

Research Budgeting In-Service
October 31, 2017
2:00 – 3:00 PM

Agenda

1. Introduction and context - Pam
2. Budget management process at McMaster and DFM - Laura
3. Research Budget Categories and Considerations - Laura
4. Tips and tricks for budget management – facilitated discussion



BEST COSTUME PRIZES FOR...

- Most economical (haha)
- Most original
- Most timely
- Requiring the most explanation



Learning Objectives

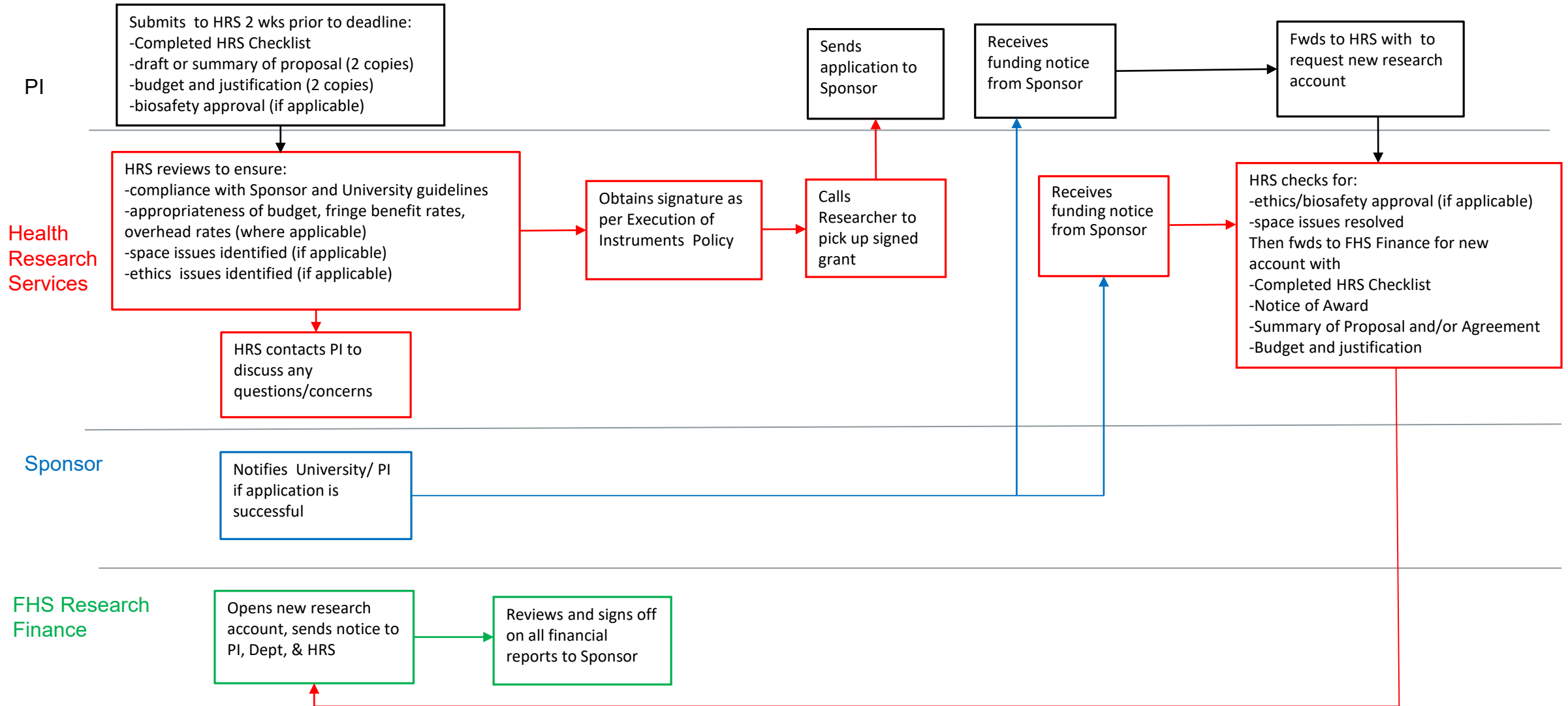
1. Identify “the who and the how” of budget management in research
2. Acquire new information that will assist in the preparation of research budgets
3. Learn from my peers about best practices in research budgeting and management



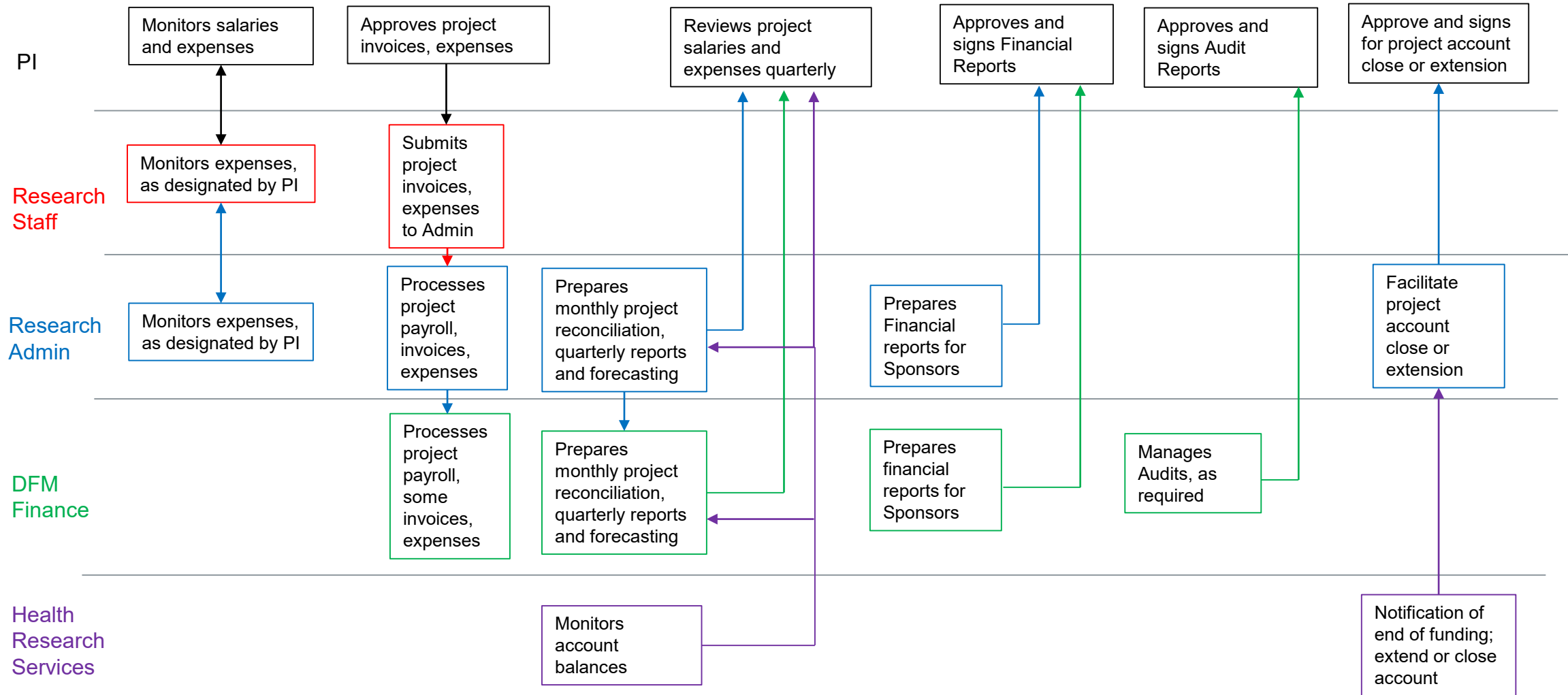
How long is a piece of string?

- a. It depends
- b. Refer to the sponsor agency's guidelines
- c. Ask Laura
- d. A piece of string is twice as long as half its length

McMaster Research Budget Life Cycle



DFM Research Budget Life Cycle



Budget Management Roles

PI

Roles vary among teams, as designated by PI

Research
Staff
(RAs, RCs)

DFM Research
Finance Admin

- PIs have **full responsibility** for research budgets
- Research and Finance Administration provide **monthly reconciling and quarterly reporting**
- Research Coordinators and Associates can have **monitoring and reporting** responsibilities
- Research Assistants on smaller projects (\$5000-\$20000) can **monitor** expenses

Research Budgeting Golden Rules

- Review and follow sponsor agency's guidelines
- Use their budget template
- Check FAQs
- Attend webinars, if available
- Call and ask questions of the sponsor
- Ask [HRS](#); see their [FAQs](#) (HRS staff support specific sponsor agencies)
- Ask Laura

Budget Categories

1. Direct Costs: *direct costs of research and/or research-related activities*

- Salary and fringe benefits
- Professional and technical services/contracts
- Equipment, materials and supplies
- Travel
- Knowledge translation/dissemination (conferences, publications)

Staffing

What work is required to achieve the activities and deliverables of the grant?

- Estimate the FTE (days per week) needed for the work
- Decide on the roles required
 - See [McMaster Job Families](#) (job descriptions)
 - Students (graduate students, post-doctoral fellows, work/study)
 - Research Administration and Financial Assistants
 - Research Assistants, Coordinators and Associates
- Other: consultants, service providers, clinicians

Calculating Wages

Unifor Wage Rate Grid - Year 2 - Effective May 1, 2017

Grade	Hire Rate	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
1	\$16.20	\$17.23	\$18.10	\$18.91	\$19.65	\$20.36	\$20.96	\$21.49	\$21.94	\$22.36	\$22.80
2	\$17.01	\$18.09	\$18.99	\$19.86	\$20.62	\$21.37	\$22.02	\$22.57	\$23.02	\$23.46	\$23.96
3	\$17.94	\$19.09	\$20.03	\$20.94	\$21.77	\$22.52	\$23.22	\$23.78	\$24.28	\$24.76	\$25.27
4	\$19.04	\$20.26	\$21.27	\$22.23	\$23.15	\$23.92	\$24.64	\$25.28	\$25.75	\$26.25	\$26.79
5	\$20.31	\$21.61	\$22.69	\$23.71	\$24.63	\$25.49	\$26.23	\$26.94	\$27.50	\$28.01	\$28.57
6	\$21.94	\$23.34	\$24.50	\$25.60	\$26.62	\$27.58	\$28.39	\$29.10	\$29.69	\$30.31	\$30.91
7	\$23.78	\$25.30	\$26.57	\$27.76	\$28.89	\$29.91	\$30.83	\$31.58	\$32.22	\$32.85	\$33.49
8	\$25.94	\$27.60	\$28.98	\$30.29	\$31.48	\$32.57	\$33.54	\$34.40	\$35.08	\$35.78	\$36.53
9	\$28.45	\$30.26	\$31.77	\$33.19	\$34.50	\$35.74	\$36.77	\$37.72	\$38.44	\$39.23	\$40.01
10	\$31.27	\$33.27	\$34.94	\$36.52	\$37.94	\$39.25	\$40.42	\$41.47	\$42.29	\$43.14	\$43.96
11	\$34.14	\$36.32	\$38.14	\$39.86	\$41.45	\$42.90	\$44.21	\$45.29	\$46.18	\$47.10	\$48.05
12	\$37.43	\$39.82	\$41.80	\$43.68	\$45.39	\$47.00	\$48.41	\$49.60	\$50.59	\$51.61	\$52.64

- Wage Grids found in the Unifor [Collective Agreement](#) and shared drive
- Tables with Grade 5 and Grade 7 salary and benefits x FTE found in shared drive

Grade 7		Salary		Fringe Benefits	1 FTE (5 days/wk)	0.5 FTE (2.5 days/wk)	0.8 FTE (4 days/wk)
2017/18							
	Step 5	\$29.91	\$54,436.20	\$16,330.86	\$70,767.06	35, 282.53	56, 613.65
	Step 10	\$33.49	\$60,951.80	\$21,333.13	\$79,237.34	\$39,618.67	63,3389.87

			Year 1		Year 2		Year 3	
			April 1, 2017 - March 31, 2018		April 1, 2018 - March 31, 2019		April 1, 2019 - March 31, 2020	
			Implementation	Evaluation	Implementation	Evaluation	Implementation	Evaluation
REVENUE								
Salaries			500,000	1,500,000	680,000		320,000	
benefit reduction to 26%			296,582	299,266	258,625	483,466	277,195	573,649
			-9,409		-10,062		-10,391	
Total Staffing			287,173	299,266	248,563	483,466	266,804	573,649
Operating and Supplies								
Soft Phones			144	720	144	720	144	720
Teleconference Line			1,200	240	1,200	240	1,200	240
Office Supplies			500	2,400	500		500	
Printing			500	500	500	500	500	500
Postage			500		500		500	
Travel			5,498	5,498	5,498	5,498	5,498	10,748
Knowledge Translation	Site F2F meeting, KT Video		2,500	2,500	2,500	2,500	2,500	17,500
Conferences	SAPC, FMF, MAPCRG			9,500		9,500		11,500
Meeting expenses				613		613		5,613
Marketing	Launch event and Branded Items		3,000		1,000		1,000	
Publications							10,000	
Volunteer program parking			1,000		1,000		1,000	
Volunteer program onboarding			2,300					
Transcription				6,000		6,000		6,000
Computers	5 new computers		2,000	8,000				
Server one-time	VLC/Moodle and REMI set up		11,406	11,406				
Server ongoing	Maintenance		2,327	776	2,327	776	2,327	776
Software licences	SPSS, Endnote, SAS			1,310		1,310		1,310
e-mail, site address			42		42		42	
Misc. Operating			5,000		5,000		5,000	
Audit Fees			8,000		8,000		8,000	
Total Operating Costs			45,917	49,462	28,211	27,656	38,211	54,906
To sites								
MFP	Practice lead							
	Operation support		30,000		70,000			
	Operating Supplies							
NOTL								
Practice lead								

Budget Categories, cont'd

2. Overhead: *costs of university facilities and services to support research*

McMaster University Overhead

- central research and financial services
- heat, light and hydro
- libraries and computer services, etc.

- 40% of budget for industry
- 0 – 20% for non-profit

See Laura if there are any questions about this, may need to consult with HRS too

Budget Categories, cont'd

3. Indirect costs: *costs of DFM facilities and services to support research*

DFM Indirect Costs

- human resources and financial services
- office space, equipment and services
- 3% of research budget

See Laura if there are any questions about this

Budget Categories, cont'd

3. DFM In-Kind Costs: *eligible nonmonetary resources*

- Salaries and professional services
- Information technology – access to network, IT support services, database storage
- Space, telephone
- Office supplies, photocopier, stationary
- Consultation services with KT specialist
- Human resource support – recruitment, screening, interviewing, onboarding,
- Financial support – budget setup, monitoring, quarterly reports

See **In Kind Template** in shared drive with unit costs and boilerplate language

What about ineligible expenses?

Some sponsoring agencies do not allow certain kinds of costs (e.g. administrative costs)

- All projects require administrative support; reflect this as RA time
- Consider embedding Knowledge Translation Specialist support as well (e.g. communications materials)

Budget Deviations

- Always consult sponsor agency's guidelines

When sponsor awards less funds than expected?

- PI (and team) needs to adjust budget accordingly

Moving funds across budget lines?

- Some sponsors allow, others do not
- Must have PI connect with DFM Finance or Research Admin to know the rules and submit a request to the sponsor

Tips and Tricks for Budget Management – Small Group Discussion

Please break out into 4 groups.

Groups will assign a scribe and take notes while discussing the questions below.

Notes will be collected.

A Tip Sheet will be created and circulated after the In-service.

Questions

What have I learned from my experiences of budget management (personal or professional; good or bad) that I can share with my group?

Probes:

- How comfortable am I with budget management?
- How do I estimate costs when preparing a budget?
- How do I monitor a budget (track actual vs. anticipated costs)?
- What do I do if I think we are overspending?
- How have I created cost savings in a tight budget?

Key Messages

- So much depends upon the constraints of the sponsor agency and our university policies
- Seek guidance when unsure – ask Laura, consult with one another
- The aim is for consistency in the development and management of research budgets
- Use the shared drive! Fact sheets, reference documents and more!

Administration>Project Administration>Budgeting

BEST COSTUME PRIZES FOR...

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- Most original
- Most timely
- Requiring the most explanation





HEALTH SCIENCES

Family Medicine

Department of Family Medicine
Michael G. DeGroote School of Medicine
Faculty of Health Sciences

fhs.mcmaster.ca/fammed
@McMasterFamMed