \$20/hour and the anticipated project work is 6 hours/week (0.15 FTE).
 - The supplemental contract for Daffy should be projected to 1.5 x \$20/hour x 6 hours/week. Assuming Daffy's expertise will be required for a full 52-week year, the result is \$9,360.
 - It should be noted that Daffy will only receive the pay for the reported hours.
- **Faculty:**
 - If the PI/PD holds a tenured/tenure-track position, specific guidance on externally sponsored work may be found in the [Collective Bargaining Agreement](#) – Article 13: Work Under Sponsored Projects and External Funding.
 - At the time of this document, the CBA has provisions to allow up to 25% supplemental salary for faculty during their contract period. Additionally, the CBA allows for summer salaries.
 - *Example* – Professor Elmer Fudd submitted a proposal that was awarded by NIH. Prof Fudd will lead the research as the project PI. Prof Fudd's faculty contract salary (9-months) is \$70,000/year.
 - NIH is willing to pay for:
 - 1/4 time release during the academic faculty contract term.
 - 25% supplemental salary during the academic faculty contract term.
 - Up to three months faculty summer salary (some funding agencies only allow two months).



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- The supplemental contract for Prof Fudd should be projected to be $[\frac{1}{4} * \$70,000] + [25\% \times \$70,000] + [1/3 \times \$70,000]$. The result is a salary of \$58,833/year.
- Please note that the $\frac{1}{4}$ release time (\$17,500) is not a payment to the faculty, but rather a salary savings to the academic department. Instead, Prof Fudd's supplemental salary could be as high as \$40,833/year in this example.
- In the case of non-CBA faculty, the details provided in Article 13 of the CBA do not apply, however the same guidelines may be followed for consistency and planning purposes.

- **Short-term Support:**

- Short-term support could be a single or multiple event in which a faculty, staff, or students participate in an event.
 - *Example* – Dr. Tweety Byrd is a fulltime faculty member that has offered to support a sponsored event that introduces students to the history of flight at the Smithsonian Air & Space Museum. For their effort, Dr. Byrd will receive a stipend of \$500.

- **Fringe Benefits:**

- For budget planning purposes, the accepted planning rate for NMHU is 38.25% for new hire/fulltime employment.
- The rate may be lower for supplemental contracts, however using the planning rate above will ensure that the budget is sufficient.
 - *Example* – An employee hired at \$50,000/year will cost an additional \$19,125 ($38.25\% \times \$50,000$)/year in fringe benefits.
- ***The fringe benefit rate is applied to all personnel that are benefited NMHU employees whether they have a short-term stipend or longer-term contract.***

NOTE: If there is an individual identified as key personnel for a project due to their expertise, familiarity with the proposal, and the expected contribution, that person may be identified by name in the proposal. If the proposal is awarded, it may be possible to directly hire the personnel uniquely identified in the proposal which may save time in building the team, post-award.

Key Takeaways

1. Determine personnel needs.
2. Determine what the prospective sponsoring agency is willing to fund.
3. Determine the salary ranges for the personnel.
4. Determine the fringe benefits for the proposed salaries.
5. Add the salary and fringe benefit costs to the planning budget.
6. Identify, by name, any key personnel that may be of great value to the project.
7. Determine if IDC is applicable.
8. If the project is multi-year, include an annual escalator to account for pay and fringe benefit increases. An escalator of 3 – 5% per year may be appropriate.



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Equipment, Supplies & Facilities

Any project requires personnel and people require workspace, equipment, and supplies to execute the scope of work of the project.

In general, equipment is usually defined as tangible property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or greater.

In general, supplies are defined as tangible property other than those described in the definition of equipment in this section. A computing device is a supply if the acquisition cost is less than \$5,000, regardless of the length of its useful life.

- **Supplies**

- Supplies can be those consumable items that are typical everyday administrative items as well as IT-related items that do not meet the equipment definition. Such items may include:
 - PCs, laptops, printers, etc.
 - Paper, ink, toner cartridges, etc.
 - Clothing, safety gear, personal protective equipment (PPE), etc.

- **Equipment**

- Historically, NMHU has been able to offer faculty and students research opportunities that are not typically available at institutions of similar size. Those opportunities are due in large part to external agencies purchasing advanced equipment for research and teaching.
- It is important to ensure that the equipment need is identified, justified, and evaluated with the following considerations in mind.
- What is the purpose of this equipment?
 - New capability?
 - Replace broken equipment?
 - Update, enhance, or expand an existing capability?
- How will the equipment impact ongoing research and student outcomes?
- What are the short-term impacts of the new equipment?
 - Is there a facility to house the equipment?
 - Can the equipment fit through the existing physical limitations of the facility (elevator, doors, weight restrictions, etc.)?
 - Is the infrastructure in place for operations (electricity, plumbing, HVAC, etc.)?
 - Does the equipment require safety training?
 - Does the equipment require operator training?
 - Does the equipment require maintenance training?
 - Does the facility need to be updated to accommodate the equipment?
- What are the long-term impacts of the new equipment?
 - Is there a long-term maintenance need or contract?
 - Is there a warranty?



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- Will the operation of the equipment have significant energy consumption?

- Facilities

- Space for Equipment – Facilities for equipment are already addressed in the Equipment section.
- Space for Personnel
 - If there are new personnel that will support the proposed projects, do they need space?
 - Will the personnel work on campus, in-person?
 - Is space presently available and identified for this purpose?
 - Will the personnel work remotely?
 - Will the personnel work part remote and part in-person, i.e., hybrid schedule?
 - Will the personnel require office furniture, computer connections, telephone, etc.?

NOTE: Though sponsoring agencies are generous in supporting equipment and supply needs, many do not support the costs of remodeling, renovating, or constructing facilities or office space. It is important to identify costs associated with these needs and the limitations of the funding agency.

Budget Planning – Equipment, Supplies & Facilities

- Equipment is unique and requires research to identify needs, specifications, and evaluate facilities for placement and installation. Once all obvious considerations have been vetted, the following should be included in the proposal and budget:
 - Equipment specifications based on desired capability.
 - Cost of equipment. If there is a preferred vendor, it is important to identify the vendor in the proposal. This may be important in the acquisition process during post-award activities.
 - Cost of facility preparation.
 - Cost of operation training.
 - Cost of maintenance training.
 - Cost of maintenance training.
 - Cost of equipment warranty.

NOTE: Many sponsoring agencies will not fund any costs beyond the equipment purchase. It is important to research the agency's funding limitations.

- Supplies

- If IT-related, ITS must be notified to request a quote for the items desired. It is important when planning a budget, that there be “wobble room” built into the budget to account for changes in costs of these items since there may be 6-15 months between the time the proposal is drafted to the time the proposal is awarded to the time the items are ordered.
- Non-IT-related items may be estimated using the typical brick-and-mortar and online supply retailers.



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NOTE: Sponsoring agencies may have limits or prohibitions against funding certain types of supplies. It is important to research the agency's funding limitations.

Key Takeaways

1. **Determine equipment, supply, and facility needs.**
2. **Identify estimated costs of each.**
3. **Identify any specific vendors that meet the specifications necessary.**
4. **Determine what the prospective sponsoring agency is willing to fund.**
5. **Determine if IDC is applicable.**
6. **Add costs to the budget.**

Subawards

Subawards may occur one of two ways. The first is when NMHU is the primary awardee, and one or more institution(s) will support the project as a sub-awardee. The second is when another institution is the primary awardee and NMHU is the sub-awardee.

NMHU as Awardee (Lead Institution):

- The proposal must include:
 - Details of the relationship
 - Contribution by each partner
 - Estimated cost of the subaward
 - The sub-awardee develops their own budget based on their institution's guidelines.

NMHU as Sub-awardee:

- The lead institution should provide guidance on their needs for the project. As the subrecipient, the PRF is still required for internal purposes since a subaward is still a commitment of resources.

Budget Planning – Subawards

NMHU as Awardee (Lead Institution):

- The sub-awardee must indicate and provide a copy of an approved IDC rate, if appropriate.
- NMHU may assess IDC against the subaward contract but there may be a cap on the amount of the subaward that may be assessed IDC. NICRA and sponsoring agency guidelines must be reviewed to ensure that IDC is assessed correctly.
 - If following NICRA, only the first \$25,000 of a subaward may be assessed IDC regardless of the amount of the subaward or the number of years in the project.

NMHU as Sub-awardee:

- Budget planning occurs as normal for the portion of the project that is relevant.
- The timeline of the Lead Institution must be followed.



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Other Activities

Other activities are ancillary activities or costs that support the primary scope of work.

For example, a research project involving the study of a volcano in Hawaii will likely require travel to Hawaii, tools for the study, a software package to process the data, and publishing costs to write about the study.

Budget Planning – Other Activities

Activities may be required to execute the proposed project. Those activities that require estimates may include:

- Travel
 - Number of travelers
 - Travel costs (mileage, transportation, air fare, lodging per diem)
- Conference Attendance
 - Participation fees
- Professional Associations
 - Membership fees
- Event Hosting
 - Facilitator costs
 - Participant stipends
 - Catering
 - Travel / Lodging
- Publications
 - Publication costs
- Computer Applications
 - Licensing or subscription fees
- Consulting/Contracting
- Anticipated costs associated with special contracting needs
 - Short-term expertise
 - External project evaluator

Key Takeaways

1. Determine estimated costs associated with other activities.
2. Determine what the prospective sponsoring agency is willing to fund.
3. Determine if IDC is applicable.
4. Add these costs to the budget.

Special Circumstances

Occasionally, there are special circumstances that may arise while executing a project. The process of preparing a proposal should consider the following:

- Will the project include the study of human subjects?



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- If so, please review the Institutional Review Board (IRB) website.
 - o Refer to human subject guidance guidelines:
 - Ref: [Research Policy Handbook – Section 6: Research on Human Subjects](#)
 - Ref: [Institutional Review Board](#)
- Will the project include the study of animals?
 - If so, please review the Animal Study Proposal and guidelines.
 - o Refer to animal research guidelines:
 - Ref: [Research Policy Handbook – Section 7: Research on Laboratory Animals](#)
 - Ref: [Animal Study Proposal](#)
 - Contact the Institutional Animal Care and Use Committee (IACUC)
- Is there a possible conflict of interest?
 - If so, please refer to guidance provided by the Department of Justice.
 - o Ref: [DOJ Conflict of Interest Guide Sheet](#)
- Will the project require a need for special material handling?
 - If so, please refer to the Environmental Health and Safety Office.
 - o Ref: [Environmental Health and Safety Office](#)
- Will the project lead to proprietary inventions?
 - If so, please refer to appropriate guidance:
 - o Ref: [Research Policy Handbook – Section 5: Intellectual Property](#)
 - o Ref: [Collective Bargaining Agreement – Section 7.6: Intellectual Property](#)
- Will the project require the need to handle classified, restrictive, or sensitive information?
 - If so, please refer to appropriate guidance:
 - o Ref: [Research Policy Handbook – Section 4.6: Openness in Research](#)

Budget Planning – Special Circumstances

Historically, the items listed as Special Circumstances are not very common at NMHU and when they do arise, they typically don't have a direct impact on the planning budget that isn't already accounted for in other areas.

Some unique instances that might have a cost associated with them are:

- Handling of hazardous material.
- Inventions or patent review.
- Animal handling.

Only costs that may be covered by the sponsoring agency should be included in the planning budget.

Building the Budget

The PRF includes a template to consider for use while creating a budget. It is recommended that the preparer use a spreadsheet to compile the elements of the budget such that the calculations can be followed when verifying the numbers. If the sponsoring agency uses a specific format for budgeting, it is recommended that the custom form is used.

Definitions

- Direct Cost (DC) – The cost of the individual line items in the developed budget.



Office of Research and Sponsored Projects

Pre-Award / Proposal Routing Guidance

- Exclusions (EXCL) – The sum of the line items that are excluded from Indirect Cost (IDC) calculations based on the NICRA and/or sponsoring agency guidelines.
- Indirect Cost (IDC) – The product of the MTDC and the appropriate IDC rate based on NICRA or sponsoring agency guidelines.
- Modified Total Direct Cost (MTDC) – The difference between the TDC and EXCL.
- Total Budget – The “ask”.
- Total Direct Cost (TDC) – The sum of all Direct Costs.

Total Budget Calculations:

1. $TDC = \text{Sum total of DC}$
2. $EXCL = \text{Sum total of all DC that are excluded from IDC}$
3. $MTDC = TDC - EXCL$
4. $IDC = IDC \text{ Rate} \times MTDC$
5. $\text{Total Budget} = TDC + IDC$

ORSP can help the preparer with the budget development process.

References

- [Children, Youth, and Families Department](#)
- [Conflict of Interest Guide Sheet](#)
- [Environmental Health and Safety Office](#)
- [Faculty Collective Bargaining Agreement](#)
- [Grants.gov](#)
- [Institutional Review Board](#)
- [National Institutes of Health \(NIH\)](#)
- [National Science Foundation](#)
- Negotiated Indirect Cost Rate Agreement (NICRA)
- [NM Higher Education Department](#)
- [NM Public Education Department](#)
- Personnel Policies and Procedures Manual
- [Research Policy Handbook](#)
- [U.S. Department of Education](#)