

UTC Research and Sponsored Programs Budget Line-Item Guidance

NOTES FOR USE

The information below is intended to provide general guidance to help you plan and develop a proposal budget. Please review this information alongside the specific instructions from the sponsor. ***Please note that when there are discrepancies among the federal regulations, sponsor guidelines, and UT policy, the most restrictive policies and requirements always take precedence.***

Budgets should **ALWAYS** be developed in collaboration with the Office of Research & Sponsored Programs (ORSP) and must be finalized **5 business days** prior to the deadline.

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SPONSORED PROJECT POLICIES AND PROCEDURES

UT FISCAL POLICY

Sponsored project budgets should be prepared in accordance with [UT Fiscal Policy](#).

DIRECT COST PRINCIPLES & JUSTIFICATION

It is critical that all costs charged to a sponsored project are

- **ALLOCABLE** to the operation of the sponsored project (not to be used for general departmental purposes);
- **ALLOWABLE** by [UT policy](#), sponsor policies, and [Uniform Guidance](#) (federal government regulations on costs which can be charged to grants and contracts);
- **REASONABLE** and **NECESSARY** for the performance of the sponsored project; and
- **CONSISTENTLY TREATED** by UT in similar situations.

Refer to [UT Fiscal Policy FI0206](#) for detailed information on determining allowable direct costs. Direct costs include all expenses that are incurred solely for work on the sponsored project. Direct costs can be specifically documented by recordkeeping mechanisms such as invoices and timesheets. Also, see the section below on [Indirect Costs](#).

Sponsored project budgets must not request direct support for expenses that are recovered through UTC's indirect cost calculation. Doing so would be considered "double-dipping" of expenses and could result in penalties to the institution.

Should you still have questions after you have reviewed the information below, please contact ORSP.

DIRECT COSTS

Direct Costs are costs that can be specifically documented by recordkeeping mechanisms and are directly allocated to a specific project.

PERSONNEL SALARIES AND WAGES

This budget category includes the costs of all salaries and wages that will be paid to UTC personnel (current personnel and those to be hired, including students). [UT Fiscal Policy FI0207](#) addresses salaries on sponsored projects. **Always check the sponsor's guidelines for requirements about appropriate salary charges.**

Institutional Base Salary for UTC Employees

BASE SALARY

Calculate salaries and wages for sponsored project budgets using each person's institutional base salary and time / effort committed to the project. Your Grants Specialist can provide you with base salary information for current employees. For sponsored project budget calculations, longevity pay is added to the base salary of individuals, as applicable.

RAISES/SALARY ESCALATION RATES

Unless the project will begin within the same fiscal year, salary escalation estimates should be included to ensure that your budget will have sufficient funds to cover personnel costs. If project activities will take place after the current fiscal or academic year ends, calculate a 3% raise per person for each year of the project. If next year's raise is known at the time you are developing a budget, include the known raise for the next year then budget a 3% pay increase for any subsequent years of the project. **Please note that personnel will be compensated based on institutional base salary regardless of the amount budgeted.**

SALARY CAP / FEDERAL SALARY RATE LIMITATION

Some sponsors, including PHS agencies (NIH, HRSA, etc.), impose a limit on the amount of an individual's salary that can be reimbursed on certain federal awards. Often referred to as a "salary cap," the limitation is established by Congress on an annual basis. For programs that impose a salary cap, contact an ORSP representative for assistance. Additional details are included in [UT Fiscal Policy FI0208](#).

EFFORT LIMITATIONS

Some sponsors limit the amount of effort individual investigators may request funding for. Be sure to check the sponsor's guidelines carefully for these types of restrictions. For example, **NSF limits compensation to a maximum of 2 months** (regardless of academic year release or summer pay) across all NSF-sponsored projects. If you are aware at the time of proposal submission that Senior Personnel will exceed this maximum, you can include the following statement in the Budget Justification:

"In accordance with section II.C.2.g.(i)(a) of the PAPPG, sponsor approval is required if upon issuance of this Award, the Senior Personnel will exceed the two-month limitation for all effort on NSF Awards in the UW's fiscal year. For this proposal submission, we expect that <<NAME SENIOR PERSONNEL>> will expend <<XX>> months on this Award and that, combined with existing NSF Awards, will put them over the two-month limit."

If the proposal is fully funded, the inclusion of this statement ensures budget approval is extended to the excess personnel effort.

NEW HIRES

Contact Human Resources for assistance in determining an appropriate salary for new hires / sponsored positions prior to submitting a proposal.

Budgeting for 9-Month Faculty

Many projects will involve the effort of UTC faculty. Most faculty are on 9-month appointments, and their effort and compensation on a sponsored program can be calculated using the methods below. Please check with your Grants Specialist to confirm a faculty member's appointment type.

MONTHLY RATE OF PAY (FOR SUMMER SALARY)

UT Fiscal policy allows 9-month faculty to earn up to 33.33% of their salary as additional pay during the summer. When all summer pay – including teaching and effort on sponsored projects – is combined, **the total cannot exceed 33.33%** of the faculty member's academic-year salary. Take your summer teaching plans into account when determining how much time to budget for sponsored activity to ensure the budget does not exceed the 33.33% summer pay maximum.

To budget for summer effort, add the appropriate escalation to the base salary as described above, divide the sum by 9 to calculate the monthly rate of pay, then multiply that figure by the number of summer months that the faculty member will work on the sponsored project. Round to the nearest whole dollar.

EXAMPLE: Dr. Y is on a 9-month appointment @ a salary of \$75,000. Dr. Y will spend 2 months during the summer on the project. $\$75,000 \times 1.03 = \$77,250 / 9 = \$8,583$ monthly salary $\times 2$ months = \$17,166.

DAILY RATE OF PAY

To budget for a daily rate of pay, add the appropriate escalation increase to the base salary, divide the sum by **168** (the number of duty days in an academic year), then multiply that figure by the number of days of effort for which the faculty member will be compensated. Round to the nearest whole dollar.

EXAMPLE: Dr. Y is on a 9-month appointment @ a salary of \$75,000. Dr. Y will spend 10 days during the summer on the project. $\$75,000 \times 1.03 = \$77,250 / 168 = \$460$ daily salary $\times 10$ days = \$4,600.

HOURLY RATE OF PAY

To budget for an hourly rate, add the appropriate escalation increase to the base salary, divide the sum by **1,344** (the number of duty hours in an academic year), then multiply that figure by the number of hours of effort for which the faculty member will be compensated. Round the hourly rate to the nearest cent and the total cost to the nearest whole dollar.

EXAMPLE: Dr. Y is on a 9-month appointment @ a salary of \$75,000. Dr. Y will spend 100 hours during the summer to work on project activities. $\$75,000 \times 1.03 = \$77,250 / 1,344 = \$57.48/\text{hr} \times 100$ hours = \$5,748.

LOADED LABOR RATES (HOURLY)

The standard loaded labor rate calculation includes salary (with escalation), fringe benefits, and the associated indirect costs. Review the sponsor's guidelines to see if the requirements for this calculation differ. Round the hourly rate to the nearest cent and the total cost to the nearest whole dollar.

EXAMPLE: Dr. Y is on a 9-month appointment @ a salary of \$75,000 and a fringe rate of 34.7%. Dr. Y will spend 100 hours during the summer conducting research.

- $Salary = \$75,000 \times 1.03 = 77,250 / 1,344 = \$57.48/hr$
- $Fringe\ rate = \$57.48 \times 34.7\% = \$19.95/hr$
- $Associated\ indirects = (\$57.48 + \$19.95) \times 37.5\% = \$29.04/hr$
- $Loaded\ labor\ rate = \$106.47/hr (\$57.48 + \$19.95 + \$29.04)$

To calculate the loaded labor rate for Dr. Y, add hourly rate + fringes + associated indirects x number of hours: $\$106.47 \times 100\ hours = \$10,647$.

ACADEMIC YEAR RELEASE

With the approval of the Department Head and/or Dean, faculty can be released from academic year duties to work on sponsored activities. In these instances, the sponsored project will pay for that portion of the faculty member's time, creating "salary savings" to the institution. Faculty **must** seek approval from the Department Head and/or Dean for any proposed released time before the proposal is submitted to the funding agency.

The most common form of release time is a course release. Although it varies by college/department, ORSP bases course release calculations on a 4/4 teaching load, in which each course equals 12.5% of a faculty's total academic year effort. To budget for an academic year course release, add a 3% increase to the base salary, multiply by 12.5% and by the number of courses you'll be released from during the academic year. Round to the nearest whole dollar.

EXAMPLE: Dr. Y is on a 9-month appointment @ a salary of \$75,000. Dr. Y will be released from one course each semester (2 total) to work on project activities during the academic year. $\$75,000 \times 1.03 = \$77,250 \times 12.5\% \times 2\ courses = \$19,313$.

Note: If you are assigned to a 3/4 or a 3/3 teaching load, you already have a built-in course release that you can allocate academic year effort to, and as a result you have more flexibility in the amount of release time you can budget for, but you must still seek approval from your Department Head and/or Dean to apply the reassignment of effort. Discuss your options with your Grants Specialist.

SUMMER COURSES

If a sponsored project will pay you or another faculty member to teach a summer course, or if you need to factor in your summer teaching load, contact the cognizant departmental or college-level budget manager to determine the appropriate cost.

Budgeting for 12-month Faculty and Exempt Staff

Projects may involve the effort of 12-month faculty and exempt staff. This includes to-be-hired staff and **postdoctoral associates**. Budgeting for an individual with this type of appointment requires a release from a portion of assigned duties, with the approval of appropriate administrators, to allocate that time to the project, creating "salary savings" to the department. **Faculty and staff with a 12-month appointment cannot receive additional pay from federal funding (including flowdown funding).** The following calculations provide examples of how to budget for 12-month faculty and exempt staff effort.

PERCENTAGE OF EFFORT

Add the appropriate escalation to the base salary as described above, then multiply by the percentage of effort reassigned to the sponsored activity. For to-be-hired positions, add the 3% escalation to their base salary for each year after the anticipated hire date. Round to the nearest whole dollar.

EXAMPLES:

- Ms. V is a full time, exempt staff member with a base salary of \$60,000. Ms. V will be re-assigned to the project for 10% of her effort. $\$60,000 \times 1.03 = \$61,800 \times 10\% = \$6,180$.

- A full-time postdoc will be hired for the two-year project at 100% effort, with a base salary of \$50,000. In year 1, \$50,000 is requested. In year 2, \$51,500 is requested (\$50,000 x 1.03).

MONTHLY RATE OF PAY

To determine monthly rate of pay, add the appropriate escalation to the base salary as described above, divide by 12, and multiply by the number of months.

EXAMPLE: Ms. V is a full-time, exempt staff member with a base salary of \$60,000. Ms. V will be re-assigned to the project for 2 months. $\$60,000 \times 1.03 = \$61,800 / 12 = \$5,150 \times 2 = \$10,300$.

DAILY RATE OF PAY

To determine the daily rate of pay, add the appropriate escalation to the base salary, divide the sum by **224** (the number of duty days for 12-month employees) and multiply by the number of days allocated to the project. Round to the nearest whole dollar.

EXAMPLE: Ms. V is a full-time, exempt staff member with a base salary of \$60,000. Ms. V will be re-assigned to the project for 10 days. $\$60,000 \times 1.03 = \$61,800 / 224 = \$275.89 / \text{day} \times 10 \text{ days} = \$2,759$.

HOURLY RATE OF PAY

To determine hourly rate of pay, add the appropriate escalation to the base salary, divide the sum by 1,792 (duty hours for 12-month employees) and multiply by the number of hours allocated to the project. Round the hourly rate to the nearest cent and the total to the nearest whole dollar.

EXAMPLE: Ms. V is a full-time, exempt staff member with a base salary of \$60,000. Ms. V will be re-assigned to the project for 100 hours. $\$60,000 \times 1.03 = \$61,800 / 1,792 = \$34.49/\text{hr} \times 100 \text{ hours} = \$3,449$.

LOADED LABOR RATES (HOURLY)

The standard loaded labor rate calculation includes salary (with escalation), fringes, and the associated indirect costs. Review the sponsor's guidelines to see if the requirements for this calculation differ. Round the hourly rate to the nearest cent and the total cost to the nearest whole dollar.

EXAMPLE: Ms. V is a full-time, exempt staff member with a base salary of \$60,000 and a fringe rate of 34.7%. Ms. V will be re-assigned to the project for 100 hours.

- Salary Rate = $\$60,000 \times 1.03 = \$61,800 / 1,792 = \$34.49/\text{hr}$
- Fringe rate = $\$34.49 \times 34.7\% = \$11.97/\text{hr}$
- Associated Indirects = $(\$34.49 + \$11.97) \times 37.5\% = \$17.42/\text{hr}$
- Loaded labor rate = $\$63.84 (\$34.49 + \$11.93 + 17.42)$

To calculate the loaded labor rate for Ms. V, add hourly rate + fringes + associated indirect costs X number of hours: $\$63.84 \times 100 \text{ hours} = \$6,384$.

Calculating "Person Months"

Some sponsors (including the National Institutes of Health, National Science Foundation, etc.) require budgets and Current, Pending and Other Support (CPS) Forms to reflect effort in terms of "person months" committed to the project. Person months can be calculated in several ways, depending on the planned effort on the project, the salary request, and the sponsor's instructions for calculating person months.

The simplest way to calculate person months is to follow the guidance provided by the National Institutes of Health (see [NIH's Person Months FAQs](#) for additional details). Round to the nearest hundredth.

CONVERTING PERCENTAGE EFFORT TO PERSON MONTHS

Multiply the percentage of effort by the appointment type.

EXAMPLES:

- 12.5% of a 9-month appointment (1 course release) = 1.13 person months ($9 \times .125$)
- 10% of a 12-month appointment (release time) = 1.2 person months ($12 \times .1$)
- 10% summer effort = 0.3 person months ($3 \times .1$)

CONVERTING DAYS TO PERSON MONTHS

There are 18.67 duty days in one month (regardless of appointment type). To convert days to person months, divide the number of days allocated to the project by 18.67.

EXAMPLES:

- 10 days of effort for a 9-month appointment = 0.54 person months ($10/18.67$)
- 40 days of effort for a 12-month appointment = 2.14 person months ($40/18.67$)

CONVERTING HOURS TO PERSON MONTHS

There are 149.33 duty hours in one month (regardless of appointment type). To convert hours to person months, divide the number of hours allocated to the project by 149.33.

EXAMPLES:

- 200 hours of effort for a 9-month appointment = 1.34 person months ($200/149.33$)
- 100 hours of effort for a 12-month appointment = 0.67 person months ($100/149.33$)

Budgeting for Non-Exempt and Administrative Staff

In some cases, non-exempt staff may be hired specifically to work on sponsored projects, or currently employed staff may be released from other duties. Fiscal policy [FI0206](#) and [FI0207](#) specify that clerical and administrative personnel salary charged to sponsored projects is **not intended to be additional pay or overtime pay**. The amount or percent of effort identified in the proposal and worked during the period of performance will be paid directly from the sponsored project as part of the employee's base pay at no more than their regular hourly rate.

Since clerical assistance is routinely provided to faculty/staff and is included in UTC's indirect cost rate agreement, **salaries for departmental administrative and clerical staff typically should not be charged to sponsored project budgets**. For additional information, see [UT policy FI0206](#) or the section on [indirect costs](#) below. However, direct charging of clerical or administrative salaries may be appropriate in some rare circumstances:

FEDERALLY SPONSORED PROJECTS

Includes subawards in which federal funds flow down to the university through a non-federal source.

Direct charging may be appropriate if **ALL** the following apply:

- **Administrative or clerical services are integral to a project or activity.** "Integral" is defined as being absolutely necessary for the completion of the project's statement of work. The proposal, budget, and budget justification must describe how these personnel are directly supporting the statement of work and identify the relationship of the charges to the programmatic goals of the project. It is important to explain how the nature of the work differs from routine clerical services provided in the department. For example, the Uniform Guidance highlights that salary for an administrative assistant completing financial reconciliations should not be divided and charged directly to all sponsored awards under a PI or department. Although financial reconciliations are

necessary to the overall execution of the project, this is true of all sponsored and non-sponsored activities and these types of services cannot be considered “integral” to the project’s goals and objectives.

- Individuals involved can be **specifically identified with the project or activity**.
- Such costs are **explicitly included in the budget** or have the prior written approval of the Federal awarding agency.
- **The costs are also not recovered as indirect costs.**

See [Uniform Guidance](#) §200.413(c) or contact your Grants Specialist for information and guidance regarding the role of non-exempt staff.

PROJECTS WITH NON-FEDERAL SPONSORS

The same general principles used for federal projects apply to those sponsored by foundations, professional organizations, or other non-federal sources. Clerical and administrative salaries are generally viewed as indirect costs rather than as direct costs. Within limited circumstances, clerical or administrative salaries may be directly charged to a sponsored program if the sponsor approves them and if they directly support the statement of work and are doing work beyond their appointed duties. The proposal, budget, and budget justification must explain how administrative or clerical personnel are integral to the project activities.

Budgeting for Students

Undergraduate and/or graduate students who are participating as project team members must be budgeted as personnel. If students are only attending a workshop or program activity and will receive a stipend for completing the activity, these costs must be budgeted in the [participant support](#) section. If you are unsure which applies to your project, reach out to your Grants Specialist for clarification.

Undergraduate students can only be hired at an hourly rate. Master’s level graduate students can be paid at either an hourly rate or through a 9-month Graduate Assistantship stipend. PhD students cannot be hired hourly and must be compensated in the form of a 12-month Graduate Assistantship. If a GA will not work the full year/semester on the project, both the stipend and tuition/fees should be prorated appropriately.

Postdoctoral Associates are not students and must be budgeted as [12-month employees](#) instead.

HOURLY STUDENT WORKERS

Because students have a broad range of skill levels and can be engaged in a wide variety of duties, there is no fixed hourly rate for student workers; however, it is strongly encouraged, where possible, to pay students at least \$15/hr. If including both graduate and undergraduate students in a sponsored budget, consider offering a slightly higher rate for the graduate student (e.g., \$18/hr). The amount of time spent on the project can vary as well depending on the period of performance and needs of the project. Costs can be calculated based on the total number of weeks and/or hours. If you want to hire students based on the academic calendar, see the chart provided in [Prorating GA Effort](#).

Notes:

- Students are not eligible for annual salary increases, so annual escalations cannot be included.
- ORSP does not recommend budgeting hourly students more than 20 hours per week during the fall/spring semesters.
- Overtime pay for students is not permitted.

- If you are budgeting for year-round hourly support, consider building in breaks to account for university closings (i.e., budgeting 48 weeks instead of 52 weeks).

EXAMPLE: Three master's level graduate students will be hired to assist with data collection, entry, and analysis for the project. Each student will work 20 hrs/wk for 48 weeks each and be compensated at an hourly rate of \$18.00/hour. $\$18.00/\text{hour} \times 20 \text{ hours/week} \times 48 \text{ weeks} \times 3 \text{ students} = \$51,840$.

GRADUATE STUDENT ASSISTANTSHIPS

Master's and PhD level graduate assistantships (GAs) can be budgeted in sponsored projects as long as they are listed as allowable costs in the program guidelines. To budget for an assistantship, you must include **both the stipend + fringes and the in-state tuition + any differential fees** for each semester. The location of each item is dispersed throughout the budget, as follows:

- GA stipend – Other Personnel
- GA fringes – [Fringe Benefits](#)
- GA tuition remission and course differentials – [Other Direct Costs](#) (G6. Other)

Master's Level GA:

A master's level GAship can be full-time (20 hours per week) or part-time (10 hours per week) during the fall and spring semesters. It is not common to budget master's level GAs during the summer. Instead, **summer effort for master's level students should be budgeted as hourly work**. Contact your Grants Specialist for options if your project will require a summer GAship.

- **FULL-TIME ASSISTANTSHIP:** Full-time master's level GAs work 20 hrs/week and take 9 or more credit hours per semester. The minimum stipend for full-time GAs is \$4,500/semester plus applicable [fringe benefits](#). ORSP recommends a stipend of at least \$5,500/semester or \$11,000 per academic year, but PIs should budget at a rate consistent with departmental policies and competitive for their discipline. If you are planning to recruit an international student for an assistantship, you will need to budget for a larger stipend to comply with federal regulations. Consult staff in the International Student Office (ext. 2110) for details.

EXAMPLE: A full-time master's level Graduate Assistant from the School of Education will be hired for the project at 20 hours per week to assist project staff in developing recruitment and marketing materials, developing surveys and other evaluation documents, developing and maintaining the program website, and other duties as assigned. The GA will receive a stipend of \$5,500 per semester x 2 semesters = \$11,000 + 7.4% fringes (\$814). Tuition is calculated separately under Other Direct Costs.

- **PART-TIME ASSISTANTSHIP:** Part-time GAs work 10 hrs/week and take up to 6 credit hours per semester. The minimum stipend for part-time GAs is \$2,250/semester plus applicable [fringe benefits](#), but PIs should budget at a rate consistent with departmental policies and competitive for their discipline.

EXAMPLE: A master's level Graduate Assistant from the Department of Mechanical Engineering will be hired for the project at 10 hours per week to assist the PI with one of the research aims. The GA will receive a stipend of \$3,000 per semester x 2 semesters = \$6,000 + 7.4% fringes (\$444). Tuition is calculated separately under Other Direct Costs.

PhD Level GA:

PhD level graduate assistants can only be budgeted as a full assistantship and must receive a yearly stipend with applicable [fringe benefits](#). PhD students cannot be budgeted hourly. The minimum stipend for a PhD student is \$22,000 per year. ORSP recommends a stipend of at least \$25,000/year, but PIs should budget at a rate consistent with departmental policies and competitive for their discipline. If you are

planning to recruit an international student for a graduate assistantship, you will need to budget for a larger stipend to comply with federal regulations. Consult staff in the International Student Office (ext. 2110) for details.

EXAMPLE: A full-time PhD level Graduate Assistant from CECS will be hired for the project. The GA will receive an annual stipend of \$25,000 + 7.4% fringes (\$1,850). Tuition is calculated separately under Other Direct Costs.

Prorating GA Effort:

Occasionally, it may be necessary to prorate a GA's effort on a project. When doing so, use the following tables as the calculation base:

Full Time (20 hours/week)

	Fall	Spring	Total
Hours	280	276	556
Days	70	69	139
Weeks	14	13.8	27.8

Part Time (10 hours/week)

	Fall	Spring	Total
Hours	140	138	278
Days	70	69	139
Weeks	14	13.8	27.8

EXAMPLE: A full-time master's level GA will spend partial effort on a sponsored project (5 hours per week for 20 weeks) during the academic year. The GA's effort is calculated as 5 hrs/wk x 20 wks = 100 hrs / 556 hrs = 18% effort. The total cost of the GA (including the stipend, applicable fringes, and tuition) is prorated at 18% for the one-year project period.

FRINGE BENEFITS

Whenever sponsored project funds are used to pay salaries and wages, associated fringe benefits must also be charged. This includes student hourly wages and GAship stipends.

The UT System has negotiated a fringe benefits rate agreement with the federal government. All UT campuses must use the rates below. Fringe benefits should **not** be calculated for consultants and others providing services on a contractual basis.

Employee Group	FY27 Negotiated Fringe Rate
Regular Employees (faculty and staff, full or part time, including TBH)	34.7%
Medical Residents (UTHSC Only)	20.4%
Graduate Student Employees (9 or 12-mo GRA stipends only)	7.4%*
Temp Employees (non-students, less than 12 consecutive months)	5.0%
(Hourly) Student Employees (undergraduate or hourly master's level)	0.9%

* The rate for GRAs includes health insurance. Health insurance is no longer budgeted separately for GRAs.

To calculate associated fringe benefits, multiply the project-allocated salary amount by the fringe benefits rate. Round to the nearest whole dollar.

EXAMPLES:

- *Dr. Y is on a 9-month appointment with a salary of \$77,250. Dr. Y is requesting 2 months of effort for this project, totaling \$17,166. Because Dr. Y is a regular employee, a fringe benefits rate of 34.7% must be used. The associated fringe benefits cost is $\$17,166 \times .347 = \$5,967$. Total personnel cost for Dr. Y = $\$23,123$ ($\$17,166 + \$5,957$).*
- *A full-time postdoc will be hired for the project at 100% effort with an annual salary of \$50,000/yr. Because the postdoc is a regular employee, a fringe benefits rate of 34.7% must be used. The associated fringe benefits cost is $\$50,000 \times .347 = \$17,350$. Total personnel cost for the TBH postdoc = $\$67,350$ ($\$50,000 + \$17,350$).*
- *A part-time project coordinator will be hired to support the project. The coordinator will be paid \$20/hr for 25 hours/week for 52 weeks, totaling \$26,000. Even though the coordinator is part time, they are expected to work on the project for 12 consecutive months, so the regular employee fringe rate of 34.7% must be used. The associated fringe benefits cost is $\$26,000 \times .347 = \$9,022$. Total personnel cost for the part time coordinator = $\$35,022$ ($\$26,000 + \$9,022$).*
- *A full-time PhD Graduate Research Assistant from CECS will be hired for the project at 20 hours per week to assist project staff. The GA will receive an annual stipend of \$25,000. The Graduate Student Employee fringe rate of 7.4% must be applied to the annual stipend. The associated fringe benefits cost is $\$25,000 \times .074 = \$1,850$. Total personnel cost for the PhD student = $\$26,850$ ($\$25,000 + \$1,850$). Tuition and fees are budgeted separately.*
- *A master's level graduate student will be hired on an hourly basis during the summer to assist with data collection, entry, and analysis for the project. The student will work 20 hrs/wk for 12 weeks at an hourly rate of \$18.00/hour. $\$18.00/\text{hour} \times 20 \text{ hours/week} \times 12 \text{ weeks} = \$4,320$. The student employee fringe rate of 0.9% must be applied to the wages. The associated fringe benefits cost is $\$4,320 \times .009 = \39 . Total personnel cost for the hourly graduate student = $\$4,359$ ($\$4,320 + \39).*

EQUIPMENT

For federal programs (and many non-federal programs), equipment is defined as an item of nonexpendable, tangible property that has a useful life of more than one year and a per-unit acquisition cost that is equal to or greater than \$5,000. See the [Uniform Guidance](#) for details.

If a major equipment purchase will be made with sponsored funds, it is important to make sure that the purchases are completed in accordance with UT Fiscal Policy and purchasing guidelines. See [UT Fiscal Policy FI0205](#) governing sponsored projects for details. Note that if suitable equipment is available on campus, it must be used instead of purchasing additional equipment.

If the purchase of equipment can be justified and is allowable by the sponsor, **all major pieces of equipment costing \$5,000 or more per unit, including any general-purpose equipment, must be itemized** in detail in the proposal budget/justification and in the approved grant or contract. Otherwise, written approval may be required from the sponsor before purchasing such equipment. Round to the nearest whole dollar.

When planning the timeline for implementation of the project, be sure to leave an appropriate amount of time to complete the bidding and purchasing process or the sole-source justification and approval process. Consult UTC's Purchasing Department [website](#) for details.

Note: Equipment is **EXCLUDED** from UTC's indirect cost base.

TRAVEL

Sponsored projects often include travel for project personnel to attend meetings with funding agency representatives, attend professional conferences and meetings to disseminate information about the project, or for other purposes specific to the project. Be sure to check the sponsor/program guidelines for travel funding restrictions.

UT Travel Policies and Guidelines

When preparing the travel portion of your budget, please consult the [Travel Intranet site](#) and UT policy [FI0705](#) for information on current university travel regulations.

TRAVEL IN THE CONTINENTAL UNITED STATES

For travel in the Continental United States, including in-state travel in Tennessee, UT uses the [CONUS](#) rates established by the U.S. General Services Administration. Round to the nearest whole dollar.

TRAVEL OUTSIDE OF THE CONTINENTAL UNITED STATES

For travel outside the Continental US, including Alaska, Hawaii, US territories, and foreign countries, UT uses the [OCONUS](#) rates established by the Department of Defense and the State Department. Round to the nearest whole dollar.

LOCAL TRAVEL

UT employees on sponsored projects may only receive reimbursement for local travel if they are on active travel status. Round to the nearest whole dollar.

USE OF MOST RESTRICTIVE POLICY

When budgeting for travel in a sponsored project, note that **the most restrictive policy** (whether UT or the sponsor) **should be applied**, as stated in UT policy [FI0705](#).

Line Item-Specific Guidance

In the absence of specific guidance from the sponsor, the following guidelines should be followed:

AIRFARE

Estimate airfare costs based on the current rate of fares and baggage fees to your anticipated destination from one of the following locations: Chattanooga, Atlanta, or Nashville. The UT-approved [travel site](#) or Google Flights may be used for this purpose. You must use a US flag air carrier, even if internationally based air carriers are less expensive or more convenient, unless one of the exceptions listed in UT policy [FI0705](#) are met. To guard against future cost increases, use a middle-cost flight for coach class (or equivalent) or round to the nearest hundred. Airport parking may be included (see Ground Transportation below). Round to the nearest whole dollar.

GROUND TRANSPORTATION

On-Location Travel:

On-location travel costs, including parking, taxis, shuttle services, bus/subway fares, ride share costs, etc. may be paired with budgets requesting airfare. Valet parking is not a reimbursable expense. Round to the nearest whole dollar.

UT-Owned Vehicles:

For drivable trips, UT encourages the use of UT-owned vehicles for business travel, when available. If using a UT-owned vehicle, gasoline should be purchased from UT motor pool facilities when possible. Mileage reimbursement should not be budgeted for UT-owned vehicles. See the UTC Motor Pool [webpage](#) for current rental fees and fuel costs. Round to the nearest whole dollar.

Rental Cars:

The cost of rental cars may be included for on-location travel or drivable trips. Use the UT-approved [travel site](#) to get the most accurate estimate for rental cars. Round to the nearest whole dollar.

Personal Vehicles:

If using a personal vehicle, you may request reimbursement for mileage or gas purchases, but not both. See the UT [travel site](#) for the current mileage reimbursement rate. Round to the nearest whole dollar.

PER DIEM

The costs of meals and incidental expenses are included in the established per diem rates at [CONUS](#) and [OCONUS](#). If the destination is unknown, use Washington, DC rates for the estimate. When calculating per diem, note that the per diem for the first and last travel days (leaving from and returning to home) are prorated at 75% of the standard rate. Round to the nearest whole dollar.

EXAMPLE: The PI will travel to Washington, DC for a 2-day meeting. The FY2023 per diem rate for Washington, DC is \$79. The total trip includes two travel days and one full day in DC. The per diem for the trip is calculated as $79 \times 1 + 59.25 \times 2 = \198 .

LODGING

If budgeting for a known conference, use the hotel rates listed in the agenda. If the hotel rates are unknown, budget at the sponsor's stipulated rate. If the sponsor does not stipulate a rate, UT policy permits budgeting at 150% of [CONUS](#) or [OCONUS](#) lodging rate. If the destination is unknown, use Washington, DC rates for the estimate. Round to the nearest whole dollar.

EXAMPLE: The PI will travel to Washington, DC for a 2-day meeting. The FY2024 per diem rate for Washington, DC is \$259. The total trip includes two travel days and one full day in DC, totaling 3 days, 2 nights. The lodging for the trip is calculated as $258 \times 2 = \$518$.

CONFERENCE REGISTRATION FEES

When budgeting for a known conference, use the registration fees listed in the agenda. Otherwise, include a reasonable amount based on disciplinary standards. List registration fees as a **separate line item** in the budget to facilitate post-award accounting. Round to the nearest whole dollar.

PARTICIPANT SUPPORT COSTS

This section of the budget is used only for costs paid to or on behalf of participants in a sponsored activity. Examples include, but are not limited to, undergraduate students participating in a summer research program, K-12 teachers participating in an education-based training, and healthcare providers participating in a train-the-trainer program.

Costs for students or UTC employees who are part of the research/project team do NOT go in this section; instead, they should be budgeted in the [Other Personnel](#) section. Similarly, speakers and trainers generally are not considered participants and should not be included in the Participant Support Costs

section of the budget. These external professionals are usually included in the [Consultant Services](#) section of the budget.

Allowability and restrictions for participant support costs vary by sponsor, so review the program solicitation carefully. In the absence of sponsor requirements, the following guidelines should be used.

Note: All Participant Support Cost sections are **EXCLUDED** from UTC's indirect cost base for federal grants.

Participant Stipends

Use this line to budget for stipends/training allowances to participants in exchange for participating in the sponsored activity only. Do **NOT** include the following costs in this section:

- Fringe benefits – participants do not receive fringe benefits.
- Scholarships or participant tuition – see [Scholarships and Trainee Tuition Costs](#) section below.
- Incentive payments or gift cards for participants in a study – see [Gift Cards/Incentives](#).

EXAMPLE: Eight undergraduates will participate in a 10-week summer research program on campus. Each participant will receive a stipend of \$600/week for participating in and completing the program. Participant stipends are calculated at $\$600 \times 10 \text{ weeks} \times 8 \text{ students} = \$48,000$.

Participant Travel

Use this line to budget participant transportation to and from the project activity site and/or participant conference transportation, using the guidance found in [Travel](#). Do not include per diems, lodging, or conference registrations in this line. Round to the nearest whole dollar.

EXAMPLE: Eight undergraduates will participate in a 10-week summer research program on campus. Transportation reimbursement (flight or mileage) is budgeted for up to \$400/student to travel to/from campus. Participant travel is calculated at $\$400 \times 8 \text{ students} = \$3,200$.

Participant Subsistence

Use this line to budget lodging and per diem costs for participants during the sponsored activity.

LODGING

Lodging must only be budgeted for participants who are staying away from home (e.g., on campus or in a hotel) during the sponsored activity. Use one of the following options and round to the nearest whole dollar:

- If participants will be staying in a hotel, use the conference rate, sponsor-specified rate, or 150% of [CONUS](#) lodging rates for Chattanooga.
- If participants will be staying on campus (common for summer programs), use the current guest housing rates on Housing's [webpage](#) with tax or contact Housing for the most accurate rate. Include a 3%-5% increase for future years, as budget allows.

EXAMPLE: Eight undergraduates will participate in a 10-week summer research program on campus. Lodging is budgeted at the current Housing rate of \$40/person/night (with tax and 5% escalation) $\times 7 \text{ nights/wk} \times 10 \text{ wks} \times 8 \text{ people} = \$22,400$.

PER DIEM

Per diems must only be budgeted for participants on active travel status and only if meals will not be provided through catering or group meal purchases off-campus. Subsistence cannot be budgeted for

participants who are local and not on active travel status (e.g., UTC students participating in an on-campus workshop that does not require travel).

Use one of the following options, and round to the nearest whole dollar:

- If participants will be staying in a hotel, use [CONUS](#) per diem rates for Chattanooga.
- If participants will be staying on campus (common for summer programs), use the current cost of meal vouchers or meal plans on Dining Services' [webpage](#). Include a 3%-5% increase for future years, as budget allows.
- If group meals will be provided through catering or bulk purchases as part of the activities, these costs must be removed from the participant support cost allocation and included as Other Direct Costs. In other words, participants cannot receive both a per diem for lunch and a free lunch catered by the sponsored program.

EXAMPLE: Eight undergraduates will participate in a 10-week summer research program on campus. Participants will receive a summer meal plan while in residence on campus. Costs are calculated using the All Access Basic plan, at a cost of \$1,932/student for summer term (approximately \$28/day) x 8 students = \$15,456.

Other

SUPPLIES FOR PARTICIPANTS

If participants will receive any non-consumable materials/supplies to use as part of the sponsored activity (e.g., binders with information/resources, citizen science kits) and will retain the supplies after the project has ended, budget the costs in this section. Individually itemize supplies for participants; include information on unit costs, the quantity of items to be purchased, and a description of how each item relates to project activities / objectives. Round to the nearest whole dollar.

Do **NOT** include consumable supplies or materials to be used by all parties in this section; those costs should be budgeted under the materials/supplies line in the [Other Direct Costs](#) section, instead.

EXAMPLE: Twenty middle school students will participate in a day-long "Bug Hunt" outreach activity. Each student will receive a citizen science kit to capture key information about the types of ants they find on their school campus. They will continue to use the citizen science kit during the course of the school year. The kits cost \$50 each. A total of \$1,000 is requested to purchase a kit for each student (n=20).

SCHOLARSHIPS AND TRAINEE COSTS

If the program will fund scholarships for participants/trainees, the cost of tuition and fees, books stipends, etc. should be included as other participant support costs. Use the participant lodging section of the internal budget template for room & board expenses and the participant travel section for travel stipends, if applicable.

Scholarship-based programs at HRSA, US Department of Education, and NSF are some examples. Carefully review the program's guidelines and requirements: in some cases, applicants are required to set aside a certain percentage of the budget request to be used exclusively for tuition support. In other cases, tuition support may be specifically forbidden.

Do **NOT** include tuition and fees for graduate assistants in this section; these should be budgeted as [Other Direct Costs](#).

To budget for participant scholarships/tuition, see the [UTC Bursar's Office](#) for the current tuition & fee rates. Select the rate for the appropriate number of hours and add a 3% increase. For a multi-year project, include a 3% tuition increase for each year of the project. Multiply tuition rates by the number of semesters and students to be supported. Be sure to include differential fees, if applicable. Round to the nearest whole dollar.

EXAMPLE: A STEM Scholarship program will provide scholarships to a cohort of 25 undergraduate engineering and computer science majors over 4 years. Tuition and fees are calculated at the current rate for full-time undergraduate attendance with a 3% increase each year, or \$4,923/semester x 2 semesters (\$9,846) + \$59/credit hour differential fee x 18 credit hours (\$1,062) = \$10,908 x 1.03 = \$11,235/student x 25 students = \$280,875 in year 1.

OTHER DIRECT COSTS

This section of the budget is used for costs not affiliated with one of the categories described above. Allowability and restrictions for other direct costs vary by sponsor, so review the program solicitation carefully. In the absence of sponsor requirements, the following guidelines should be used.

Materials and Supplies

Budget for project-related materials and supplies in this section. Examples include chemicals/lab supplies to conduct experiments, technology/instruments costing under \$5,000 per unit, supplies for broader impacts or outreach activities, fieldwork supplies, and other purchases needed to ensure a safe and inclusive environment for off-campus research. Include shipping costs with the total cost for each item, as applicable. Check the program guidelines carefully for restrictions.

General office supplies (paper, pens, etc.) and computer/printer purchases that cannot be restricted solely for this project are considered part of the university's indirect costs and should NOT be budgeted separately.

To budget for project-related materials and supplies, itemize each item costing more than \$1,000 per unit and multiply by the number of units. Items costing less than \$1,000 per unit may be described more generally. Round to the nearest whole dollar.

EXAMPLES:

- *Two thermal imaging cameras will be purchased to support Aim 1 of the project. The cost is \$2,000/camera x 2 cameras = \$4,000.*
- *Supplies will be purchased to construct a small-scale replica of the portion of the Tennessee River bed scanned during this project to be used in outreach activities during the project period. The total cost of supplies for the small-scale replica = \$2,500.*

COMPUTERS/SOFTWARE/PERIPHERALS

Project-specific computers, printers, software, and peripheral costs may be included in this section, if allowable. The most common justification for these costs is for a to-be-hired position or GA for use during the project. Check the program guidelines carefully for restrictions.

Identify the computers/software specifically required for the completion of the project in both the budget and budget justification, providing an explanation of the costs. Computers that cost less than \$5,000 must be budgeted as supplies. Per UT Fiscal Policy [F10206](#), computers between \$1,500 and \$5,000 should be purchased as sensitive minor equipment and are subject to UTC's IT intake procedures. The UTC

Technology Purchase Review Committee will review technology prior to purchase upon request. Email techreview@utc.edu with questions or submit a ticket [here](#). Round to the nearest whole dollar.

EXAMPLE: A full-time Project Manager will be hired for the project and will require a laptop to complete their project-related responsibilities. Costs are requested for a laptop (\$1,500) and peripherals (\$250), totaling \$1,750.

COMMUNICATION – TELEPHONE/CELL SERVICE

This budget item is typically only applicable to proposals to fund an entire program. Any phone lines or cell service that are charged to a grant or contract can only be used for the sponsored program and cannot be used for general departmental or office use during the period of performance.

On-Campus Phone Lines:

- If a new telephone line will be installed on campus for a sponsored program, include one-time installation fees (\$600/line) and monthly charges for local calls (\$20/month per line) in your budget.
- If an existing phone line will be dedicated to the sponsored program but needs to be moved to a new location, include a one-time relocation fee of \$50/extension and monthly charges for local calls (\$20/month per line) in your budget. Round to the nearest whole dollar.

EXAMPLES:

- *A full-time program manager will be hired to administer a new student services program for the 5-year award period. There are no existing phone lines available so a new line will be installed. Costs are calculated at $\$600 + \$20/\text{mo} \times 60 \text{ months} = \$1,800$.*
- *A full-time program manager will be hired to administer a new student services program for the 5-year award period. An existing phone line will be utilized but needs to be moved to a new office. Costs are calculated at $\$50 + \$20/\text{mo} \times 60 \text{ months} = \$1,250$*

Long-Distance Charges:

If the phone line allocated to the sponsored program will require regular, long-distance calls, estimate the number of minutes per month and multiply that by \$.20/minute. Round to the nearest whole dollar.

EXAMPLE: As part of their regular duties, the program manager will make/receive long-distance calls. Costs are estimated at $\$0.20/\text{minute} \times 300 \text{ minutes/month} \times 60 \text{ months} = \$3,600$.

Cell Phones and Other Wireless Communication Devices:

See [Fiscal Policy FI0730](#) for details on related policies and procedures. Round to the nearest whole dollar.

OFF-CAMPUS RESEARCH

If the sponsored project will include off-campus research, budget for field supplies here, as well as any materials and supplies necessary to ensure a safe and inclusive environment (e.g., additional satellite phone, sanitary kits for women, etc.). Round to the nearest whole dollar.

“Off-campus research” is defined as the collection of data, information, or samples taking place in a building or geographic area that is NOT owned by UT, any of UT’s subsidiaries, or by any named partner on a specific project.

Consultant Services

This section of the budget is used for costs associated with third party individuals/firms who are providing a specific service or content expertise in support of the sponsored project. Common consultant categories include external evaluators/evaluation firms, technical professionals, content/discipline experts, and

guest speakers. Salaries or honoraria, travel costs, and/or other costs incurred by the consultant during their scope of work should be budgeted here in lieu of other categories.

Do **NOT** include subawards, vendors, catering, labs fees, or equipment/facility rentals in this section. For assistance differentiating between the subaward, vendor, and consultant roles, see ORSP's [webpage](#) or contact orsp@utc.edu.

To budget for consultant services, identify the individual/firm, if known, the hourly rate, and estimated number of hours. Include travel and other relevant costs, as appropriate. Round to the nearest whole dollar.

EXAMPLE: Dr. Jane Smith will serve as the external evaluator for a three-year project. They will be compensated at a rate of \$125/hr for 150 hours per year (\$18,750), totaling \$56,250 over the project period. Travels costs are also budgeted for one, 3-day trip to campus per year to conduct in-person interviews/focus groups. Travel costs are based on CONUS rates for Chattanooga and include flight, per diem, and lodging, totaling \$1,000 per year and \$3,000 over the project period. Total consultant costs = \$59,250.

INSTITUTIONAL POLICIES AND PROCEDURES FOR CONSULTANT SERVICES

Per [UT Policy FI0420](#) and [UTC Procurement Procedures](#), a formal contract will be required for payments to a consultant totaling \$10,000 or more per calendar year; contracts are optional for amounts below \$10,000. Typically, purchases above the \$10,000 threshold require a competitive bidding process. However, on sponsored projects, it may not always be possible to utilize the competitive bidding process (e.g., sole-source). In these instances, a non-compete justification (NCJ) must be entered and approved before the contract can be routed, approved and signed. For guidance, contact the [Procurement and Contract Services Department](#).

EXCLUDED PARTIES

If the consultant is named, check to make sure that the individual/firm is not barred from receiving federal funds, indicated with an Exclusion flag in Sam.gov. Go to <https://www.sam.gov> and click on "Search" at the top of the screen. Select "Entity Information" from the list of Domains and then select "Exclusions". Enter the individual or organization's name and click "search."

Computer Services

Costs for computer-based retrieval of scientific, technical, and educational information, and computer equipment leasing may be included in this category. Do **NOT** include IT personnel, publication costs, or computer purchases in this category. Round to the nearest whole dollar.

EXAMPLE: Dr. X will retrieve data from the National Death Index, which charges a data preparation fee of \$.21 per subject. Dr. X will request data on 2000 subjects. $2000 \times .21 = \$420$.

Subawards

Subawards pass award funding to a third-party entity to perform a substantive, intellectually significant portion of the programmatic effort on the sponsored project. Entities receiving subaward funds may be called "subawardees," "subrecipients," or "subcontractors".

It is the nature of the work – not the name of the contract – that determines whether another organization is a subawardee. Subawardees perform work at their facilities, using their own personnel, and are responsible for programmatic decision-making, including decisions related to the design, development,

and conduct of research and reporting. Subawardees' performance is measured against meeting the project objectives. Subawardees must adhere to the same regulatory and compliance requirements as the prime awardee. For assistance differentiating between the subaward, vendor, and consultant roles, see ORSP's [webpage](#) or contact orsp@utc.edu.

Do **NOT** include vendors, consultants, catering, labs fees, or equipment/facility rentals in this section.

SUBAWARD POLICIES AND PROCEDURES

Pre-Award:

It is vital that the PI connects ORSP with the subaward institution **as soon as the subaward entity is identified** as additional documentation is required and some institutions require proposal documents to be finalized 10-14 business days before the deadline. In addition to sponsor-required documents, ORSP collects a subrecipient commitment form, scope of work, and letter of intent from the subawardee to assess any potential risks to the institution. This speeds up the subaward negotiation process for funded projects.

Post-Award:

UT Fiscal Policy [FI0230](#) governs the process for subawards at the post-award stage. ORSP develops and negotiates all subawards. **Only the Vice Chancellor for Research and the Assistant Vice Chancellor for Research is authorized to approve and sign contracts for sponsored projects.** It is the PI's responsibility to monitor subaward spending and milestone achievement. A checklist and list of contacts is available on ORSP's [webpage](#).

BUDGETING FOR SUBAWARDS

The UTC PI provides the lead subaward investigator with a budget allocation and outlines any required costs based on the sponsor's requirements. The subawardee will submit a detailed budget and budget justification to be included with the proposal, along with other sponsor-required documents. The UTC PI is responsible for reviewing the subaward budget to determine whether it is feasible, appropriate, and reasonable for the work to be done.

Add the subaward total as a line item in UTC's budget and attach the detailed budget and budget justification as described by the program guidelines.

IMPORTANT: Include **ONLY** the first \$25,000 of the subaward in UTC's indirect cost base. If the first year of the subaward is greater than or equal to \$25,000, exclude the subaward in subsequent years from the indirect cost base. If the first year of the subaward is less than \$25,000, include the difference in subsequent years until \$25,000 is reached.

EXAMPLES:

- *Clemson University will participate as a subaward on UTC's proposal. Clemson is budgeted at \$50,000 per year for 3 years, totaling \$150,000. The indirect cost base includes only the first \$25,000 of the subaward in year 1 and excludes the full subaward amount in years 2-3.*
- *The City of Chattanooga will participate as a subaward on UTC's proposal. The City is budgeted at \$15,000 per year for 3 years, totaling \$45,000. The subaward is included in the indirect cost base for year 1 (\$15,000) and \$10,000 of the subaward is included in the indirect cost base for year 2. The subaward is excluded from the indirect cost base in year 3. Total subaward applied to the indirect cost base = \$25,000.*

EXCLUDED PARTIES

If the consultant is named, check to make sure that the individual/firm does not have an Exclusion flag in Sam.gov. Go to <https://www.sam.gov> and click on “Search” at the top of the screen. Select “Entity Information” from the list of Domains and then select “Exclusions”. Enter the individual or organization’s name and click “search.”

Other

TUITION COSTS FOR GRADUATE ASSISTANTS

If you are budgeting for a graduate assistantship, tuition and fees must be listed in this category. The stipend and associated fringes for the GA must be listed in [Other Personnel](#) and [Fringe Benefits](#), respectively. If the GA will not work the full year/semester on the project, both the stipend/fringe and tuition/fees must be prorated appropriately.

Current tuition and fee information is available at the [UTC Bursar’s Office](#) webpage. Budget using the rates for in-state students only (even if the student is international) and add 3% (unless the actual increase is known). For a multi-year project, include a 3% maintenance and fees increase for each year of the project. Round to the nearest whole dollar. The calculation for each GA type is described below:

- For PhD GAs, budget at 9 credit hours per semester for the fall and spring semesters and 6 credit hours for the summer semester.
- For full-time master’s level GAs, budget at 9 credit hours per semester for the fall and spring semesters only.
- For part-time master’s level GAs, budget at 6 credit hours per semester for the fall and spring semesters only.

Course Differentials and Other Fees:

Some colleges and departments charge differential fees per credit hour. Other fees, such as online fees or seat fees, may apply, as well. A list of disciplines with additional fees can be found by going to the [UTC Bursar’s Office](#) webpage and selecting the “Housing, Meals, Parking, & Miscellaneous fees” PDF. If the GA is unknown, include only those labeled “Differential Fees” and/or “Program Related Fees”. If the student is known, include other fees as appropriate. Round to the nearest whole dollar.

EXAMPLES:

- *A full-time master’s level GA from the School of Education will be hired for an NSF-funded project for one year. Tuition for the GA is budgeted with a 3% escalation of current tuition and fees for the fall and spring semesters, for a total of \$11,443 ($5555 \times 1.03 \times 2$ semesters).*
- *A PhD assistant from the Computational Science program will be hired for an NSF-funded project for one year. Tuition for the GA is budgeted with a 3% escalation of current tuition and fees for the fall, spring, and summer semesters + differential fees at \$62/credit hour, for a total of \$16,729 ($5555 \times 1.03 \times 2$ semesters + $3644 \times 1.03 + 62 \times 18$).*

NOTE: All tuition and different fees are **EXCLUDED** from the indirect cost base.

BACKGROUND CHECKS

As part of the University of Tennessee's commitment to safe working conditions and to reduce child abuse, neglect, and harm, [UT Policy SA0575](#) requires background checks for all new hires to screen UT employees or those operating under its auspices. Costs are as follows:

New Employees to be Hired (N/A for student employees)	
Temporary employee (will work on project less than 12 months)	\$45
Regular employee (will work on project 12 months or more)	\$78
Adults who will have contact with children per policy SA0575	
Covered Adults (including student employees; volunteers; and contractors)	\$15

The following guidelines apply on sponsored project budgets:

Full-Time, To-Be-Hired Positions:

Budget **BOTH** the regular employee cost **AND** the covered adults rate (\$78 + \$15 = \$93), regardless of whether minors are involved in the project.

Part-Time, To-Be-Hired Positions:

Budget **BOTH** the temporary employee cost **AND** the covered adults rate (\$45 + \$15 = \$60), regardless of whether minors are involved in the project.

Students:

Unless minors are involved, student positions do not require a background check.

Projects with Minors:

If minors are involved in the sponsored project, budget the covered adults rate (\$15) for **all student positions AND existing faculty/staff** who were hired more than 4 years ago. Some programs (e.g. student teaching) are exempt from background checks or may be granted exceptions; see [UT Policy SA0575](#) and seek guidance from [Safety & Risk Management](#).

CATERING/BULK FOOD PURCHASES

Budget for catering and bulk food purchases for sponsored workshops, conferences, bootcamps, and other activities involving participants in this section of the budget. If the activity will occur on campus, meals/refreshments must be purchased through Aramark. Contact Dining Services at ex. 5432 to discuss options or visit <https://utcdining.catertrax.com/#>. Round all costs in this section to the nearest whole dollar.

If you will provide per diem stipends directly to participants, those costs should be budgeted in the [Participant Support Costs](#) section, instead.

EXAMPLE: A workshop for 50 participants will be held on UTC campus as part of the project. The project team (4 individuals) and 3 guest speakers will also be in attendance. Lunch will be provided through Aramark catering. Costs are calculated for a mid-priced buffet (\$18.59/person) + water (\$4/gal x 2 gals) and tea (\$12/gal x 2 gals). $\$19 \times 50 + \$4 \times 2 + \$12 \times 2 = \982 .

Project Personnel:

Refreshments/meals are **NOT** an allowable cost for individuals budgeted as project personnel who are not on travel status. Sponsored project funds may only be used to cover meals/catering for participants in an activity. This means if you are budgeting for catering for a workshop or conference, calculate the cost based only on the number of participants. Do not count project personnel or guest speakers as

participants. **Under no circumstances may funding for sponsored projects be used to purchase refreshments/meals for standing project team meetings.**

OTHER ON-CAMPUS COSTS

For sponsored events held on campus, the following additional costs should be considered:

Campus Room Reservations:

Rooms in the UC may be reserved free of charge for on-campus activities targeting the UTC community. If the majority of participants are not UTC students, faculty, or staff, however, room rental and technology fees will apply. Visit the [UC webpage](#) for current pricing. Events that require staffing will be charged staffing fees regardless of the target participants. Round to the nearest whole dollar.

Parking:

For on-campus events with non-UTC participants, per-person parking fees will apply. Visit the [Parking Services webpage](#) for current pricing. Round to the nearest whole dollar.

GIFT CARDS/ INCENTIVES

[UT Fiscal Policy FI0313](#) governs the purchase, distribution, tracking, and account for gift cards and gift certificates, including those purchased for sponsored projects. Sponsors may impose additional restrictions on the purchase or use of gift cards. The most restrictive policy must be followed.

If you plan to include gift cards as incentives, the phrase “gift cards” must be explicitly included in the proposal and in the approved award budget. If gift cards were not included in the approved budget, prior approval must be obtained from the sponsor before funds can be used for this purpose.

Additional IRB implications apply. Reach out to irb@utc.edu with questions.

INDIRECT / FACILITIES & ADMINISTRATIVE COSTS

UT Fiscal policy requires that sponsored projects bear the full cost of implementing the project, which includes the direct costs that can be charged to the award as well as the recovery of associated indirect costs.

Indirect costs consist of two broad categories: facilities and administration. "Facilities" is defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses. "Administration" is defined as general administration and general expenses, departmental administration, sponsored projects administration, and student administration and services.

Indirect costs **must be calculated** for all sponsored projects at UTC's approved, federally negotiated rate or at the sponsor-required rate. Indirect costs will only be waived if they are expressly prohibited by the sponsor or program.

For projects sponsored by for-profit entities (including corporations), UTC's full federally negotiated rate **must** always be used. No waivers or reductions to the negotiated rate may be offered.

BUDGETING AT UTC'S FEDERALLY NEGOTIATED RATE

A copy of UTC's current federally negotiated indirect cost rate agreement can be found on ORSP's [website](#). UTC has two indirect cost rates: on-campus and off-campus. The threshold for determining which rate to use is based on where the majority (51% or more) of UTC's activities will take place.

On-Campus Indirect Cost Rate

"On-campus" means any UTC-owned building or a property that UTC rents/leases. UTC's on-campus indirect cost rate is **37.5%** of Modified Total Direct Costs (MTDC). Modified Total Direct Costs consist of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward (regardless of the period of performance under the award). MTDC **exclude** equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of \$25,000. Round to the nearest whole dollar.

EXAMPLE: Dr. X's budget has a total direct cost of \$200,000, broken down as follows: personnel and fringes: \$50,000; travel: \$10,000; consultants: \$30,000; materials and supplies: \$3,000; equipment: \$50,000; and a subaward of \$57,000. The majority of Dr. X's scope of work will be conducted **on campus**.

1. Calculate the indirect cost base (MTDC): \$200,000 in total direct costs - \$50,000 in equipment - \$57,000 in subaward costs + \$25,000 in allocable subaward costs = \$118,000 MTDC.
2. Calculate the total indirect costs: \$118,000 x .375 = \$44,250 total indirect costs.
3. Calculate the total project cost = Direct (\$200,000) + Indirect (\$44,250) = \$244,250

Off-Campus Indirect Cost Rate

"Off-campus" means that the majority (51% or more) activities occur on a property that UTC does not lease or own. UTC's off-campus rate is 15.5% of MTDC, as defined above. Round to the nearest whole dollar.

EXAMPLE: Dr. X's budget has a total direct cost of \$200,000, broken down as follows: Personnel and Fringes: \$50,000; travel: \$10,000; consultants: \$30,000; materials and supplies: \$3,000; Equipment: \$50,000; and a subaward of \$57,000. The majority of Dr. X's scope of work will be conducted **off-campus**.

1. Calculate the indirect cost base (MTDC): \$200,000 in total direct costs - \$50,000 in equipment - \$57,000 in subaward costs + \$25,000 in allocable subaward costs = \$118,000 MTDC.
2. Calculate the total indirect costs: \$118,000 x .155 = \$18,290 total indirect costs.
3. Calculate the total project cost = Direct (\$200,000) + Indirect (\$18,290) = \$218,290

PROPOSALS TO THE STATE OF TENNESSEE

If the sponsor is the State of Tennessee, the appropriate indirect cost rate depends on the source of the funding.

Federal-Flow Down

If the source of funding for the project flows down from a federal agency (i.e., the State is direct sponsor and the federal agency is the prime sponsor), UTC's federally negotiated indirect cost rate or the sponsor-required rate must be used.

State Funding

If the source of funding for the project is from State revenue or a non-federal prime sponsor, a rate of **15% of Total Direct Costs** should be used. Round to the nearest whole dollar.

- EXAMPLE: Dr. X's budget to the State of Tennessee has a total direct cost of \$200,000, broken down as follows: Personnel and Fringes: \$50,000; travel: \$10,000; consultants: \$30,000; materials and supplies: \$3,000; Equipment: \$50,000; and a subaward of \$57,000. The funding for the project comes from the State's own budget.
1. The indirect cost base is the same as the total direct costs = \$200,000
 2. Calculate the total indirect costs: \$200,000 x .15 = \$30,000 total indirect costs.
 3. Calculate the total project cost = Direct (\$200,000) + Indirect (\$30,000) = \$230,000

REDUCED INDIRECT COST RATE REQUESTS

Reduced indirect cost rates that are required by the sponsor are automatically approved and should be budgeted appropriately. In rare circumstances, the Assistant Vice Chancellor for Research (AVCR) may approve a reduced indirect cost rate in the absence of sponsor requirements. The more common circumstances are highlighted below. AVCR prior approval is required before any proposal with a voluntarily reduced F&A rate is submitted to a sponsor.

Training Projects

Federal programs to train students or award scholarships typically require the use of **8% Modified Total Direct Costs** as the indirect cost rate. HRSA, US Department of Education, and other HHS agencies commonly use this rate. Round to the nearest whole dollar.

- EXAMPLE: Dr. A is submitting a nursing training grant proposal to HRSA. Her total direct costs are \$435,000, consisting of \$400,000 in participant support costs; \$25,000 in salaries and fringes, and \$10,000 in materials and supplies. HRSA requires the use of 8% MTDC for this proposal.
1. Calculate the indirect cost base (MTDC): \$435,000 in total direct costs - \$400,000 in participant support costs = \$35,000 MTDC.
 2. Calculate the total indirect costs: \$35,000 x .08 = \$2,800 total indirect costs.
 3. Calculate the total project cost = Direct (\$435,000) + Indirect (\$2,800) = \$437,800

Small-Scale Outreach Projects

For proposals to non-federal sponsors that are low-dollar awards and/or have a significant community service/student employment benefit, contact ORSP for options. The VCR has the authority to approve a reduced indirect cost rate on a case-by-case basis.

COST SHARE

Cost share, or matching funds, is the portion of the total project costs that is not paid by the sponsor. Per UT Fiscal Policy [FI0210](#), **cost sharing should be avoided unless** required by the sponsor (mandatory cost share) or if there is a strong rationale for including it and the appropriate administrator has approved it (voluntary committed cost share). Voluntary committed cost share becomes mandatory cost share at the time of award, and cost share expenditures must be tracked and reported on at the same spend rate as award expenditures during the project period.

If you think your proposal may involve cost share, contact ORSP immediately to discuss your options.

SOURCES OF COST SHARE

In cases where cost sharing is mandatory or in rare cases where voluntary committed cost share has been approved, it is the PI's responsibility to secure the cost share portion from non-federal department/college funds or from a third-party partner. Per UT Fiscal Policy [FI0210](#), existing funds that are tied to a federal or federal flow-down award or contract **CANNOT** be used to meet cost share requirements, even if the sponsor for this proposed project is non-federal.

Check the sponsor's guidelines carefully to determine what line items may be included as cost share. Line items that are not allowable in the requested budget are not allowable as cost share. Deviations from this rule must be expressly stated in the sponsor's guidelines or be communicated in writing from the program director. For example, some sponsors who do not allow indirect costs to be charged in the requested budget will allow institutions to meet cost share requirements through unrecovered indirect costs, but this is not always the case.

Regardless of the source, proposed cost share expenditures must meet the following standards:

- Allocated to the proposed project
- Necessary for the scope of work
- Occur during the project period
- Expended at the same rate as the sponsored portion of the budget.

Institutional Sources of Cost Share

The most common institutional source of cost share is personnel effort, as detailed below. **Prior approval from the appropriate Department/Unit Head or Dean is required** for all institutional sources of cost share **before** submission. It is the PI's responsibility to ensure all required approvals are obtained and documented in Cayuse before routing.

FACULTY/STAFF EFFORT

It is preferred that cost share be met through full-time faculty and staff (including postdocs) effort on the project. Cost share effort must be in the form of a release, such a course release or a release from other duties. Extra Service Pay is generally not allowable as cost share.

When budgeting faculty/staff effort as cost share, the guidelines for [course releases](#) (9-month faculty) and [percent effort](#) (12-month appointments) should be followed, with one deviation: *do **NOT** include the 3% annual increase for the cost share portion of the effort. The increase should still be included for the requested portion of the salaries.*

EXAMPLE: Dr. X (9-month faculty) is submitting a DOE proposal that requires at least 30% cost share. She is requesting 2 summer months of effort, and her department head has agreed to 1 course release per year to meet the match requirement. She has an annual salary of \$90,000 and a fringe rate of 34.7%. In year 1, she's **REQUESTING** \$62,466, inclusive of salaries (with the 3% increase), materials and supplies, and indirect costs. Her **COST SHARE** portion of the budget for year 1 is \$11,250 in salary ($\$90,000 \times .125$); \$3,893 in fringe benefits ($\$11,250 \times .347$); and \$5,679 in associated indirect costs ($\$11,250 + \$3,893 = \$15,143 \times .375$), for a total of \$20,822. The **TOTAL PROJECT COST** is \$83,288 (\$62,466 + \$20,822) and the cost share percentage is 25% ($\$20,822 / \$83,288$).

GRADUATE ASSISTANTS

In most circumstances, funding for students should be requested from the sponsor. In departments that routinely fund graduate assistants (MS or PhD level), PIs may opt to request approval from their department head to use a departmental full-time or part-time GA position as cost share. In these instances, the guidelines for [graduate assistantships](#) should be followed, with the following deviation: **do NOT** include the 3% annual increase for tuition and fees in the cost share portion of the budget. The increase should still be included for the requested portion of the tuition.

EXAMPLE: Dr. X is submitting a proposal to a sponsor that requires a 1:1 cost share (50%). She is requesting 2.4 summer months of effort for herself, and her department head approved her to allocate a departmentally funded, full-time PhD graduate assistant to this project as cost share. Dr. X has an annual salary of \$90,000 and a fringe rate of 34.7%. The PhD student receives an annual stipend of \$25,000 and fringe benefits at 7.4%. In year 1, Dr. X is **REQUESTING** \$53,489 inclusive of salaries, materials and supplies, and indirect costs. Her **COST SHARE** portion of the budget for year 1 is \$25,000 in PhD stipend; \$2,700 ($\$25,000 \times .074$) in fringe benefits; \$16,242 in tuition and fees (current rate for fall, spring, and summer with no escalation); and \$10,388 in associated indirect costs ($\$25,000 + \$2,700 = \$27,700 \times .375$), for a total of \$54,330. The **TOTAL PROJECT COST** is \$107,819 (\$53,489 + \$54,330) and the cost share percentage is 50.4%.

TRAVEL

In most circumstances, funding for travel should be requested from the sponsor. In departments that routinely fund faculty travel, PIs may opt to request approval from their department head to include travel that is necessary for the scope of work and will occur during the project period (such as conference travel) as cost share. In these instances, the guidelines for [travel](#) should be followed and all efforts made to calculate costs as accurately as possible to avoid overcommitment of cost share.

SUPPLIES

In most circumstances, funding for supplies should be requested in the budget. However, PIs may request approval from their department head to include the cost of project supplies that will be purchased during the project period for the sole use of this project as cost share. In these instances, the guidelines for [supplies](#) should be followed and all efforts made to calculate costs as accurately as possible to avoid overcommitment of cost share. General use supplies or supplies purchased in bulk outside of the award period cannot be applied as cost share.

Third-Party Cost Share

Third-party cost share is funding committed to the project by entities external to UTC. Third-party cost share must meet the same criteria described above. A written agreement, via letter or email, must be secured from the third party before proposal submission and uploaded in Cayuse.

If the proposal is funded, the committed cost share must be retrieved from the third party following the guidance in UT Fiscal Policy [FIO210](#). In the event that the third party is unable to fulfill their cost share commitment, the PI is responsible for finding another source of non-federal funding to replace it.

COST SHARE FORMULAS

Cost share is calculated as a percentage of the Total Project Cost.

Calculating Total Project Costs: federal share (\$) divided by federal share (%)

EXAMPLE: A DOE program will award up to \$1 million dollars in federal funds and requires a 20% cost share. The total project costs are \$1,250,000 (\$1,000,000 / .8).

Calculating Total Cost Share: Total Project Cost (\$) minus federal share (\$) = Non-federal share (\$)

EXAMPLE: A DOE program will award up to \$1 million dollars in federal funds and requires a 20% cost share. The total cost share required is \$250,000 (\$1,250,000 - \$1,000,000).

Calculating Cost Share Percentage: Non-federal share (\$) divided by Total Project Cost (\$)

EXAMPLE: A DOE program will award up to \$1 million dollars in federal funds and requires a 20% cost share. Currently the PI is requesting \$900,000 and has \$200,000 in cost share identified. The current cost share percentage is 18% (\$900,000 + \$200,000 = \$1,100,000 in total project costs. \$200,000 / \$1,100,000 = 18%). The total amount of cost share needed for a \$900,000 request is \$225,000 (\$900,000 / .8 = \$1,125,000 - \$900,000) so \$25,000 more in cost share is needed.

DUTY DAYS CHEAT SHEET

ACADEMIC YEAR:

The academic year is 9 months, August 1 – April 30. Salaries for 9-month faculty increase each year on August 1.

There are 168 duty days (1,344 hours) in an academic year.

One month = 18.67 duty days or 149.33 hours.

FISCAL YEAR:

12-month appointments follow the fiscal year, July 1 – June 30. Salaries for 12-month appointments increase each year on July 1.

For 12-month faculty and exempt staff, there are 224 duty days (1,792 hours) in a fiscal year. One month = 18.67 duty days or 149.33 hours.

For non-exempt staff, duty days range from a high of 236 days (1,888 hours) if one day of annual leave is earned each month to a low of 224 days (1,792 hours) if two days annual leave are earned each month.

SUMMER SALARY:

9-month faculty can receive up to 33.33% of their academic year salary over the summer months for sponsored projects and summer teaching loads combined. Summer pay may only be accrued in the summer months (May, June, and July).

One summer month = 18.67 duty days or 149.33 hours

TEACHING LOAD:

A full-time teaching load is 12 hours/semester for fall and spring semesters, or 24 hours for the academic year.

One course release = 12.5% of the faculty's academic year effort

GRAD STUDENTS:

To budget for an assistantship, you must include **both the stipend + applicable fringe benefits and the in-state tuition + any differential fees** for each semester. Total semester hours are slightly different due to holiday breaks.

Full-time GAs work 20 hours a week:

- Fall semester = 280 hours (14 weeks)
- Spring semester = 276 hours (13.8 weeks)

Half-time GAs work 10 hours per week.:

- Fall semester = 140 hours (14 weeks)
- Spring semester = 138 hours (13.8 weeks)