Budget Development Guide for Principal Investigators

Budget Development Introduction

Novelution’s budget development tool was designed to capture complex budgetary requirements, including various scenarios involving alternative or split budgets. The robust budget tool enables users to develop detailed budget(s) that mirror the Federal SF-424 R&R form within the proposal application. Budget entry is seamless and functions similarly to Google Sheets which provides real-time line-item summation. Additionally, the budget tool allows users to develop subaward, cost-share, alternative, and split budgets. Users can also pre-determine escalations rates for personnel and the accompanying fringe rate. If a sponsor limits a budget with a cap, there is an added tool that can help users stay within a budget cap or targeted amount.

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Definitions

**Alternative Budgets**  When drafting a budget, more than one budget may be developed to capture multiple scenarios before a final budget is selected. The alternative budget option allows the users to enter multiple versions of the same budgets within the application prior to selecting a final version.

**Split Budgets**  Projects that include multiple Colleges or Departments may require separate individual budgets. The split budget option allows for separate budgets to be entered within the proposal application which combined makes the final total budget.

**Edit Cost**  The “Edit Cost” option within the budget worksheet enables users to edit the full details of a specific line-item cost. Users will need to provide either the direct or base cost, fringe rate, and/or indirect cost rate associated with that cost. The “Edit Cost” option allows the user to over-ride the built-in budget function of that line-item cost.

**Itemize Cost**  The “Itemize” Cost option within the budget worksheet enables users to itemize and edit the full details of a specific line-item cost. User will need to provide a name or description of the cost and provide either the direct, base, or unit cost of that line-item cost. Additionally, any associated fringe rate or indirect cost rate will need to be entered by the user. The “Itemize” Cost option allows user to over-ride the built-in budget function of that line-item and provide a name or description of that cost.

Login to Novelution

- Sign in at [fau.novelution.com](http://fau.novelution.com)
- Click “Continue” to use your FAU Single Sign-On (SSO) username and password.

- You will be taken to your institutional log-in page.
Budget Section

Novelution’s proposal application is built as a running interface. Users can jump directly to the budget section by two methods: 1) scrolling down until the budget section is reached or 2) by simply clicking the “budget” heading in the panel shortcuts action menu on the left-hand side. Upon reaching the budget section for the first time, the overall budget preview will be blank until the detail budget is completed.

To expand the budget details, users must click on the “View/Edit” button. Once the view/edit button is clicked, the budget development tool opens as a separate page. Here the user will have access to the “Edit Budget Scenario – Initial Budget” within the budget tool.

Additionally, users can develop a budget alternative by clicking the “Add Budget Alternative” button on the bottom left of the budget section. Please note that the budget alternative option should only be used if a budget has already been entered and an additional budget alternative is required. This function is optional and not mandatory. For the full explanation of the budget alternative, please see the “Definition” section of this quick guide.
To return to the main proposal application, users must click the blue “Go back to current record” button. To proceed with building the budget, users can name the budget or leave the default name of “Initial Budget.”

**Cost Share** (Optional)

If cost share is required, users must change the default radial button option from no to “Yes”. If no cost share is involved, skip this section and proceed to “Period Setup”.

Upon selecting “Yes”, users must complete additional questions and requirements regarding the cost share, including answering whether cost share is required by the sponsor and by providing sponsor documentation requesting cost share.

To add the cost share source, click the button at the bottom left to add the source information. Here the user must select from the drop-down menu the source of cost share, provide the label, and/or collateral account number as applicable. Based on the selection provided, expanded questions may appear regarding the cost share source.
**Period Setup** (Mandatory)

In order to develop a detail budget, a period(s) must be set up. Click the “Add Period” to establish your project dates/period of performance. Users will be prompted to name the budget period or keep the default name “Period 1”. Selecting the start and end date of the initial budget period can be done in multiple ways: 1) users can type in the date as a numeric value or 2) use the smart calendar tool to select the desired date. When using the smart calendar, users can cycle through the calendar using the forward and back carrot arrows or by clicking on the numbered date. Additionally, users can click on the “month and year” value to cycle through additional date options.

Once the initial budget period is established, users can quickly add additional years (multi-year projects), if applicable. Novelution assumes that any additional budget period will be 12 months in length and start on the following date after the last day of the initial budget period. Users can either “Copy Periods” or “Add Period”. In most scenarios, the “Add Period” shall the be the appropriate selection to add additional project periods.
**Program Income** (Optional)

If the project involves program income, users must change the default radial button option from no to “Yes”. If no program income is involved, skip this section and proceed to “Rate”.

Upon selecting “Yes”, users must complete additional questions and requirements regarding the program income, including a description or anticipated source of the program income and select whether the program income is “Additive or Subtractive”.

![Program Income](image)

**Rate (Indirect Cost)** (Optional)

In this section users must select the “Project Purpose Type” by selecting the appropriate choice in the drop-down menu. Additionally, the location of the project must be selected as either “on-campus” or “off campus”. In most cases, “on-campus” will be the appropriate choice. If there are any questions regarding if your project is on or off campus, please contact your designated Proposal & Contract Administrator (PCA) for further guidance. Selecting the “Project Purpose Type” and location of the project will populate the appropriate IDC rate per FAU’s current Federally Negotiated Indirect Cost Rate Agreement.

![Rate](image)

If the sponsor provides an indirect cost rate that is different from FAU’s approved rate, users must check the “Use Sponsor-Requested Rate?” box. By checking this box, users will be prompted to provided additional information regarding the sponsor-required rate. Please note that by providing an alternative indirect cost rate, this rate shall be pending and require approval from the Office of Sponsored Programs during the proposal review process.
Fringe and Escalation Rates (Optional)

If the project involves fringe and/or escalation rates, users can expand the appropriate rate type by clicking the down carrot arrow. If no fringe or escalation rate is involved, skip this section and proceed to “Budget Caps”.

Upon Expanding “Escalation Rate”, users must select whether to “Add Escalation Rate”, “Remove All”, “Reload from FAU Defaults” or “Apply Rates”. The default escalation rate is set for 3.0% on personnel expense. If this is the desired escalation rate, click “Apply Rate” and select the budget period(s) established previously in the Period Setup section. If a rate other than 3.0% is required, users must select “Add Escalation Rate” and select the budget category in which the rate will apply to, the rate amount, and date(s) in which the alternative rate will apply.

Fringe rates on personnel are established by FAU’s Indirect Cost Rate Agreement as approved by the Department of Health and Human Services. However, if an alternative fringe rate is required (often requested by the sponsor), users have the option to change the fringe rate on personnel. Similarly, to the escalation rate option, users will need to expand the fringe rates option by clicking on the down carrot arrow. Users will then select the “Add Fringe Rate” and select the budget category in which the fringe rate shall apply, provide the name of the rate, select the status of the rate (contract, provisional, or estimate), provide the date(s) in which the rate shall apply, and enter the rate value.
Budget Caps (Optional)

If the project involves budget cap/target, users can add the cap/target by clicking “Add Budget Cap/Target” button. If no budget cap/target is involved, skip this section and proceed to “Split Budgets”.

The budget cap section enables users to establish a budget cap or target in order to stay within a defined limit. The budget cap or target may be sponsor or user driven. This tool helps users to not exceed a sponsor’s budget cap or reach a target value. By selecting “Add Budget Cap/Target”, users are able to define the budget as either a cap or target, select the scope of the cap/target as either full budget or per period, select the cost type as either direct or total, enter the numeric cap/target value, and provide any additional notes, as appropriate.

Split Budget (Optional)

If the project involves split budgets, users can apply the split budget at either the pre-award stage or at award set-up. If no split budget is involved, skip this section and proceed to “Detailed Costs”.

If a split budget is only required at “Award Set-Up”, select this option in the drop-down menu and no further action is required regarding the split budget. User will then proceed to the “Detailed Costs” to build the budget. However, users also have the option to build split budgets at the “Pre-Award Stage”. Users can add the split budget and build separate budgets for the Principal Investigator and Co-Principal Investigator(s). Please note that in order to create a split budget, the user must identify and add the researcher by clicking “Add Researcher” in the “Personnel” section prior to creating a split budget.
Once the additional researcher has been added, the user can proceed to the “Detailed Costs” section by clicking on the down carrot arrow labeled Detailed Costs to expand the full budget sheet.

**Detailed Costs**

The detailed cost budget worksheet mirrors that of the federal SF-424 form; however, the Novelution worksheet is much more intuitive which allows users to enter complex line-item expenses with built in functions that calculates and totals the worksheet. Users can expand or drill down certain line-items to include the most minute details of that cost.

The worksheet enables users to have multiple views of the budget, including the default multi-budget period view, source of funding view, or split budget view. Depending of the type of budget, the user can decipher which budget view suits their needs.

If a budget has multiple sources of funding, users can filter the budget to show each source of funding individually or in a combined view. Additionally, if the budget includes split budgets, the user can filter the budget to show the combined budgets, the primary project budget, or the split budget(s). In order to view and develop the split budget, the user must change the “View” to “Split budgets”. Once the split budget view has been selected, the additional researcher’s budget column will appear in the budget sheet.

Users can also filter the cell value to show either the direct cost, indirect cost, or the total of direct and indirect costs. This is useful if the user needs to stay within a categorical limit, i.e. direct cost must be within a certain cap or limit. In most budget proposals, dollars are rounded to the nearest whole dollar. However, in some cases exact expenses must be shown, including cents. The user has the ability to switch the budget view to include cents by clicking on the “Show cents?” budget to toggle between “Yes” or “No”.

Additionally, the user can switch views from percent effort or person months when calculating senior/key personnel effort. The built-in budget function will automatically calculate the entire personnel costs including fringe and indirect cost whether the user switches between percent effort or person months.
Personnel Costs

In order to expand the Senior/Key Person line-item within the budget, the user must first click on the right carrot arrow to expand the list of personnel. The principal investigator is automatically added to the budget line; however, any additional named personnel added in the “Personnel” section (Add Researcher) will need to be added via the ellipsis (three dots) on the “Senior/Key Person” line-item. Please note that the ellipsis only appears if you hover your mouse cursor on the “Senior/Key Person” line-item. Adding additional personnel to the budget can be done individually or all at once by clicking the ellipsis.

Once all senior/key personnel have been added, to edit the requested salary, the user must hover the mouse cursor on the named individual and click on the ellipsis and select “Edit Costs”. Once the “Edit Costs” link is clicked, it opens the individual personnel budget worksheet.
The individual budget worksheet automatically calculates the personnel cost, including fringe and indirect costs, once the individual’s salary is entered and effort calendar months (or percent effort, if the percent effort view was selected) are entered.

### Other Personnel Costs

Similar to the Personnel Costs, Other Personnel Costs are entered in the same manner as the Senior/Key Person line-item. However, there are two distinct differences. 1) Once the mouse cursor hovers over the Other Personnel Costs (i.e. Post-Doctoral Associate) there is an additional option to “Itemize” the cost. The itemizing option converts to the item details entry-mode and budget calculations will not include values entered at the category level. 2) All individuals that fall within the “Other Personnel Costs” section do not need to be added or pulled into the budget as they are not officially named.
Users may enter other personnel salary costs based on the individual’s effort type (percent effort, effort months, or by hourly). If hourly is selected, the individual’s hourly rate must be identified. When entering the requested salary other personnel, please note that if it is necessary to adjust the default fringe rate, click the default fringe rate cell and manually enter the appropriate fringe rate. The following are the default fringe rates built into the budget worksheet: Post-Doctoral Associate (29.4%), Graduate Students (0%), Undergraduate Students (0%), Secretarial/Clerical (43.5%). The default rates are based on the approved rates as outlined in the FAU F&A Rate Agreement as approved by the Department of Health and Human Services. As previously indicated, the fringe rate may be changed, if appropriate.
User may also enter other personnel or To Be Named (TBN) personnel by clicking the “Other” line-item right carrot arrow. This will expand other personnel section where additional individuals/positions can be named or added as TBN.

Non-Personnel Costs

Non personnel costs include equipment, travel, participant/trainee support costs, and other direct cost. To expand each subset, users must click on the right carrot arrow to open the line-item.

**Equipment:** Equipment can be added once the right carrot arrow is clicked to provide the “+ Add Item”. Click the Add Item option which will allow the user to type in the equipment name (i.e. microscope). User will then need to click on the ellipsis to edit the equipment cost similarly to editing personnel costs. The budget worksheet defaults to only one equipment line-item; however, users can add additional equipment line item by click the ellipsis on the equipment line-item and clicking on the “Add Item" option.

**Travel:** Entering the travel costs can be done in three ways. Since travel costs is separated as either domestic (Canada, Mexico, US Possessions, and within the US) and foreign, users must enter the travel cost in the appropriate category(ies). Travel costs can be entered as a final whole cost, edit cost, or itemized cost.

**Whole Cost:** Entering travel costs as a whole cost the users can simply enter the total dollar amount in the open cells. No additional information is required.

**Edit Cost:** To enter travel costs as edit cost the users must hover the mouse cursor over the ellipsis in the travel type and click edit costs. This will allow the user to enter the direct cost of the travel expense and edit the indirect cost. In most cases the indirect cost for travel will not be excluded from IDC; however, certain sponsors may limit indirect cost or not allow indirect cost for travel, thus the default rate is 0% and the user must enter the appropriate value.
**Itemize Cost:** To enter travel costs as itemize cost the users must hover the mouse cursor over the ellipsis in the travel type and click itemize costs. The itemize cost option enables the user to develop a detailed travel budget that captures all expenses based on expense type. This option is useful when full details are required for travel. When the itemize cost option is selected, users must provide the description (mandatory) of the travel and purpose (non-mandatory) of the travel. The itemize travel cost worksheet is highly detailed and users can enter values as appropriate. The subsection within the itemize travel cost are: Agenda, Conference, Airfare, Lodging, Per Diem, Mileage, and Other Expenses.
Other Direct Costs

The other direct cost section allows users to enter costs for Material and Supplies, Publication, Consulting Services, ADP/Computer Services, Subaward/Consortium/Contractual Costs, Equipment or Facility Rental/User Fees, Alterations and Renovations, and Other (editable). To expand the other direct cost section the user must click the right carrot arrow which opens all category line-items that fall under other direct cost. Other direct costs can be entered by three methods. 1) The user can enter directly in the open cells for each appropriate line-item or hover the mouse cursor in the budget line-item (i.e. Material and Supplies) then click on the ellipsis and choose to enter the dollar amounts via edit costs or itemized.

2) To enter costs as edit cost, the user must enter the direct cost and enter the indirect cost for each line-item expense type. In most cases the indirect cost for other direct cost will be 49.5%, however, certain sponsor may limit indirect cost or not allow indirect cost in the other direct cost section, thus the default rate is 0% and the user must enter the appropriate value.

3) To enter costs as itemize, the user must name the item (i.e. reagents and test tubes) and provide the base cost, quantity, and indirect cost for the line-item. In most cases the indirect cost for other direct cost will not be excluded from indirect costs; however, certain sponsors may limit indirect costs or not allow indirect costs in the other direct cost section, thus the default rate is 0% and the user must enter the appropriate value.
Subawards/Consortium/Contractual Costs

To enter subaward/consortium/contractual costs the subaward/consortium/contractual must be previously named in the proposal application under “Subawards”. If no subawards are named, no value can be entered into the detailed costs worksheet. Please refer to the User Guide for more details regarding adding a subaward. Once a subaward(s) is named, to pull subaward into the budget the user must hover the mouse cursor over the subaward budget line-item can click on the ellipsis. Subawards can be added individually into the budget or all subawards at once if more than one subaward is named.

Once the subaward(s) is added to detailed costs worksheet, values can be entered using the itemized costs option. Users must enter the base cost of the subaward budget (total subaward budget including the subaward’s indirect costs) and the FAU indirect cost rate. Please note that if the budget type was selected as Modified Total Direct Cost (MTDC) the built-in function charges indirect cost to only the first $25,000 of the total subaward cost. No indirect cost will be charge for any amount over the first $25,000.

Other

In certain situations, additional costs within the other direct costs section that do not fall in the designated line-item categories can be added as “Other”. There are three line-items which are labeled as Other 1,
Other 2, and Other 3 that can be altered for the additional cost(s). The other costs can be entered by three methods. 1) The user can enter directly in the open cells for each appropriate line-item or hover the mouse cursor in the other line-item and then click on the ellipsis and choose to enter the dollar amounts via edit costs or itemized.

2) If the edit cost option is selected, the user must enter the direct cost amount and the indirect cost rate. Since the costs type for the section is underdetermined, the default indirect cost rate is 0% and the user must enter the appropriate indirect cost rate.

3) If the itemize cost option is selected, the user must first name the “other” cost and provide the base cost and the indirect cost rate. For the example provided, the other cost is tuition which is exempt from indirect cost if the budget type is MTDC.
The detailed costs worksheet is a real-time budget development tool which calculates and totals all categorical cost and final cost as they are entered. Once a complete budget is entered, users can see the total project costs for each year and the total project aggregate costs. Additionally, the budget can also provide additional budget information such as “Amount over the cap” and “Unrecovered indirect costs”.

<table>
<thead>
<tr>
<th>Totals</th>
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<tbody>
<tr>
<td><strong>Total Direct Costs</strong></td>
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<tr>
<td><strong>Direct Costs excluded from F&amp;A</strong></td>
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<tr>
<td><strong>Modified Direct Costs applicable to F&amp;A</strong></td>
</tr>
<tr>
<td><strong>Total Indirect Costs (F&amp;A)</strong></td>
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<tr>
<td><strong>TOTALS</strong></td>
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<tr>
<td><strong>Amount over cap</strong></td>
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