## Proposal Budget Justification Statements

### Indirect Cost Rate Statement
- **F & A Rate Breakdown**
- **F & T Off Campus Policy**
- **Rate Agreement**

Under Princeton University’s currently approved DHHS Rate Agreement, indirect costs are collected on Modified Total Direct Costs (MTDC) at a rate of 64% for on-campus activity, 35% for Other Sponsored Activity, and 26% for off-campus activity. MTDC excludes capital equipment costs, graduate student tuition, fellowships, each subaward over the initial $25,000 and participant support costs. The DHHS representative is Ryan McCarthy, (212) 264-2069.

### Other Sponsored Activities [OSA]

Non-research related proposals RFP’s may request using the OSA rate. Talk to your GCA about using this rate for Conference proposals.

Under Princeton University’s currently approved DHHS Rate Agreement, indirect costs are collected on Modified Total Direct Costs (MTDC) at a rate of 35% for Other Sponsored Activity. Work performed under this project does not involve Sponsored Instruction or Research.

### FRINGE [Academic Department]

Under Princeton University’s currently approved DHHS Rate Agreement, fringe benefits for FY25 are 36.4% until amended for academic departments.

### FRINGE [Administrative Department] Library/Art Museum, and other University Services

Under Princeton University’s currently approved DHHS Rate Agreement, fringe benefits for FY25 are 28.9% until amended for administrative departments.

### Non-Faculty PI Statement [update title as necessary]

The Principal Investigator (PI) is appointed for 12 months at Princeton as a [ADD TITLE HERE], which means their salary support may be dependent on grants. This is in contrast to a faculty position, where academic year salary is covered by the institution.

### Graduate Salary Statement

Graduate student salaries are determined by the Princeton University Graduate School and are inflated at a rate of 3% (both AY and Summer) as of August 1st each year.

### Fundamental Research Statement

This statement is often seen in a commitment letter and may also be included in your budget justification. Discuss with your GCA should you have any questions.

Princeton University conducts fundamental research and therefore:

- Does not undertake classified work or research requiring national security controls;
- Will not accept an agreement with publication restrictions;
- Prohibits discrimination based on nationality, country of origin, ethnicity, gender, race or religion for all personnel involved (paid or unpaid);
- Cannot accept terms or condition which restrict any member of the research group (paid or unpaid) from participating in the project; and
- Cannot accept or receive any material that is export controlled (other than EAR99).

### Hourly Wage Statement

This statement should be adjusted on a case-by-case basis, including any exclusions as needed.

Princeton University budgets and reports salary expenses for all research projects on a percentage basis, or person months, and does not maintain an hourly record. Please note all hourly based wages provided are estimates for informational purposes only based on the Sponsor requested format.

Each year as part of the annual financial statement audit, the outside audit firm reviews and tests the University’s core financial systems as part of our Single Audit. This testing is performed for the purposes of understanding and relying on the University’s system of internal controls over the financial reporting process. The core systems reviewed each year are Prime Financials, General Ledger, Asset Management, Procurement, Payroll, Labor Accounting and Student Financials.

### NSF Year Definition

Princeton’s fiscal year is July 1 through June 30.
<table>
<thead>
<tr>
<th><strong>Fixed Price Subawards:</strong> May be foreign, entities with no annual audit. Contact your GCA or ORPA subaward manager to verify whether your sub falls within this category.</th>
<th>The subaward to [Name the subrecipient here] documented in this proposal meets the criteria described in Subpart C- 200.201(b) and Princeton University is therefore requesting prior agency approval of this Fixed Price Subaward. The University will consider the subrecipient’s budget for the entire period of performance approved if an award is made and no contrary guidance from the agency is included in the award notice.</th>
</tr>
</thead>
</table>
| **Government Contract:** 52.244-2 Subawards | If anticipating a government contract, discuss with your GCA. This applies to all subcontract types. To the extent possible, have the PI/department document in the proposal that we are requesting consent from the Contracting Officer for the specific subcontracts that are proposed and clearly priced. Also state in the proposal that approval by the Contracting Officer of the proposal would be deemed notification and consent for the subcontractors (including consultants) listed. For Princeton’s purposes: subcontracts as defined in this clause will encompass all of these subcontract actions / purchasing instruments issued under this contract:
- Subawards/Subcontracts initiated through ORPA
- Subcontracts initiated through Procurement
- Purchase orders issued for supplies or services
- Modifications/Changes/Amendments to the above |
| **Tuition Cost Exclusion [Use only when Sponsor requires a tuition statement]** | As of 8/1/2022, Princeton University has elected to subsidize graduate student tuition on all sponsored projects. Thus, while graduate student salary/stipend may be budgeted and charged on sponsored projects, tuition will not be budgeted or charged. This does not represent a cost-share commitment. 

**DO NOT INCLUDE**—This statement is no longer applicable as we commit AY year time to projects. | Princeton University fully supports the academic year salaries of Professors, Associate Professors, and Assistant Professors but makes no specific commitment of academic year time or salary to this particular research project. |

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**PROPOSAL ERA REMINDERS**

| **PI Certify** | Required in ERA proposals only for the lead PI. PI Assurances are routed for all Co-PI’s and key personnel. |
| **PI Assurance** | Must be completed for each Co-PI and all key personnel listed in the ERA file/proposal. You can check whether this is completed on the ‘review’ tab in ERA, and Certify should say YES on the main page. Do not route if the answers are still no. |
| **PI Effort** | When no salary is budgeted for PI or Co-PI, PI/Senior Key Personnel effort must be added [minimum 1% of appointment type] to the ERA budget. Ignore the cost-share alert message in ERA. 1% of a 9 month appointment is 0.09 person months. |
| **Compliance Questions** | It is important to answer these questions collectively with your PI if they are not answering them directly in ERA – vital information may be overlooked such as foreign collaborators, travel, etc. |
| **Other Significant Contributor [NIH & DOE only]** | This individual is not key personnel, but a Biographical Sketch would be submitted to the sponsor. ERA will identify as key by default, however this can be overlooked. This identifier should only be used for NIH and DOE proposals. |
| **Co-Investigator / Co-Principal Investigator Usage by Sponsor** | NSF – Co-PI (Co-Principal Investigator)
NASA – Co-I (Co-Investigator), Co-PI and Science PI (one Co-I may be designated as the ‘Science PI’, i.e., Co-I/Science PI)
NIH – Co-I (Co-Investigator) - does not use Co-PI |
| **Key Personnel** | Identifying someone as key means they are integral to the project and should they leave or significantly reduce their effort, the sponsor would need to be notified. You would be submitting a Biosketch and C & P (other) support documents to the sponsor for these individuals. Post-docs should not be identified as key personnel as they are temporary by nature. |
Post-doc Effort

For federally funded sponsored projects or programs, postdoc effort should not exceed 97% effort, or 11.64 months. A post-doc waiver is required for 100% effort if awarded. Post-doctoral salary minimum is $65,000 for 12 months.

Participant Support

An additional, separate budget in your Princeton ERA proposal record is required for participant support costs with 0% IDC. Make sure to include a price per participant in your budget justification and delineate between the categories as in the PAPPG [stipend, subsistence allowance, travel allowance, registration fees, other].

Current & Pending (Other) Support

Include the full award amount coming to Princeton, not just for your department PI. 1% minimum effort required on all proposals, with the exception of fellowships. 9-month appointments with 1% effort would equate to 0.09 person months.

Grad Student AY Salary/Summer Salary

Salary for graduate students should be inflated as of August, not in July, so both summer months would be the same amount in your budget. Example: Grad salary is $42,000 which is a monthly cost of $4,200. Next June/July summer would be $4,200 each, inflating AY salary to $43,260 as of 8/1/2024.

PI Summer Salary

Summer salary should be inflated each year as of June, not July, to account for any salary increases. Labor accounting applies new increases as of June instead of the new fiscal year.

ITAR/EXPORT CONTROL

Equipment Quotes / Classification

When shipping equipment overseas for a sponsored project, Princeton must verify whether any items (including technical data, ex. Manuals) are on the Commerce Control List (CCL) or the U.S. Munitions List (USML). Please request from the purchasing vendor to provide the ECCN# or the ITAR classification (CCL is ECCN# and USML is the ITAR classification) to be provided and included on the ERA Compliance questions when possible.

FOREIGN COMPONENT

Supporting individuals on grants working in a foreign country

If personnel will be supported by sponsored research and working in a foreign country, a request must be submitted to Global Safety & Security. This may include researchers, graduate students or post-docs.

Hiring individuals to work in a foreign country

Hiring individuals to work in a foreign country, discuss with your GCA and the Global Safety & Security Group.

FEDERALLY APPROVED INTERNAL SYSTEMS

<table>
<thead>
<tr>
<th>Systems federally approved and not federally approved for inclusion in proposal-stage certification requests:</th>
<th>FEDERALLY APPROVED</th>
<th>NOT FEDERALLY APPROVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Management System</td>
<td></td>
<td>Purchasing System</td>
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<tr>
<td>Accounting System</td>
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MTDC vs TDC

Modified Total Direct Costs (MTDC)

All direct project costs [salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of period of performance of the subawards under the award), excluding equipment, capital expenditures, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000. Other items may be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs. [2 CFR 200.1 Definitions]

Total Direct Costs (TDC)

All costs, without exclusions, charged to a sponsored project.