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1 Intro to Budgets

This section outlines the process for entering a budget within Princeton ERA and provides budgeting primer.

1.1 Budget Process

During the proposal development process, the department administrator will enter the proposal budget information in Princeton ERA. The budget is associated with the funding proposal and will be workflowed and reviewed with the proposal.

The department admin will navigate to the budget, complete the budget SmartForm and upload the budget justification. If needed, multiple budgets can be created for the proposal.
1.2 Budget Primer
This section provides a brief overview of budgeting terms and rates that will be helpful for budget development.

1.2.1 What are Direct Costs?
Direct costs are items that can be directly charged to the grant, including:

- Salaries & wages
- Benefits
- Consultants
- Travel
- Equipment
- Materials & Supplies
- Subrecipients

1.2.2 What are Indirect Costs?
Indirect costs are items that “include those things essential to support sponsored activities that cannot be specifically identified and directly charged or attributable to a particular research grant or contract”. Examples include heating and cooling the building where the research is done and building maintenance. This link on the F&T website includes more information about the Indirect Cost rate.

Indirect costs have a few names and abbreviations; they all mean the same thing:

- Indirect Costs (IDC)
- Overhead (OH)
- Facilities & Administration (F&A)

1.2.3 What is Princeton’s Indirect Cost rate?

- 62% On campus through 6/30/2024. 64% On campus starting 7/1/2024
- 26% Off campus
- Sponsor may pay some other percentage
- Sponsor might not pay any OH (0%)

Princeton’s federally negotiated rate typically remains the same for several years.

1.2.4 What do MTDC & TDC mean?
MTDC stands for Modified Total Direct Costs

- Some items are excluded from OH base calculation - i.e. equipment over $5k, subcontract amounts over the first $25k are excluded from the OH base calculation.

TDC: Total Direct Cost

- OH is calculated on every cost element, including equipment over $5k and subcontract amounts over the first $25k.

1.2.5 What about Employee Benefits?
Most personnel items have benefits and are known by a few different names and abbreviations; they mean the same thing:

- Employee Benefits (EB)
- Fringe Benefits (“the fringe”)
The EB rate historically changed every year; see the ORPA Rate Sheet for the current year’s rate and the projected rate. 

This link on the F&T website includes more information about the EB rate.

2 How to Create a Budget

This section provides instructions on developing a proposal budget in Princeton ERA, adding additional budgets to the proposal, and requesting the use of a reduced F&A rate.

2.1 Budget SmartForm

When the funding proposal is created, the system automatically creates a budget with the name of the primary sponsor. This budget should be completed as part of the proposal development process. This type of budget is called a sponsor budget or project budget.

To locate the budget, navigate to the funding proposal workspace. You can locate your funding proposal by searching in My Inbox or by searching the Grants page.

The budget will appear under the Budgets tab on the workspace. Click the budget name to display the budget workspace. Alternatively, you can select the Edit button and directly jump to a budget SmartForm page to edit it.
On the budget workspace, select the Edit Budget button to open the budget SmartForm.

Enter information on the SmartForm pages to complete the budget. The sections below will walk you through each page of the SmartForm. As you finish each page, click Continue to advance to the next page. You can always save the budget and return later.

After reviewing the SmartForm pages, Appendices A, B, and C at the end of this manual provides further insight into how Princeton ERA calculates key values such as inflation, salary cost, and effort. Please refer to those appendices for detailed explanations on the system calculations.
2.1.1 General Budget Information – SmartForm including OH rate change

General Budget Information

1. * Budget title:  
   American Asthma Foundation

2. * Principal Investigator for this budget:  
   Gilbert Ramsey (testpi10)

1. **Budget Title**: Defaults as primary sponsor name. If you have a single budget, you don’t need to update the name. If you have multiple budgets change the budget names to a helpful description (such as “On Campus Budget” and “Off Campus Budget”, or “Gibbs Budget” and “Hamilton Budget”).
   
   Note: The selected titles will appear on the Budget PDF which can be printed and distributed to key personnel or sponsors, so having descriptive titles is very helpful.

2. **Principal Investigator for this budget**: Defaults as proposal PI. All PD/Pis, Co-PD/Pis or Co-Investigators listed on the proposal appear in the drop-down. Update if necessary (e.g. Each PI has a separate budget).

3. **Does this budget use the standard F&A cost base and rates?**  
   - Yes  
   - No  
   - Clear

   **Standard F&A cost base and rates**

<table>
<thead>
<tr>
<th>F&amp;A Cost Base</th>
<th>Period</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start:</td>
<td>7/1/2023</td>
<td>7/1/2024</td>
<td>7/1/2025</td>
<td>7/1/2026</td>
<td>7/1/2027</td>
<td>7/1/2027</td>
</tr>
<tr>
<td>End:</td>
<td>6/30/2024</td>
<td>6/30/2025</td>
<td>6/30/2026</td>
<td>6/30/2027</td>
<td>6/30/2028</td>
<td>6/30/2028</td>
</tr>
<tr>
<td>MTDC Rate:</td>
<td>62%</td>
<td>64%</td>
<td>64%</td>
<td>64%</td>
<td>64%</td>
<td>64%</td>
</tr>
</tbody>
</table>

3. **Standard F&A Cost Base and Rates**: If the proposal uses Princeton’s standard on campus rate, select yes. Select No if the budget uses a different base, different rate, or is for off campus research. **Scroll down to the next page for information and examples about the OH rate change from 62% to 64%**.
   
   - If you notice on this screen that the period dates or number of periods are incorrect, exit the budget SmartForm and return to the funding proposal. The budget period dates and duration are set on the Funding Proposal Budget Periods and Key Dates SmartForm page.
   - If you have a TBD sponsor listed on the funding proposal and you change the Standard F&A Cost Base and Rate, the information you enter will be overwritten by the standard F&A info when the sponsor is updated. It’s best to add the actual sponsor to the FP prior to changing the F&A rate so this step does not need to be repeated.

   a. If no is selected, a Non-standard F&A Cost base and rates table will appear.
**F&A Cost Base:** Select from the drop down.

<table>
<thead>
<tr>
<th>Base</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>Do not use. If rate is 0%, use TDC base.</td>
</tr>
<tr>
<td>TDC</td>
<td>Total Direct Costs</td>
</tr>
<tr>
<td>MTDC</td>
<td>Modified Total Direct Costs</td>
</tr>
<tr>
<td>S&amp;W</td>
<td>Do not use.</td>
</tr>
<tr>
<td>S&amp;B</td>
<td>Salary and Benefits</td>
</tr>
<tr>
<td>S&amp;S</td>
<td>Do not use.</td>
</tr>
<tr>
<td>FEL</td>
<td>Do not use.</td>
</tr>
<tr>
<td>NIH Training Grant</td>
<td>NIH Training Grants only</td>
</tr>
</tbody>
</table>

**Rate:** Enter the rate. If the F&A Rate is the same for all periods, click the blue copy arrow to fill in all additional periods.

*Note: If you are requesting an F&A rate less than Princeton’s federally negotiated rates, please refer to the Waived and Reduced F&A Rates section of this manual for additional guidance.*
- If there is no FA on the proposal, enter the rate as 0% and the base as TDC.

2.1.1.1 **OH and the new rate agreement:**

Our new rate agreement, dated July 22, 2022, reflects an increase in the overhead rate to 64% as of 7/01/2024. For proposals that have budget periods starting 7/1/2024, 64% should be used beginning 7/1/2024. Prior budget periods must still use 62%. The ERA tables were updated the afternoon of 8/10/22. This update reflects the change as of 7/1/2024 and a blended rate will calculate in ERA based on the number of days in each period. For example, if the budget period is 9/1/2023-8/31/2024, 62% will be used for 10 months (9/1/2023-6/30/2024) and 64% will be used for 2 months (7/1/2024-8/31/2024).

Additionally, the F&A rate question #3 on budgets created prior to the Princeton ERA rate update on 8/10/22 that are currently in editable states (e.g. Draft) will change to No, and the F&A rate that was used will appear in the non-standard box as seen below. To update to the new rate, change question #3 from no to yes, which will change the rate on the budget and re-calculate the amounts. For proposals created in Princeton ERA after 8/10/22, the new F&A rates will automatically be applied.

For more information on blended OH and the blended OH rate tool for when the sponsor requests to see a 62% row and a 64% row on the budget form, see Appendix D.

**Example of question #3 on budgets created in Princeton ERA prior to the rate update on 8/10/22 that are currently in editable states (e.g. Draft). Change this answer to yes to use the new rates. (Scroll down to see example.)**
Example of question #3 on a new proposal started in Princeton ERA after 8/10/22:

4. **Consolidated Budgets:** Defaults to Yes. This should be Yes for all sponsor budgets that are being submitted to the sponsor. Select No for budgets created in error or cost share budgets. If you are creating multiple budget versions (e.g. a budget with 2 grad students and a budget with 3 grad students to see what the numbers look like), the “final” budget version should have Yes selected and the rest should have No selected. Selecting Yes means this budget will be included in the Financials tab and the budget PDF. If submitting via S2S, this budget will be included in the SF424 budget. If the proposal is awarded, this budget will be sent to PeopleSoft for award setup. 

   *Note: If you update a budget to No later on, you must update any associated subaward budgets to No as well to have them excluded.*
5. **Salary Cap**: Will automatically default for NIH and will be blank for all other sponsors. Leave blank for all other sponsors.

6. **Apply Inflation Rates**: Defaults to Yes. Update to No if needed.

7. **Enter inflation rates**: Defaults to 4%. Update as needed, see notes below. Check the box if you want to inflate Period 1.
   - **Personnel**: Unlike Coeus, where different inflation rates could be set for faculty, grad students, and undergrads respectively, there is only one inflation rate that applies to all personnel in Princeton ERA. So, if you have more faculty to budget than grad students, leave the Inflation Rate as 4% and manually inflate the base salary for grad students. If you have more grad students to budget than faculty, change the Inflation Rate to 3% and manually inflate the base salary for faculty.
   - **General Cost**: This is the inflation rate for non-personnel items.

Click Continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

### 2.1.2 Personnel Cost Definition – SmartForm

This page is for listing all Princeton personnel that will be included on this budget. When this page is saved, rows will be created for each person on the Personnel Costs page to incorporate their salary and benefits in the budget.

*Please note the Personnel should always be budgeted “by person” using the Personnel Cost Definition and Personnel Costs Page. Please do not budget Personnel as “Total Direct Costs” or “Other”, even when permitted by the Sponsor. Personnel effort maps from the Princeton ERA proposal budget to the Pending section of the Current and Pending Support report, and, if the proposal is awarded, the personnel effort maps from the Princeton ERA proposal budget to the Current section of the Current and Pending Support Report.*
1. Complete the **Personnel Costs** table by adding all personnel. Click the Import Proposal Personnel button to import the PI and all other senior/key institutional personnel listed on Personnel SmartForm – Question 3a. *Note: This action can only be completed once, so if you would like to confirm the personnel included in 3a you can select the “Go to additional personnel on funding proposal” link. Review and add any personnel if needed.*

**Update Personnel:** Select the update button to open the person’s information.
1. **Staff Member**: Name defaults from proposal. All proposal personnel appear in the drop-down.
2. **Role**: Defaults from proposal.
3. **Appointment**: Defaults to 12 months. Update if needed as per the following guidance:
   - **Faculty**
     - PI and other faculty with an academic year appointment should have a 9-month appointment type, unless this is an NIH application where the PI or faculty member’s salary is at or above the NIH salary cap; in that case, budget to the NIH salary cap with a 12-month appointment type (this is because the NIH cap is based on 12 months). *Not following these instructions for faculty with salaries over the NIH cap will generate cost sharing.*
     - **NOTE**: If the proposal is NIH and the faculty member with a 9-month appointment is, for example, near but not over the NIH salary cap for the 2 years of the proposal, then is at or over the NIH salary cap in the last 3 years of the proposal, please use a 12-month appointment type for all of the budget years.
   - **Non-Faculty**
     - Post Docs, Grad Students, and other non-faculty personnel are typically budgeted at 12 months.
       - *Note*: Graduate students can be budgeted at 12 months by adding their academic and summer month salaries. This process must be followed if submitting S2S otherwise the quantity of graduate students will appear on the SF424 budget form as “2”; if not submitting S2S a graduate student can be budgeted by adding two “people” for one graduate student: one row with a 10-month appointment and a second row with the 2-month appointment, depending on preference.
4. **Base Salary applied**: Enter the person’s salary. If this is an NIH proposal and the person’s salary exceeds the salary cap, enter the NIH salary cap.
5. **Apply inflation rate**: Defaults to yes. Update if needed.
   - Selecting No will allow you to manually update the base salary for each year on the Personnel Cost screen, if needed.
     - Inflation should be set to No for NIH proposals where you are budgeting at or close to the salary cap. Otherwise cost sharing will be automatically generated by the system.
     - If you are budgeting more faculty than grad students: Leave inflation as yes for faculty. For grad students (where inflation is typically 3% instead of the default 4%), you should select no so you can inflate the base by 1.03 for each out year.
     - If you are budgeting more grad students than faculty: Leave inflation as yes for grad students. For faculty, select no so you can inflate the base by 1.04 for each out year.

Click OK. Update all proposal personnel.

If a person listed on the proposal is not being budgeted, you can use the “x” button next to their name to remove them.
Note: The base salary displayed above was the NIH cap at the time the screenshot was taken. Use the current NIH cap for your NIH proposal budget.
Additional personnel may be needed, such as post docs or graduate students who were not named on the proposal.

Click the **Add** button to add additional personnel who were not listed on the proposal.

*Note: This process can also be used if you add additional personnel to the funding proposal after you have run "Import Personnel" on this page.*
1. **Staff member:** Defaults to Staff Member to Be Determined for additional personnel. All proposal personnel are also available in the drop-down.

2. **Role:** Select the appropriate role.

<table>
<thead>
<tr>
<th>Role</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Investigator</td>
<td>Use for co-investigators on NIH or NASA proposals.</td>
</tr>
<tr>
<td>Consultant</td>
<td>Do not use.</td>
</tr>
<tr>
<td>Co-PD/PI</td>
<td>Use for Co-PIs.</td>
</tr>
<tr>
<td>Faculty</td>
<td>Use if appropriate. May be used for contributor that is not being named in another Project Role.</td>
</tr>
<tr>
<td>Graduate Student</td>
<td>Use for graduate students.</td>
</tr>
<tr>
<td>Other Professional</td>
<td>Use as appropriate. May be used for professional specialist or other contributors that do not fit into another Project Role.</td>
</tr>
<tr>
<td>Post Doctoral</td>
<td>Use general Post Doctoral role for all post docs.</td>
</tr>
<tr>
<td>Post Doctoral Associate</td>
<td>Do not use.</td>
</tr>
<tr>
<td>Post Doctoral Scholar</td>
<td>Do not use.</td>
</tr>
<tr>
<td>Technician</td>
<td>Use for technicians.</td>
</tr>
<tr>
<td>Undergraduate Student</td>
<td>Use for undergraduate students.</td>
</tr>
<tr>
<td>Secretarial/Clerical</td>
<td>Use for administrative personnel.</td>
</tr>
<tr>
<td>PD/PI</td>
<td>Use for multi-PI awards, such as for NIH where Co-PI designation is not used. Should be used for all other PI’s not listed on Personnel question 1.</td>
</tr>
<tr>
<td>Other (Specify)</td>
<td>Do not use for internal personnel.</td>
</tr>
</tbody>
</table>

3. **Appointment:** Defaults to 12 months. Update if needed, as per the following guidance: **Faculty**
• PI and other faculty with an academic year appointment should have a 9-month appointment type, unless this is an NIH application where the PI or faculty member’s salary is above the NIH salary cap; in that case, budget to the NIH salary cap with a 12-month appointment type (this is because the NIH cap is based on 12 months). Not following these instructions for faculty with salaries over the NIH cap will generate cost sharing. 

**NOTE:** If the proposal is NIH and the faculty member with a 9 month appointment is, for example, near but not over the NIH salary cap for the 2 years of the proposal, then is at or over the NIH salary cap in the last 3 years of the proposal, please use a 12 month appointment type for all of the budget years.

**Non-Faculty**

• Post Docs, Grad Students, and other non-faculty personnel are typically budgeted at 12 months.
  - **Note:** Graduate students can be budgeted at 12 months by adding their academic and summer month salaries. This process must be followed if submitting S2S; if not submitting S2S a graduate student can be budgeted by adding two “people” for one graduate student: one row with a 10-month appointment and a second row with the 2-month appointment, depending on preference.

4. **Base Salary applied:** Enter the person’s salary. If this is an NIH proposal and the person’s salary exceeds the salary cap, enter the salary cap.

6. **Apply inflation rate:** Defaults to yes. Update if needed.
   - Selecting No will allow you to manually update the base salary for each year on the Personnel Cost screen, if needed. 
   For grad students (where inflation is typically 3% as the default 4%), you should select no so you can manually inflate the base of their 10 month stipend by 1.03 for each out year.
   - Inflation should be set to No for NIH proposals where you are budgeting at or close to the salary cap. Otherwise cost sharing will be generated.

| 1. Staff member: |  |
| Staff Member To Be Determined |

| 2. * Role: |  |
| Graduate Student |

If ‘Other (Specify)’ selected, enter the role below:

| 3. * Appointment: |  |
| 12 Months |

| 4. Base salary applied: |  |
| $38,800.00 |

| 5. Apply inflation rate: |  |
| Yes | No |

“Apply Inflation” could be Yes if you are budgeting more grad students than faculty (and changed the inflation rate to 3%) or No if you are budgeting more faculty than grad students (and left the inflation rate defaulted at 4%)

Click OK. Add additional personnel until all personnel that will be budgeted for are added.
Click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

2.1.3 Personnel Costs – SmartForm

NOTE: These screenshots were created during the summer of 2020 using the benefits rates at that time. The current provisional benefits rate default for each budget year. If the benefits rate is different in the current FY compared to the out years, and your budget year crosses from the current FY to the provisional FY, use the blended fringe tool on the Princeton ERA website to calculate the blended fringe and enter that value for fringe in the first budget year.

The personnel cost page consists of a Budget Summary and a Personnel Costs table. The Personnel Cost table shows a row for each individual listed on the prior page, and will be used to budget their salary, benefits, and total compensation.

Click the Show Effort button to display the additional fields that will be used to calculate Salary and Benefits.

Refer to the sections below on budgeting salary and budgeting benefits for details. Refer to the Budget Calculations Section for a more in–depth explanation of budgeting calculations.
Budgeting Salary

Salary will be budgeted based on the personnel’s base salary and the salary requested percentage. Proposed effort will also be recorded and used to calculate personnel cost share in scenarios where the effort percentage exceeds the salary requested percentage. The proposed effort will also appear on the personnel’s Current & Pending report.

*Please use the Princeton ERA – Effort Distribution Tool available on the ORPA website to calculate the correct effort percentages.* The tool will calculate the proper percentage based on the person’s appointment. The Effort Distribution tool can be used if the person month effort is known or if the requested salary amount is known, and has tabs for when the budget periods are the standard 12 month budget periods, or non-standard 12 month budget periods. Refer to Appendix C in this manual for more details on the calculations within this tool.

Below are several examples to show how the tool can be used in different scenarios. Refer to Appendix C for more help.

The tool can be used if you know the PI is committing 1 month of effort, but you are unsure of the proper percentage based on their appointment. If you knew your PI is committing 1 month of effort and they have a 9-month appointment, their salary requested would be 11.1111111%. If they were committing 1 month of effort but had a 12-month appointment, their % salary requested would be 8.3333333%. The tool could also be used if you knew your PI’s base salary and that they wanted to request a pre-determined salary amount in the budget.

*Note: Entering 7 decimals is preferred for exact rounding of person months on the SF424 application for S2S proposals; at least 4 decimals must be used for calculated cost. For example, budgeting as 11.11% (one month) with a $90K base salary will result in 0.99 months instead of 1.00 months on the SF424 budget form, and a calculated amount of $9,999 instead of $10,000.*

![Personnel Costs Table](image)

In the example above, the sponsor is not NIH, the appointment type is 9 months, budget period length is 12 months, and 1 month of salary is requested. To update the effort and salary requested, enter the percentages calculated in the Effort Distribution Tool into the appropriate fields. In this example, the Effort and Sal Requested are 11.1111111%. If the percentages will be the same for each period, use the copy arrow button to the right of the Effort and Sal Req boxes in Period 1 to update all out years too.

*NOTE: This screenshot is from the summer of 2020; check the NIH website and use the latest NIH salary cap.*
In the example above, the sponsor is NIH, the appointment type is 12 months (because the NIH salary cap is 12 months), the budget period is 12 months, and 1 month of salary is requested. To update the effort and salary requested, enter the percentages calculated in the Effort Distribution Tool into the appropriate fields. In this example, the Effort and Salary Requested are 8.3333333%. If the percentages will be the same for each period, use the copy arrow button to the right of the Effort and Sal Req boxes in Period 1 to update all out years too.

To see the total salary amount this calculates based on the base salary and salary requested percentage, click the Show Totals button.

Note that the totals will also include the default 4% personnel inflation rate unless you have selected that inflation should not be applied to personnel costs or that specific personnel. In the NIH scenario, the inflation rate was not applied to the PI since her base salary was at the NIH salary cap.

If the award is funded, the salary budget items on the award (in the PeopleSoft budget) will be based on the persons role type.

<table>
<thead>
<tr>
<th>Personnel Role</th>
<th>PeopleSoft Budget Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty (PI, Co-PD/PI, Co-I)</td>
<td>SALRF – Regular Faculty</td>
</tr>
<tr>
<td>Grad Students</td>
<td>SALGS – Assistants in Research and Instruction</td>
</tr>
<tr>
<td>Post-Docs, Other Professional</td>
<td>SALOS – Salary DOF Other Staffs</td>
</tr>
<tr>
<td>Undergrads</td>
<td>WAGESH – Student Hourly Wages</td>
</tr>
<tr>
<td>Secretarial/Clerical or Technicians (only if sponsor allows it)</td>
<td>SALADM – Salary HR Admin &amp; Tech</td>
</tr>
<tr>
<td>Biweekly staff (only if sponsor allows it)</td>
<td>SALBW – Salary HR Bi-Weekly</td>
</tr>
<tr>
<td>Consultant</td>
<td>Do not use for internal personnel.</td>
</tr>
</tbody>
</table>
2.1.3.1 Budgeting Fringe Benefits (FB) AKA Budgeting Employee Benefits (EB)
Benefits are budgeted based on the current and provisional fringe benefits rate. Refer to the sponsored project rate sheet for more information on Princeton’s current and provisional rates.

By default, the system fills in the provisional rate as the default fringe rate for all budget years, including budgets that start in the current FY. If the current fiscal year and provisional fiscal year benefit rates are the same, then you will not need to calculate a blended amount in the first budget year, if that budget year crosses FYs.

If the initial budget period spans the current fiscal year and next fiscal year, and the current and provisional rates are different, then the FB Rate should be updated with a blended FB Rate. The rate should account for the proper number of days at the current rate and the provisional rate.

*Please use the Princeton ERA- Blended Fringe Rate Tool, available on the ORPA website, to calculate the correct rate for the blended period.* The tool will calculate the proper blended rate based on the number of months and days in each fiscal year.

For example, what if we were budgeting a technician for 12 months, and the budget year started on May 1 in the current FY, and the benefit rate for the current FY and provisional FYs were different? That means there are 2 months where the current fringe benefit rate applies and 10 months where the provisional rate applies. However, the system fills in the provisional rate for all budget years, including the first year, and at the time the screenshot below was taken, the current FY and provisional rates were different.

**NOTE:** All screenshots were created during the summer of 2020 using rates at that time.

In that case, use the Blended Fringe Rate Tool on the Princeton ERA home page, which will calculate the blended fringe for you. In the tool, enter the # of months with the current fringe rate, and click or tab out of the field and the blended fringe rate automatically calculates. In this example, the blended fringe is 35.35%. Enter that value in the fringe benefits box for period 1 in Princeton ERA.
Then click on the show totals button:

The FB amount recalculates.

The FB Rate must also be updated for personnel, such as graduate students, who do not receive benefits. The FB provisional rate should be removed and updated to 0%.

To remove benefits budgets for a row, set the FB Rate to 0. Use the copy arrow to update all out years to 0%.

If desired, add Personnel Costs notes to your department reviewers and ORPA GCA.
After personnel budgeting is complete, click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

### 2.1.4 General Cost Definition - SmartForm

The general cost definition page is used to select all of the cost types (or budget items) that will be used on your budget. This includes all non-personnel items.

**General Cost Definition**

1. **General Costs:**
   - Click the **Add** button to add a general cost.

   **Add General Cost**

   1. **General Cost Type:** Select from the drop-down.
   2. **Cost:** Enter the budgeted amount for the first period.
   3. **Description:** Enter as needed or if requested by the system to enter description. Description is required for Equipment.
   4. **Apply Inflation?**
      - Yes
      - No
   5. **Include in Indirect Calculations?**
      - Yes
      - No

1. **General Cost Type:** Select from the drop-down.  
   *Refer to the Cost Type chart below for a list of cost types and the budget item it maps to in PeopleSoft for the award.*

2. **Cost:** Enter the budgeted amount for the first period.  
   *Note that if you selected to inflate the first period, this value will be increased by the inflation percentage.*

3. **Description:** Enter as needed or if requested by the system to enter description. Description is required for Equipment.

4. **Inflation:** Defaults to Yes for all cost types except “Equipment” and “Equipment or Facility Rental/User Fees”. If Inflation is set to Yes, the value will inflate every period, but you cannot update the values in the out years. If you set inflation to No, the value will not inflate in every period, but you can update
If you want to budget varying amounts for each period, select no so that you can edit the amounts on the General Costs page.

5. **Include in Indirects:** Leave this as the default. This field may not appear based on the F&A Base selected (e.g., if the F&A Base is Salary & Benefits, this field will not appear if the cost type is Materials and Supplies). This field may also default based on what is typical for the cost type for the selected F&A Base.

![Edit General Cost](image)

Enter the information for each cost type. **Click OK and Add Another** to stay in this screen and add additional costs.

When all items have been added, click OK to return to the General Cost Definition page.
Confirm that all cost types are added. Next, you will budget each of these types per period on the General Costs SmartForm page and review the summary.

Click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

**General Cost Type Details**

Please note that the Princeton ERA cost type will still translate to the current PeopleSoft budget items if the proposal is awarded. The item mapping is below for reference.

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>PeopleSoft Budget Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADP/Computer Services</td>
<td>TEC SVC</td>
</tr>
<tr>
<td>Assistantship AI/AR Tuition</td>
<td>AI ARTU</td>
</tr>
<tr>
<td>Computer HW &amp; SW w/o OH</td>
<td>COMP NO</td>
</tr>
<tr>
<td>Computer HW &amp; SW w OH</td>
<td>COM POH</td>
</tr>
<tr>
<td>Consultant Services</td>
<td>PRF SVC</td>
</tr>
<tr>
<td>Publication Costs</td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>FRINGE</td>
</tr>
<tr>
<td>Equipment</td>
<td>SME EQ UP</td>
</tr>
<tr>
<td>Equipment or Facility Rental/User Fees</td>
<td>RENT</td>
</tr>
<tr>
<td>Facilities &amp; Administration</td>
<td>FAC ADM</td>
</tr>
<tr>
<td>Fellowship Tuition</td>
<td>FEL TUI</td>
</tr>
<tr>
<td>Fellowship Stipend</td>
<td>FELSTI</td>
</tr>
<tr>
<td>HR Bi-Weekly Salary</td>
<td>SAL BW</td>
</tr>
<tr>
<td>Institutional Allowance</td>
<td>INST AL</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>SMS UP</td>
</tr>
<tr>
<td>Office/Admin/General Supplies</td>
<td>OAG SUP</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Modular Offset</td>
<td>TOT DIR</td>
</tr>
<tr>
<td>Real Estate, Construction Svcs</td>
<td>RE CS VC</td>
</tr>
<tr>
<td>Recharge Centers with F&amp;A</td>
<td>RE CH O H</td>
</tr>
<tr>
<td>Trainee: Tuition</td>
<td>PART C</td>
</tr>
<tr>
<td>Trainee: Travel</td>
<td></td>
</tr>
</tbody>
</table>
2.1.5 General Costs – SmartForm

The General Costs SmartForm consists of the Budget Summary table and General Costs table.

The General Costs table lists each cost type from the prior SmartForm page. Notice that the costs with inflation factored in cannot be edited. The cost types that were set to not include inflation can be updated.

Update the budget amounts per period as needed. The amount budgeted per period may vary based on a variety of factors, such as equipment being purchased only in the first year of the award.

If needed, enter general cost notes to your department reviewer or ORPA GCA.
Once all the general costs have been budgeted, click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

### 2.1.6 F&A Cost Overrides - SmartForm

This SmartForm page can be skipped. Princeton will not make F&A Cost Overrides on this page. If certain budget items or personnel require a different F&A base or rate, please create an additional budget. Refer to the section on Creating Additional Budgets for more information.

Click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

### 2.1.7 Attachments - SmartForm

Budget attachments should be uploaded to the Attachment SmartForm. Once uploaded, they will also appear on the funding proposal workspace attachment tab with the type “budget.”

Add the **Budget Justification**, including any ancillary documents required by the sponsor such as the F&A rate agreement or vendor quotes.

If submitting system-to-system, the budget justification will be added directly to the SF424 instead. Documents added here will not map to the SF424.

![Screen shot of Attachment SmartForm](image)

Drag and drop a file or select the Add button to choose a file.

If needed, click the ellipsis to upload a revision.

Once finished with uploading the documents, click “Validate” on the top left corner to check the SmartForm. This will check the whole SmartForm to confirm if any required information is missing.

![Screen shot of SmartForm validation](image)
If you receive a red circle icon, click the link on the left side bar to return to the field and add the information as required.

Once any updates have been made, click the Finish button in the right bottom corner to complete the SmartForm. You will be brought to the Budget Workspace. The budget is complete and the summary can be reviewed on the Financials tab.

3 Creating Additional Budgets

Your funding proposal can have multiple budgets associated with it. You can create an additional budget and complete the SmartForm following the Budget SmartForm instructions above.

There are a variety of reasons to create an additional budget, such as:

- Different F&A rates will be used, such as on campus, off campus, and fabricated equipment.
- Different PI’s
- Different Departments

Additional budgets will be included on the Financials tab of the funding proposal and in the Budget PDF. If this proposal is funded, the multiple budgets created in Princeton ERA will translate to multiple projects on the PeopleSoft award.

Note: Budgets will only be included if they are marked as Include in Consolidated Budgets = Yes on the General Budget Information SmartForm page. All project budgets that are being submitted to the sponsor should be marked as Yes.

Additional budgets may also be created if there was an error in the first budget, and you would like to start over with a new budget, or if you are creating additional budgets as draft budgets (e.g. to see a budget with 2 grad students vs. 3 grad students) before determining the final version. In this scenario, it is very important to ensure only the final budget(s) are marked as Include in Consolidated Budgets = Yes on the General Budget Information SmartForm page. All drafts or budgets created in error should be marked as No so that they are not included in your proposal totals or included on the award when funded.

3.1 Create additional budget from scratch

Navigate to the proposal workspace. Search the proposal from your Inbox of the Grants tab. Alternatively, if you are already on the original budget you can select the link in the middle of the workspace to return to the funding proposal.

<table>
<thead>
<tr>
<th>NIH - National Institutes of Health</th>
<th>BU00003154 Project Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor: NIH - National Institutes of Health</td>
<td>Grand Total: $443,139</td>
</tr>
<tr>
<td>PI: Gilbert Ramsey (testpi10)</td>
<td>Budget Type: Federal</td>
</tr>
<tr>
<td>Funding Proposal: Demo Proposal for 8/1 class</td>
<td>Subaward Count: 0</td>
</tr>
</tbody>
</table>

On the proposal workspace, select the Create Additional Budget activity.
In the Create Additional Budget window, enter the Budget title (such as “Off Campus” or “Fabricated Equipment” or “Hamilton Budget”) and select the PI responsible for the budget. Click OK.

**Create an Additional Budget**

To create an additional budget for this funding proposal, complete the fields below, then click OK. You will be redirected to the new budget’s SmartForm.

1. **Budget title:** (81 characters & spaces max. for NIH)
   - Hamilton’s Budget

2. **Principal investigator for this budget:**
   - Rita Hamilton (testpi6)

3. **Budget count:**
   - 1

**IMPORTANT NOTE:** A primary sponsor budget is automatically created when the sponsor information is completed in the funding proposal. It is accessible under the budget tab on the funding proposal workspace.
You will automatically be brought to the new budgets SmartForm. Complete the pages for the budget. See the Budget SmartForm section above for detailed instructions on completing the pages.

The new budget will now be listed on the Budgets tab of the Funding Proposal.

The new budget’s SmartForm can now be completed. Follow the detailed instructions in the Budget SmartForm section.

3.2 Copy an Existing Budget: the “Make a Copy” activity

- The **Make a Copy activity** on the left navigation bar of the budget workspace can be used to create a copy of an existing budget. This activity may be used if you’re creating multiple similar budgets.
- Click the activity, enter a new budget name, and click OK. The budget will then be accessible via the Budgets tab on the Funding Proposal workspace.
4 Waived and Reduced F&A Rates

If the proposed F&A rate is less than Princeton’s federally negotiated rate, additional documentation or an ancillary review approval may be required.

When IDC is reduced because the sponsor’s RFP states the allowable IDC rate, the department administrator must upload the document in the Submission Information SmartForm - General Submission Documents section, clearly labeled as the reduced IDC rate. No ancillary review approval is needed.

An ancillary review should be sent to the ORPA Director (Elizabeth Adams) for F&A waivers or when the sponsor’s F&A rate is less than Princeton’s federally negotiated rate and the rate is not published. The ancillary review must be approved prior to submitting the proposal for Specialist Review.

Please note that in cases in which a sponsor does not have a publicly-available policy on overhead costs, ORPA/the Dean for Research will consider requests for indirect cost waivers in very limited circumstances. When in doubt, it can be useful to write a sponsor directly to inquire on their policy or approach to indirect costs. Please note that considerations of equity are taken into account in waiver requests in which the projects of other PIs with that same sponsor carry overhead.

Please make sure that the below information is included as part of the Ancillary Review:

- The justification for the request
- The dollar amount of the IDC waiver. This is the difference between the overhead that the sponsor will pay and the standard OH rate. For example, if you are requesting that the indirect costs are waived from the standard OH rate to 0% OH, the value of the waiver is the standard OH amount that would be calculated on all MTDC budget items.

Follow the steps below to add an ancillary review for the Indirect Cost Waiver.

On the funding proposal workspace, select the Manage Ancillary Review activity.
In the Manage Ancillary Review pop-up window, select Add.

On the Add Ancillary Review slide in window:

- **Person**: Add the ORPA Director
- **Review Type**: Indirect Cost Waiver
- **Response Required**: Select yes
- **Comments**: Add comments to the reviewer, explaining why the review is needed. Include the justification and dollar amount of the IDC waiver. The comments will be included in the email notification sent to the reviewer. The email will be sent from erasupport@princeton.edu, so it’s helpful to sign your comment with your name.
- **Documents**: Documents should NOT be attached on this screen; they will be attached on the Manage Ancillary Review screen. If attached here, they will not appear on the History tab.
Click OK to add the review and return to the Manage Ancillary Review screen. On this screen:

- **Additional Reviews**: All ancillary reviews that have been added will appear here. But on this screen, you will only add comments and supporting documents relevant for this review.
- **Comments**: Copy and paste your comments from the Add Ancillary Review screen here. This should include the justification and dollar amount of the IDC waiver. This comment will appear on the History tab.
- **Supporting Documents**: Attach supporting documentation, including explanations, correspondence, or request information.  
  
  *Note that supporting documents should be uploaded on the Manage Ancillary Review screen instead of the Add Ancillary Review screen. The document will then appear on the Attachment tab and History tab.*
Click OK to exit the Manage Ancillary Review screen.

Please note that it is VERY important to click OK on the Manage Ancillary Review Screen because it adds the ancillary review and triggers the email notification to the ancillary reviewer.

5 How to Create Subaward Budgets

This section provides instructions for how to create a subaward budget in Princeton ERA.
Subaward budgets are required to account for funds when contracting with an external institution for a portion of the work as part of the research project. Subaward budgets will be created off of the associated project budget.

### 5.1 Subaward Budget SmartForm

Navigate to the proposal workspace. This can be done by accessing the proposal from My Inbox or searching for the proposal on the Grants page. Click the proposal name to display the proposal workspace.

On the proposal workspace Budgets tab, click the budget name to display the budget workspace. *Note: If you have multiple budgets on your proposal, ensure you select the budget you would like the subaward associated with.*

On the budget workspace, click the Create Subaward button to create a new subaward budget.
The new Subaward Budget SmartForm will open.

Follow the detailed instructions below to complete each page of the Subaward Budget SmartForm.

Please note that if needed, multiple subaward budgets can be created from your budget using the Create Subaward Budget button.

**5.1.1 Subaward Budget Information – SmartForm**

1. **Title:**
   - Sub 1 Budget - Harvard

2. **Organization:**
   - Harvard University

3. **Principal Investigator:**
   - Martha Gibbs (testpi9)
1. **Title**: Enter a title for the budget. Include the subrecipient organization name within the title.

2. **Organization**: Select the subrecipient.
   
   *Note: If the subawardee is not available for selection in the system, select “TBD” and email [erasupport@princeton.edu](mailto:erasupport@princeton.edu) to request the organization is added. Include the organization name, type, address, phone/email info. After the ERA team notifies you that the organization is added, return to this screen, and change the organization from TBD to the newly added organization.*

3. **Principal Investigator**: Budget PI defaults.

4. **Subawardee PI**: Leave blank. Subawardee PI should be entered on the Funding Proposal SmartForm Personnel page in question 3B.

5. **Subaward Budget Detail Level**: Select how to capture budget data for this subaward.
   - **Per Period Direct and Indirect Totals**: All costs are captured in a single budget table as per period direct and indirect costs.
   - **SF424 Subaward Import**: Subawardee’s budget totals are imported to the system using their completed R&R subaward Budget PDF Form.
     
     *Note: This option must be selected when submitting the proposal system-to-system. This can optionally be used when not submitting system-to-system.*

6. **Include in Consolidated Budgets**: Select Yes or No on whether to include in the consolidated budget. Only select “No” for subaward budgets created in error.

7. **Subaward Indirect Contribution Limit**: For budgets using the MTDC cost base standard, the system automatically includes the first $25,000 of subaward budgets in the cost base for calculating indirect costs for the primary budget. Update if necessary.
   
   *Note: This question only displays if MTDC was selected as the cost base on the sponsor budget that this subaward was created on.*
Click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

### 5.1.2 All Personnel - SmartForm
This SmartForm page can be skipped. The page will only appear when the Per Period Cost Totals budget detail level is selected.

The subaward PI and co-leads should be listed on the funding proposal Personnel SmartForm in question 3B for compliance purposes, instead of on this page. Additional personnel do not need to be added here.

Click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

### 5.1.3 Per Period Cost Totals - SmartForm
This SmartForm page will only appear if “Per Period Cost Totals” was the budget detail level selected on question 5 of the Subaward Budget Information SmartForm. If you are entering the subaward budget by importing the Subaward R&R Budget form, this SmartForm page will not appear.

Enter the Direct and Indirect totals. If they are the same for all periods, enter in the period one box and then use the copy arrow to the right of the Direct and Indirect boxes in period 1 to populate all periods with that value. If the totals are different for each period, enter the total mounts for each period.

The system will calculate the overall Totals and Grand Total per period based on your entry of the per period totals.
If desired, add budget notes to your department reviewer and ORPA GCA.

Click continue on the bottom of the SmartForm page to advance. You may also Exit or Save the page if you wish to return later.

5.1.4 SF424 Subaward Import - SmartForm

This SmartForm page will only appear if on the Subaward Budget Information SmartForm you selected “SF424 Subaward Import” for the budget detail level. This option must be selected when submitting the proposal system-to-system.

If you are manually adding the per period directs and Indirects instead, this SmartForm page will not appear.

The page will appear as above. The Subaward R&R Budget PDF must be completed and returned by the subawardee for uploading. The editable PDF version of the form should be downloaded from the SF424 workspace within Princeton ERA and sent to the subawardee, not from the Grants.gov website. The form should be edited in Adobe Acrobat.

*Note: It is recommended to get this file from the subawardee as soon as possible to ensure the file is valid and allow time for the subawardee to correct any invalid files or budget errors.*

Download the R&R Subaward Budget forms from the associated SF-424 for the subawardee to complete.
When the file is received, drag & drop the file over the box or select Choose File to select the file from your desktop.

Click Save or Continue. The form has been imported and you can confirm the totals by reviewing the Financial tab on the Subaward Budget Workspace.

If there is an issue with the Subaward R&R budget form, you will receive an error message when importing. The most common error is that the period dates entered in the Subaward R&R Budget PDF form do not match or are not within the budget periods of the primary budget. Also, the editable PDF version of the form should have been downloaded from the SF424 workspace within Princeton ERA, not from Grants.gov. It is important to have the correct form version. Correct any errors on the form and retry the import.

5.1.5 Attachments - SmartForm

Subaward attachments should be uploaded to the attachment SmartForm. Once uploaded, they will also appear on the funding proposal workspace attachment tab with the type “Subaward.” If submitting system-to-system, these files will not map to the SF424.

Upload the Subrecipient Statement of Collaborative Intent (Commitment form) and all associated attachments using the naming conventions defined here. Each document should be uploaded separately.
Drag and drop a file or select the Add button to choose a file.

If needed, click the ellipsis to upload a revision.

**For all subawards:**
Subrecipient/Contractor Classification form and Statement of Collaborative Intent (Commitment form) including statement of work with deliverables, budget and budget justification including F & A documentation, Financial Status Questionnaire with attachments (see form for applicability), Sole Source Justification (for contracts only) should be uploaded and labeled appropriately.

**For fixed price subawards:**
Justification statement for fixed price subaward must be included in Prime award budget justification; verification of UEI and SAM.gov registrations as well as above referenced info. All are uploaded in the Subaward Attachments tab and labeled appropriately.

**Naming Conventions for Subaward Proposal Documents**
All naming conventions are detailed in this [PDF](#). Once complete, click Finish to complete the SmartForm and return to the subaward budget workspace.

Note that the subaward budget is linked to the sponsor budget, so you can view your subaward budget from the sponsor budget by selecting the Subawards tab.

The subaward per period totals will be included in the sponsor budget Financials tab and the funding proposal Financials tab.
5.2 Create and edit additional subawards

Create additional subawards for the same budget by navigating to the budget workspace and clicking on the Create Subaward button.

View and edit all subawards associated with a budget by navigating to the budget workspace and clicking on the Subaward tab, then click on the Name of the subaward.

6 Budget Workspace and Reviewing Budgets

This section outlines the budget and subaward budget workspaces. It also includes information on how to view budget information via the funding proposal Financials tab and budget PDF.

6.1 Budget Workspace

Once a budget has been created, it will have its own workspace. The workspace contains a summary of the financials, activities, and other relevant information regarding the budget.
Across the top of the workspace are several important details about the workspace. It’s in the Draft state. The budget title, budget ID, and budget type are displayed.

- The budget will be in Draft state during proposal development. During review of the proposal, the state will be Under Review.
- If the proposal is awarded, the state will be updated to Active.

The budget type is displayed: project budget, subaward budget, or cost share budget.

Basic budget information is captured in the center of the workspace.

<table>
<thead>
<tr>
<th>Financials</th>
<th>Subaward</th>
<th>Documents</th>
<th>Snapshots</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current All Period Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Period 1</td>
<td>Period 2</td>
<td>Period 3</td>
<td>Period 4</td>
<td>Period 5</td>
</tr>
<tr>
<td>Personnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>$89,482</td>
<td>$89,482</td>
<td>$89,482</td>
<td>$89,482</td>
</tr>
<tr>
<td>Benefits</td>
<td>$15,638</td>
<td>$15,638</td>
<td>$15,638</td>
<td>$15,638</td>
</tr>
<tr>
<td>General</td>
<td>$95,000</td>
<td>$95,000</td>
<td>$95,000</td>
<td>$95,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Other</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Travel</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Subaward(s)</td>
<td>$83,000</td>
<td>$83,000</td>
<td>$83,000</td>
<td>$83,000</td>
</tr>
<tr>
<td>Direct F&amp;A</td>
<td>$254,402</td>
<td>$254,402</td>
<td>$254,402</td>
<td>$254,402</td>
</tr>
<tr>
<td>Total Direct &amp; Subaward F&amp;A</td>
<td>$337,712</td>
<td>$337,712</td>
<td>$337,712</td>
<td>$337,712</td>
</tr>
<tr>
<td>Total F&amp;A</td>
<td>$83,000</td>
<td>$83,000</td>
<td>$83,000</td>
<td>$83,000</td>
</tr>
<tr>
<td>Project Total</td>
<td>$420,712</td>
<td>$420,712</td>
<td>$420,712</td>
<td>$420,712</td>
</tr>
</tbody>
</table>

| F&A Costs (Standard) |          |           |           |         |
| Start Date |          |           |           |         |
| End Date |          |           |           |         |
| Indirect Cost Rate | 62% | 62% | 62% | 62% |
| Indirect Cost Base | MTDC | MTDC | MTDC | MTDC |
| Indirect Funds Req | $80,250 | $80,250 | $80,250 | $80,250 |

**Sponsor:** Sponsor defaults based on the direct sponsor selected on the funding proposal.  
**PI:** PI defaults based on the Principal Investigator listed on the General Budget Information SmartForm.  
**Funding Proposal:** The blue link can be clicked to navigate back to the funding proposal record.  
**Grand Total:** The blue link can be clicked to navigate back to the funding proposal record.  
**Budget Type:** Defaults based on the sponsor type or shows if this is a flow through award.  
**Subaward Count:** Shows the number of subaward budgets associated with this project budget.
6.1.1 Budget workspace buttons and activities

Under the State, there are several buttons and activities that can be used to take action on the budget.

The **Edit Budget button** is used to open the budget SmartForm and make updates as needed when the proposal is in an editable state. When the budget is Under Review or Active (or in an editable state but you only have view access), this button will say View Budget.

The **Printer Version button** can be used to create a printable version of the Budget SmartForm. If you click this button, a read only printer view of the SmartForm will open in another tab and can be printed for paper review. See the Print Budget PDF section of this manual to print a PDF summary of the budget.

The **Create Subaward button** is used to add a subaward to this budget. Review the How to Create a Subaward Budget section for more details.

The **Create Cost Share button** is used to create a cost share budget for this budget. Review the Cost Share Manual for more details on the cost sharing process.

- **The Log General Comments activity** will not be used; Comments should instead be logged on the funding proposal as opposed to the budget.

- The **Export Budget activity** will create an Excel export of the budget. You can click the activity and view the Excel export in the Budget History tab. Due to preferable formatting, it is advised to use the Budget PDF export on the funding proposal instead of this activity; see the Budget PDF section of this guide.

- The **Manage Tags activity** will not be used at Princeton at this time.

6.1.2 Copy Budget: the “Make a Copy” activity

- The **Make a Copy activity** on the left navigation bar of the budget workspace can be used to create a copy of an existing budget. This activity may be used if you creating multiple similar budgets. Click the activity, enter a new budget name, and click OK. The budget will then be accessible via the Budgets tab on the Funding Proposal.
6.1.3 Budget workspace tabs

The bottom of the workspace contains helpful tabs with information about the budget.

<table>
<thead>
<tr>
<th>Financials</th>
<th>Subaward</th>
<th>Documents</th>
<th>Snapshots</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current All-Period Totals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Personnel:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries:</td>
<td>$59,452</td>
<td>$59,452</td>
<td>$59,452</td>
<td>$59,452</td>
</tr>
<tr>
<td>Benefits:</td>
<td>$43,844</td>
<td>$43,844</td>
<td>$43,844</td>
<td>$43,844</td>
</tr>
<tr>
<td><strong>General:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$15,608</td>
<td>$15,608</td>
<td>$15,608</td>
<td>$15,608</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Other</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td><strong>Subaward(s):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Direct less Subaward F&amp;A:</td>
<td>$204,452</td>
<td>$156,052</td>
<td>$155,716</td>
<td>$155,447</td>
</tr>
<tr>
<td>Total Direct:</td>
<td>$217,452</td>
<td>$169,052</td>
<td>$168,716</td>
<td>$169,447</td>
</tr>
<tr>
<td>Total F&amp;A:</td>
<td>$80,260</td>
<td>$65,752</td>
<td>$65,544</td>
<td>$65,997</td>
</tr>
<tr>
<td>Project Total:</td>
<td>$297,712</td>
<td>$234,804</td>
<td>$234,260</td>
<td>$233,444</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F&amp;A Costs (Standard)</th>
<th>Period 1</th>
<th>Period 2</th>
<th>Period 3</th>
<th>Period 4</th>
<th>Period 5</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start Date:</td>
<td>7/15/2020</td>
<td>7/15/2021</td>
<td>7/15/2022</td>
<td>7/15/2023</td>
<td>7/15/2024</td>
<td>7/15/2024</td>
</tr>
<tr>
<td>End Date:</td>
<td>7/14/2021</td>
<td>7/14/2022</td>
<td>7/14/2023</td>
<td>7/14/2024</td>
<td>7/14/2025</td>
<td>7/14/2025</td>
</tr>
<tr>
<td>Indirect Cost Rate:</td>
<td>62%</td>
<td>62%</td>
<td>62%</td>
<td>62%</td>
<td>62%</td>
<td>62%</td>
</tr>
<tr>
<td>Indirect Cost Type:</td>
<td>MTDC</td>
<td>MTDC</td>
<td>MTDC</td>
<td>MTDC</td>
<td>MTDC</td>
<td>MTDC</td>
</tr>
<tr>
<td>Indirect Funds Req.:</td>
<td>$80,260</td>
<td>$65,752</td>
<td>$65,544</td>
<td>$65,997</td>
<td>$65,873</td>
<td>$65,873</td>
</tr>
</tbody>
</table>

The **Financials tab** includes a summary of the budget including direct and indirect totals.

*Note: If the funding proposal has multiple budgets, the view on the budget workspace only shows a summary for that particular budget. A summarized view of multiple budgets can be seen on the funding proposal Financials tab.*

<table>
<thead>
<tr>
<th>Financials</th>
<th>Subaward</th>
<th>Documents</th>
<th>Snapshots</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subaward</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ID</strong></td>
<td>Name</td>
<td>SmartForm</td>
<td>Date Created</td>
<td>Date Modified</td>
</tr>
</tbody>
</table>

The **Subaward tab** shows a summary of all subaward budgets associated with this budget. You can navigate to the subaward budget by clicking on the active Name link.
The **Documents tab** shows any documents that were uploaded to the Attachment SmartForm page. It does not include subaward budgets. For a complete view of funding proposal and budget documents, refer to the Attachments tab on the funding proposal.

The **Snapshots tab** will show a summary of what the budget was when the funding proposal was awarded. Select the view link for a pop-up window with additional details. This tab will not be frequently used.

The **History tab** provides a record of activities executed on the budget. Since less activities will be performed on the budget than on the funding proposal, there often will not be much history to review.

### 6.2 Subaward Budget Workspace

The subaward budget workspace is very similar to the project budget workspace. Refer to the Budget Workspace section for more details. This section will focus on the unique aspects of the subaward budget workspace.
The subaward budget will move through the same states as a project budget from Draft, to Under Review, to Active. It will also show a Title and Budget ID. The type will be "Subaward Budget" instead of project budget.

### Sub 1 Budget - Harvard

<table>
<thead>
<tr>
<th>Organization:</th>
<th>Harvard University</th>
<th>Funding Proposal:</th>
<th>New Proposal Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Detail Level:</td>
<td>Per Period Direct and Indirect Totals</td>
<td>Parent Budget:</td>
<td>NIH - National Institutes of Health</td>
</tr>
</tbody>
</table>

**Organization:** Defaults based on the subawardee institution selected on the SmartForm.

**Budget Detail Level:** Defaults based on the level selected on the SmartForm.

**Funding Proposal:** Active link to the funding proposal.

**Parent Budget:** Active link to the parent budget for the subaward.

### 6.2.1 Subaward Workspace Buttons and Activities

On the subaward budget, you can **Edit Budget** to view and update the SmartForm or create a **Printer Version**. Unlike on the project budget, you cannot Create Cost Share or Create a Subaward.

The activities on the subaward budget are very similar to on the project budget.

One key difference is that you cannot “Make a Copy” of the subaward budget like you can on the project budget.

Another difference is that you can “Withdraw” a subaward budget if you determine it is not needed after creating it.

To withdraw a subaward budget, click the **Withdraw activity**. Enter any comments and click OK.
The status of the subaward budget will update to “Archived” and it will no longer be linked to the project budget.

On the Subaward budget, the tabs are similar to on the project budget.

### 6.2.2 Subaward Workspace tabs

<table>
<thead>
<tr>
<th>Financial</th>
<th>Personnel</th>
<th>Snapshots</th>
<th>History</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current All-Period Totals</td>
<td>Total Direct:</td>
<td>Total Indirect:</td>
<td>Project Total:</td>
</tr>
<tr>
<td></td>
<td>Period 1</td>
<td>Period 2</td>
<td>Period 3</td>
</tr>
<tr>
<td></td>
<td>$50,000</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td></td>
<td>$13,000</td>
<td>$13,000</td>
<td>$13,000</td>
</tr>
<tr>
<td></td>
<td>$63,000</td>
<td>$63,000</td>
<td>$63,000</td>
</tr>
</tbody>
</table>

The **Financial tab** shows a summary of the per period Totals.

The **Personnel tab** will not be used at Princeton.

Just like on the project budget tabs, the **Snapshots tab** will provide a summary of what the subaward budget was when it was awarded. The **History tab** will record any activities executed on the subaward budget.

### 6.3 Funding Proposal Financials Tab

While each individual budget has its own Financials tab on the budget workspace, the funding proposal also has a Financials tab which summarizes all project budgets if there are multiple (including subaward budgets). This summary does not include cost share budgets.

To view the financials tab, navigate to the funding proposal workspace and select the Financials tab.
The **Financials tab** shows a summary of all sponsor budgets including Personnel Costs, General Costs, Indirects, and Totals.

Please note that this tab will only include budgets where the question "Include in Consolidated Financials?" is marked as yes on the SmartForm. This property should always be marked No for cost share budgets. It should be marked as No for project budgets if they were created as drafts or are erroneous.

### 6.4 Generate Budget PDF

A budget PDF can be created on the funding proposal to share with internal parties (such as key personnel) or sponsors.

To create the PDF, select the Generate Budget PDF activity.

Click OK to generate the PDF.
Navigate to the history tab to view the PDF.

![Generate Budget PDF]

Click the PDF and it will open in another tab.

![Princeton ERA Proposal Budget]

The PDF can be downloaded and printed as needed.

If there are multiple budgets, the PDF will show a summary budget and each individual budget. It will show a breakdown by sponsor budget and cost share budgets. The budget will also summarize and include any subaward budgets. Note that only sponsor budgets that are marked as “Include in Consolidated Budget” on the Budget SmartForm will be included in the PDF.
7 Appendix A: How is inflation calculated in Princeton ERA?

**Budget period equal to 12 months:**

When inflation is set to yes, the base salary for personnel items or the cost for non-personnel items inflates at the inflation rate specified on the General Budget Information SmartForm. This defaults to 4% but can be updated if needed.

**Budget period less than 12 months:**

When inflation is set to yes, the base salary for personnel items or the cost for non-personnel items inflates at the inflation rate specified on the General Budget Information SmartForm \( \times \) (the number of months in the budget period divided by 12). The last part of the formula is the ratio of number of months in the budget period to a 12-month year. In this scenario, set “apply inflation” to no and manually inflate the base salary or general costs in each budget period.

**Budget period more than 12 months:**

When inflation is set to yes, the base salary for personnel items or the cost for non-personnel items inflates at the inflation rate specified on the General Budget Information SmartForm \( \times \) the specified inflation rate for the first 12 months, then multiplies that result by (the inflation rate \( \times \) (the number of months in the budget period minus 12)\( \div \)12)). The last part of the formula is the ratio of number of months beyond the first 12 months in the budget period to a 12-month year. In this scenario, set “apply inflation” to no and manually inflate the base salary or general costs in each budget period. For base salary, the “Blended Salary Tab” of the Effort Distribution Tool can help.

8 Appendix B: How do I calculate a blended fringe rate?

Please use the Princeton ERA – Blended Fringe Benefit Rate Tool on the ORPA website to calculate the blended fringe rate.

If the first period of the proposal spans the current fiscal year and the next fiscal year, and the EB rate for the current FY and provisional FYs are different, a blended fringe rate must be calculated and entered for the first period. The blended fringe rate should properly account for the number of days at the current fringe benefit rate and at the provisional fringe benefit rate.
Appendix C: Huron Salary Cost Calculations and the Effort Tool

9.1 What is the Effort Tool?
The Effort Tool is an Excel spreadsheet developed by ORPA to determine the value to enter into the %Salary Requested and % Effort fields in the Princeton ERA budget.

- There are several tabs in the tool:
  - Instructions
  - 12 month budget periods, when you know the # of person months you want to budget
  - 12 month budget periods, when you know the exact dollar amount for salary you want to budget
  - Non-12 month budget periods, when you know the # of person months you want to budget
  - Non-12 month budget periods, when you know the exact dollar amount for salary that you want to budget
  - Blended Base Salary tab: Helpful for budget periods greater than 12 months, where you are budgeting, for example, a month from the initial base salary and a month from the base salary with inflation
  - PowerPoint Slides: from the Effort section of the February 2022 Coffee with ORPA

- **Very essential important note**: If your budget periods are not whole months, you must use the # of months that are displayed in the “Duration(Months)” column on the “Budget Periods and Key Dates” FP SmartForm in the Effort Tool. Huron rounds partial months up or down, but not in the way you might expect. For example, we have seen a budget period that ends on Sept 29 round down a month, instead of rounding up a month. Always use the number of months from the “Budget Periods and Key Dates” FP SmartForm in the Effort Tool.

9.2 Salary Calculations and Effort Pep Talk

- Special pep talk: You don’t have to understand what Huron or the Effort Tool is doing.
  - You can use the effort tool (which, under the hood, is using the formulas in this guide)
You can plug and chug using the formulas in this guide
If you get stuck, please email erasupport@princeton.edu. We're here to help you!

9.3 What is the history of the Effort Tool?
The Effort Tool has been updated multiple times since Princeton ERA go-live, using a variety of approaches to “make the
math work”, but as of Dec 2021, the tool uses the Huron recommended method. We did not know about the Huron
recommended method until after Princeton ERA go-live. It took a while to understand the Huron method on a basic
level, for non-12 month budget periods, and for budget periods that do not contain whole months.

• The effort tool calculates the fields to enter in Huron
• The effort tool works for all Huron cost calculations
  o 12-month budget periods
  o Less than 12-month budget periods
  o More than 12-month budget periods
• For non-12 month budget periods, there are some downstream effects that are related to person months (not
cost):
  o If you are submitting via Huron s2s, you will need to update the # of person months on the SF424 as
    Huron will map an incorrect value.
  o The # of months in the pending section of the current and pending support report will be incorrect until
    the calculation that is used for the C&P report is updated (anticipated by 2023).
  o More details about this scenario are covered in detail later in this guide.

9.4 Where is the Effort Tool?
• The Effort Tool lives on the Tools tile of the Princeton ERA home page at:
  https://orpa.princeton.edu/resources/princetonera

9.5 What is the general formula Huron uses to calculate salary
cost?
This is the formula Huron uses to calculate salary cost:

\[
\text{% Sal Req} \times \text{Base Salary} \times \left(\frac{\text{# budget period months}}{12}\right) = \text{Salary Cost}
\]

Let’s break that down:

• **% Sal Req:** That’s the value entered into the %Sal Req field in the Huron budget.
  o **For 12 month budget periods:** The % Sal Req is # of person months you want to budget divided by the #
    of months represented in the base salary, times 100.
  o **For non-12 month budget periods:** The % Sal Req is # of person months you want to budget divided by
    the # of months in the budget period, times 100.
  o See the appropriate sections on 12-month and non-12 month budget periods for more details about
    each scenario.

• **Base Salary:** That’s the base salary entered into the Base salary field in the Huron budget.
  o **For non-12 month budget periods, the base salary must be annualized.**
  o See the non-12 month sections of this guide for more information.

• **(# budget period months/12):** I’ve highlighted this part of the formula, because you might not be expecting it; I
certainly was not expecting it. It’s the ratio of the # budget period months divided by 12. I call this “The Ratio”,
for lack of a better term.
  o Why is The Ratio there? It’s most likely for budget periods that are more than 12 months. For example,
a budget period is 18 months, and the person is being budgeted for all 18 months. Huron does not
allow a % Sal Req value greater than 100% to be entered, so The Ratio allows all 18 months to be
budgeted.
9.6 What is the formula Huron uses for 12 month budget periods?

This is the formula:

\[
\% \text{ Sal Req} \times \text{Base Salary} \times \left( \frac{\text{# budget period months}}{12} \right) = \text{Salary Cost}
\]

Because there are 12 month budget periods, The Ratio is 12/12.

\[
\% \text{ Sal Req} \times \text{Base Salary} \times \left( \frac{12}{12} \right) = \text{Salary Cost}
\]

12/12 is 1.

\[
\% \text{ Sal Req} \times \text{Base Salary} \times 1 = \text{Salary Cost}
\]

So the net effect on the formula, for 12 month budget periods is \textit{\% Sal Req is a percentage of the \# of months represented in the base salary.}

\[
\% \text{ Sal Req} \times \text{Base Salary} = \text{Salary Cost}
\]

So if the Base Salary represents 9 months, and you want to budget 1 month:

\[
\% \text{ Sal Req} = \frac{1}{9} = 11.1111111\% \text{ (more info on “why so many places past the decimal” are later.)}
\]

\textit{Base Salary} = the 9 month salary.

If the base salary represents 12 months, and you want to budget 1 month:

\[
\% \text{ Sal Req} = \frac{1}{12} = 8.3333333\% \text{ (more info on “why so many places past the decimal” are later.)}
\]

\textit{Base Salary} = the 12 month salary.

9.7 Using the effort tool w/ 12 month budget periods + exact person months you want to budget

9.7.1 How to fill in the tool

Open the Effort Tool and click on the “PM 12 month budget periods” tab. It initially looks like this:
There’s a column for faculty or non-faculty personnel, and a column for NIH proposals where faculty are over the NIH Salary Cap. Use the appropriate column.

You will enter:

- **# Months in Base Salary (Appointment Type, typically 9 or 12):**
  - For “faculty over the NIH Salary Cap”, we use 12 because the cap is a 12 month value.

- **Base Salary Amount:**
  - This is the base that corresponds to the # of months in the Appointment type. For example, a person makes $10K a month and has a 9 month appointment type = $90K.
  - For “faculty over the NIH Salary Cap”, this is the current NIH cap. At the time of this writing, it was $203,700.

- **# Person Months budgeted**: Enter the number of months budgeted. Budgeting partial months is fine. For example, if you’re budgeting a month and a half of person months, use 1.5.

The tool will return:

- Salary Requested % to be entered into Princeton ERA
- Princeton ERA Calculated Cost (if % effort = %sal requested)

**9.7.2 An example of the tool output:**

Example: You need to budget 1 month. The person has a 9 month appointment type and makes $90K for those 9 months, or $10K a month. I love to use $90K with 9 month appointment type because it’s easy to see what the math is doing.

Fill in the numbers in the Effort Tool as follows:

- **# Months in Base Salary (Appointment Type, typically 9 or 12):** 9.
- **Base Salary Amount:** $90K
- **# Person Months budgeted:** 1
The tool then calculates the %Sal Req to be 11.1111111% and displays that Princeton ERA will calculate the cost to be $10K.

Why so many places past the decimal? We found in testing that:
- You may need at least 4 places past the decimal to get exactly $10K; less than 4 decimals and the calculated amount may be a dollar off (e.g. $9,999)
- You may need at least 7 places past the decimal for the person month calculation to map as 1.00 months on the SF424 form; less than 7 places and the person months may appear as 0.99.

9.7.3 Plug and chug

This is an example of plugging and chugging, which you can do yourself. Alternatively, if you use the tool, the tool will plug and chug for you.

Because these are 12 month budget periods, The Ratio is 1 so essentially the formula is:

\[
\text{% Sal Req} \times \text{Base Salary} = \text{Salary Cost}
\]

Where %Sal Req is (# person months budgeted / # budget period months). So the formula then looks like this:

\[
\left( \frac{\text{# person months budgeted}}{\text{# months in base salary}} \right) \times \text{Base Salary} = \text{Salary Cost}
\]

- % Sal Req: (1 person month budgeted divided by 9) = 11.1111111%
- Base salary: $90K
- Salary cost: 11.1111111% x $90K = $10K month
9.8 Using the effort tool w/ 12 month budget periods + exact salary dollar amount you want to budget

9.8.1 How to fill in the tool

Open the Effort Tool and click on the “Salary – 12 month budget periods” tab:

There’s a column for faculty or non-faculty personnel, and a column for NIH proposals where faculty are over the NIH Salary Cap. Use the appropriate column.

You will enter:

- **# Months in Base Salary (Appointment Type, typically 9 or 12):**
  - For “faculty over the NIH Salary Cap”, we use 12 because the cap is a 12 month value.
- **Base Salary Amount:**
  - This is the base that corresponds to the # of months in the Appointment type. For example, a person makes $10K a month and has a 9 month appointment type = $90K.
  - For “faculty over the NIH Salary Cap”, this is the current NIH cap. At the time of this writing, it was $203,700.
- **Budgeted Salary Amount:** Enter the amount that you want to budget for this person.

The tool will return:

- **Salary Requested %** to be entered into Princeton ERA
- **Person Months:** Based on the values entered above, this is the # of person months that corresponds to the budgeted salary amount. This value is for informational purposes and is not entered in Huron.

9.8.2 An example of the tool output:

Example: You need to budget $10K for a person. The person has a 9 month appointment type and makes $90K for those 9 months, or $10K a month. I love to use $90K with 9 month appointment type because it’s easy to see what the math is doing.

Fill in the numbers in the Effort Tool as follows:
• # Months in Base Salary (Appointment Type, typically 9 or 12): 9.
• Base Salary Amount: $90K
• Budgeted Salary Amount: $10K

The tool then calculates the %Sal Req to be 11.1111111%. It also displays that $10K equates to 1 person month.

Why so many places past the decimal? We found in testing that:
  o You may need at least 4 places past the decimal to get exactly $10K; less than 4 decimals and the calculated amount may be a dollar off (e.g. $9,999)
  o You may need at least 7 places past the decimal for the person month calculation to map as 1.00 months on the SF424 form; less than 7 places and the person months may appear as 0.99.

9.8.3 Plug and chug

This is an example of plugging and chugging with the formula, which you can do yourself. Alternatively, if you use the tool, the tool will plug and chug for you).

Because these are 12 month budget periods, The Ratio is 1 so essentially the formula is:

\[
\% \text{ Sal Req} \times \text{Base Salary} = \text{Salary Cost}
\]

Where \(\%\text{Sal Req}\) is (\# person months budgeted / \# budget period months). So the formula then looks like this:

\[
\left(\frac{\text{\# person months budgeted}}{\text{\# months in base salary}}\right) \times \text{Base Salary} = \text{Salary Cost}
\]
• **Salary cost**: $10K

Plugging and chugging, the formula then looks like this:

$$\frac{\text{# person months budgeted}}{9} \times 90,000 = 10,000$$

Solve for "# person months budgeted":

$$\frac{\text{# person months budgeted}}{9} \times 90,000 = 10,000$$

$$\frac{\text{# person months budgeted}}{9} = \frac{10,000}{90,000}$$

$$\text{# person months budgeted} = 1$$

Solve for %Sal Req:

$$\text{% Sal Req} = \frac{\text{# person months budgeted}}{\text{# months in base salary}}$$

• % Sal Req: \(\frac{1}{9} = 11.1\overline{1}\%\)
  
  The 1 is # of person months budgeted, calculated from the prior calculation

9.9 What is the formula Huron uses for non-12 month budget periods?

Fun fact: ~8% of all FPs have budget periods that are not 12 months.

Before getting into the nitty-gritty of the formula, let’s discuss the three guiding principles for non-12 month budget periods.
9.9.1 Three guiding principles for non-12 month budget periods.

1. % Sal Req is a % of the budget period, not the appt type
2. The base salary must be annualized
3. If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the “Duration (Months)” column on the “Budget Periods and Key Dates” SmartForm in the “# Months in Budget Period” box in the Effort Tool.

Note: There are some downstream side effects related to person months, not related to cost, discussed later in this section.

Let’s explore these three guiding principles in more detail:

9.9.1.1 Guiding principle #1 for non-12 month budget periods: % Sal Req is a % of the budget period

Rule #1 for non-12 month budget periods: % Sal Req is a % of the # of months in the budget period. It has nothing to do with the appt type.

\[
\left( \frac{\text{# person months budgeted}}{\text{# budget period months}} \right) \times 100 = \% \text{ Sal Req}
\]

Example:
- You need to budget 1 person month
- The budget period is 3 months
- The calculation for salary requested is \( \frac{1}{3} \times 100 = 33.3333333\% \)

9.9.1.2 Guiding principle #2 for non-12 month budget periods: the base salary must be annualized

Rule #2 for non-12 month budget periods: The base salary must be annualized. The formula to annualize the base salary is:

\[
\left( \frac{\text{Base salary amt}}{\text{# of months in base salary}} \right) \times 12 = \text{annualized base salary}
\]

How to annualize base salary, plug and chug the formula above:
- The 9 month base salary is $90K
- \((\$90K/9) \times 12 = \text{annualized base salary}\)
- $10K \times 12 = $120K
- The Ratio is the reason the base salary must be annualized because the constant in the ratio is 12.

To be more specific...For non-12 month budget periods:

\[
\% \text{ Sal Req} \times \text{Base Salary} \times \left( \frac{\text{# budget period months}}{12} \right) = \text{Salary Cost}
\]

Specifically:

\[
\% \text{ Sal Req} = \left( \frac{\text{the # of person months budgeted}}{\text{# budget period months}} \right)
\]
I want to highlight the "# budget period months" appears twice in this formula, and that they actually cancel each other out:

\[
\left( \frac{\text{# person months budgeted}}{\text{# budget period months}} \right) \times \text{Annualized Base Salary} \times \left( \frac{\text{# budget period months}}{12} \right) = \text{Salary Cost}
\]

Here I’m moving The Ratio over so that it’s easier to see that the # budget period months gets cancelled out:

\[
\left( \frac{\text{# person months budgeted}}{\text{# budget period months}} \right) \times \left( \frac{\text{# budget period months}}{12} \right) \times \text{Annualized Base Salary} = \text{Salary Cost}
\]

The net effect is the # of person months is divided by 12 times the annualized base salary to determine the salary cost.

9.9.1.3 Guiding principle #3 for non-12 month budget periods: the value to use for budget periods that have partial months

Rule #3 is: If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the “Duration (Months)” column on the “Budget Periods and Key Dates” SmartForm in the “# Months in Budget Period” box in the Effort Tool.

![SmartForm screenshot](image)

**yellow highlight: rounded down**
**orange highlight: rounded up**

Must use the duration Huron displays here in the "# of months in budget period" box in the Effort Tool.
## 9.10 Using the effort tool w/ non-12 month budget periods + exact person months you want to budget (3 month budget period example)

### 9.10.1 How to fill in the tool

Open the Effort Tool and click on the “PM non-12 month budget periods” tab:

![Percentage of Effort Based on Person Months Non-12 Month Budget Periods Only](image)

<table>
<thead>
<tr>
<th>Non-12 month budget periods ONLY (e.g. 3 months, 18 months)</th>
<th>Faculty or Non-Faculty Personnel</th>
<th>Faculty over the NIH Salary Cap*</th>
</tr>
</thead>
<tbody>
<tr>
<td># Months in Base Salary</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Base Salary Amount</td>
<td></td>
<td>$203,700.00</td>
</tr>
<tr>
<td>Annualized Base Salary amount to be entered in Princeton ERA. (For budget periods greater or less than 12 months, the annualized salary must be entered as the Princeton ERA base salary).</td>
<td>#DIV/0!</td>
<td>#DIV/0!</td>
</tr>
<tr>
<td># Months In Budget Period (If not whole months, must use the value displayed in the &quot;Duration (Months)&quot; column on the &quot;Budget Periods + Key Dates&quot; SmartForm) **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**# Person Months Budgeted (See table below)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary Requested % to be entered into Princeton ERA</td>
<td>#DIV/0!</td>
<td>#DIV/0!</td>
</tr>
<tr>
<td>Princeton ERA Calculation last</td>
<td>#DIV/0!</td>
<td>#DIV/0!</td>
</tr>
</tbody>
</table>

**PM 12 month budget periods**

In this example:
There’s a column for faculty or non-faculty personnel, and a column for NIH proposals where faculty are over the NIH Salary Cap. Use the appropriate column for your proposal.

**You will enter:**

- **# Months in Base Salary:**
  - For “faculty over the NIH Salary Cap”, we use 12 because the cap is a 12 month value.

- **Base Salary Amount:**
  - This is the base that corresponds to the # of months in the Appointment type. For example, a person makes $10K a month and has a 9 month appointment type = $90K. A person makes $10K a month and has a 12 month appointment type = $120K
  - For “faculty over the NIH Salary Cap”, this is the current NIH cap. At the time of this writing, it was $203,700.

- **# Months in Budget Period:** Enter the number of months in your budget period. If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the “Duration (Months)” column on the “Budget Periods and Key Dates” SmartForm in the “# Months in Budget Period” box in the Effort Tool.

- **# Person Months budgeted:** Enter the number of person months you want to budget. Budgeting partial months is fine. For example, if you’re budgeting a month and a half of person months, use 1.5.

**The tool will return:**

- **Annualized Base Salary amount to be entered in Princeton ERA:** For budget periods greater or less than 12 months, the annualized salary must be entered as the Princeton ERA base salary.

- **Salary Requested %:** enter this value into Princeton ERA

- **Princeton ERA Calculated Cost (if % effort=%sal requested):** This is the salary cost that Princeton ERA will calculate.

### 9.10.2 An example of the tool output:

Example: You need to budget 1 month. The person has a 9 month appointment type and makes $90K for those 9 months, or $10K a month. I love to use $90K with 9 month appointment type because it’s easy to see what the math is doing. Also, there are only 3 months in your budget period.

Fill in the numbers in the Effort Tool as follows:

- **# Months in Base Salary (typically 9 or 12):** 9.
- **Base Salary Amount:** $90K
- **# Person Months budgeted:** 1
- **# Months in Budget Period:** 3
The tool then calculates the %Sal Req to be 33.333333% and that Princeton ERA will calculate the cost to be $10K.

Why so many places past the decimal? We found in testing that:

- You may need at least 4 places past the decimal to get exactly $10K; less than 4 decimals and the calculated amount may be a dollar off (e.g. $9,999)
- You may need at least 7 places past the decimal for the person month calculation to map as 1.00 months on the SF424 form; less than 7 places and the person months may appear as 0.99.

### 9.10.3 Plug and chug

This is an example of plugging and chugging, which you can do yourself. Alternatively, if you use the tool, the tool will plug and chug for you.

Because these are non-12 month budget periods, The Ratio plays a role, and the base salary must be annualized:
Where $\% \text{Sal Req}$ is ($\# \text{ person months budgeted} / \# \text{ months in the base salary}$) and the base salary is annualized. So the formula then looks like this:

$$\% \text{ Sal Req} \times \text{Base Salary} \times \left( \frac{\# \text{ budget period months}}{12} \right) = \text{Salary Cost}$$

Or, moving The Ratio over, it looks like this:

$$\left( \frac{\# \text{ person months budgeted}}{\# \text{ budget period months}} \right) \times \left( \frac{\# \text{ budget period months}}{12} \right) \times \text{Annualized Base Salary} = \text{Salary Cost}$$

- $\% \text{ Sal Req}$: (1 person month budgeted divided by 3) = 33.3333333%
- The Ratio: (3 budget period months divided by 12) = 0.25
- Annualized Base salary:

**Annualized Base Salary** = \( \frac{\text{Base Salary}}{\# \text{ months in Base Salary}} \times 12 \) months

**Annualized Base Salary** = \( \frac{\$90K}{9} \times 12 \)

**Annualized Base Salary** = \( \$10K \times 12 \)

**Annualized Base Salary** = \( \$120K \)

- Salary cost:

\[
\frac{1}{3} \times 3 \times \frac{\$120K}{12} = \text{Salary Cost}
\]

\[
33.33\% \times 0.25 \times \$120K = \$10K
\]

This is just to highlight how the “$\# \text{ budget period months}$” cancel each other out, if you’re really into the math! One-twelfth of $120K is $10K:
9.11 Using the effort tool w/ non-12 month budget periods +
exact person months you want to budget (18 month example)

9.11.1 How to fill in the tool

Open the Effort Tool and click on the "PM non-12 month budget periods" tab:
In this example:

There’s a column for faculty or non-faculty personnel, and a column for NIH proposals where faculty are over the NIH Salary Cap. Use the appropriate column for your proposal.

You will enter:

- **# Months in Base Salary:**
  - For “faculty over the NIH Salary Cap”, we use 12 because the cap is a 12 month value.
- **Base Salary Amount:**
This is the base that corresponds to the # of months in the Appointment type. For example, a person makes $10K a month and has a 9 month appointment type = $90K. A person makes $10K a month and has a 12 month appointment type = $120K.

For “faculty over the NIH Salary Cap”, this is the current NIH cap. At the time of this writing, it was $203,700.

- **# Months in Budget Period**: Enter the number of months in your budget period. If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the "Duration (Months) column on the "Budget Periods and Key Dates” SmartForm in the "# Months in Budget Period” box in the Effort Tool.

- **# Person Months budgeted**: Enter the number of person months you want to budget. Budgeting partial months is fine. For example, if you’re budgeting a month and a half of person months, use 1.5.

**The tool will return:**

- **Annualized Base Salary amount to be entered in Princeton ERA**: For budget periods greater or less than 12 months, the annualized salary must be entered as the Princeton ERA base salary.
- **Salary Requested %**: enter this value into Princeton ERA
- **Princeton ERA Calculated Cost (if % effort= %sal requested)**: This is the salary cost that Princeton ERA will calculate.

### 9.11.2 An example of the tool output:

Example: You need to budget 1 month. The person has a 9 month appointment type and makes $90K for those 9 months, or $10K a month. I love to use $90K with 9 month appointment type because it’s easy to see what the math is doing. Also, there are 18 months in your budget period.

Fill in the numbers in the Effort Tool as follows:

- **# Months in Base Salary (typically 9 or 12)**: 9.
- **Base Salary Amount**: $90K
- **# Person Months budgeted**: 1
- **# Months in Budget Period**: 18
• The tool then calculates the Annualized Salary to be $120k, the %Sal Req to be 5.5555556%, and displays that Princeton ERA will calculate the cost to be $10K.

• Why so many places past the decimal? We found in testing that:
  o You may need at least 4 places past the decimal to get exactly $10K; less than 4 decimals and the calculated amount may be a dollar off (e.g., $9,999)
  o You may need at least 7 places past the decimal for the person month calculation to map as 1.00 months on the SF424 form; less than 7 places and the person months may appear as 0.99.

9.11.3 Plug and chug

This is an example of plugging and chugging, which you can do yourself. Alternatively, if you use the tool, the tool will plug and chug for you.

Because these are non-12 month budget periods, The Ratio plays a role, and the base salary must be annualized:

\[ \text{% Sal Req} \times \text{Base Salary} \times \left( \frac{\# \text{ budget period months}}{12} \right) = \text{Salary Cost} \]

Where \(\text{% Sal Req}\) is (\# person months budgeted / \# months in the base salary) and the base salary is annualized. So the formula then looks like this:
Or, moving The Ratio over, it looks like this:

\[
\left( \frac{\text{# person months budgeted}}{\text{# budget period months}} \right) \times \left( \frac{\text{# budget period months}}{12} \right) \times \text{Annualized Base Salary} = \text{Salary Cost}
\]

- **% Sal Req**: (1 person month budgeted divided by 18) = 5.5555556%
- **The Ratio**: (18 budget period months divided by 12) = 1.5
- **Annualized Base salary**:

  \[
  \text{Annualized Base Salary} = \frac{\text{Base Salary}}{\text{# months in Base Salary}} \times 12 \text{ months}
  \]

  \[
  \text{Annualized Base Salary} = \frac{90K}{9} \times 12
  \]

  \[
  \text{Annualized Base Salary} = 10K \times 12
  \]

  \[
  \text{Annualized Base Salary} = 120K
  \]

- **Salary cost**:

  \[
  \frac{1}{18} \times 18 \times 12 = \text{salary cost}
  \]

  \[
  5.55\% \times 1.5 \times 120K = 10K
  \]

This is just to highlight how the "# budget period months" cancel each other out, if you’re really into the math! One-twelfth of $120K is $10K:

\[
\left( \frac{\text{# person months budgeted}}{\text{# budget period months}} \right) \times \left( \frac{\text{# budget period months}}{12} \right) \times \text{Annualized Base Salary} = \text{Salary Cost}
\]

\[
\frac{1}{18} \times 18 \times 120K = 10K
\]

**9.12 Using the effort tool w/ non-12 month budget periods + exact amount you want to budget (3 month budget period example)**
9.12.1 How to fill in the tool

Open the Effort Tool and click on the “Salary – non-12 month budget periods” tab:

There’s a column for faculty or non-faculty personnel, and a column for NIH proposals where faculty are over the NIH Salary Cap. Use the appropriate column.

You will enter:

- **# Months in Base Salary (Appointment Type, typically 9 or 12):**
  - For “faculty over the NIH Salary Cap”, we use 12 because the cap is a 12 month value.

- **Base Salary Amount:**
  - This is the base that corresponds to the # of months in the Appointment type. For example, a person makes $10K a month and has a 9 month appointment type = $90K.
  - For “faculty over the NIH Salary Cap”, this is the current NIH cap. At the time of this writing, it was $203,700.

- **Budgeted Salary Amount**: Enter the amount that you want to budget for this person.

- **# Months in Budget Period**: Enter the number of months in your budget period. If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the “Duration (Months)” column on the “Budget Periods and Key Dates” SmartForm in the “# Months in Budget Period” box in the Effort Tool.
The tool will return:

- **Annualized Base Salary**: The tool calculates the monthly amount by dividing the value entered in “Base Salary Amount” by the value entered in “Months in Base Salary”, then multiplies by 12 to return the annualized base salary. Enter the annualized based salary as the Base Salary in Princeton ERA, as the annualized base salary must be used for non-12 month budget periods.

- **Person Months**: Based on the values entered above (for informational purposes only, not entered in Princeton ERA).

- **Salary Requested %**: The tool calculates the Person Months and divides by the # of months in the Budget Period, then converts the result to a percentage. Enter this value into the % Sal Req box in Princeton ERA.

9.12.2 An example of the tool output:

Example: You need to budget $10k. The person has a 9 month appointment type and makes $90K for those 9 months, or $10K a month. I love to use $90K with 9 month appointment type because it’s easy to see what the math is doing. Also, there are only 3 months in your budget period.

Fill in the numbers in the Effort Tool as follows:

- **# Months in Base Salary (typically 9 or 12)**: 9.
- **Base Salary Amount**: $90K
- **Budgeted Salary Amount**: $10K
- **# Months in Budget Period**: 3. If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the “Duration (Months) column on the “Budget Periods and Key Dates” SmartForm in the “# Months in Budget Period” box in the Effort Tool.
## The tool will return:

- **Annualized Base Salary amount to be entered in Princeton ERA**: For budget periods greater or less than 12 months, the annualized salary must be entered as the Princeton ERA base salary.

- **Salary Requested %**: Enter this value into Princeton ERA

- **Person Months**: This is the calculated value of person months that corresponds to the budgeted salary amount. This value is not entered into the Princeton ERA budget. If you are submitting via Huron s2s, you will need to update the # of person months on the SF424 with this value.

### Why so many places past the decimal?

We found in testing that:

- You may need at least 4 places past the decimal to get exactly $10K; less than 4 decimals and the calculated amount may be a dollar off (e.g. $9,999)

- You may need at least 7 places past the decimal for the person month calculation to map as 1.00 months on the SF424 form; less than 7 places and the person months may appear as 0.99.

### 9.12.3 Plug and chug

This is an example of plugging and chugging, which you can do yourself. Alternatively, if you use the tool, the tool will plug and chug for you.

Because these are non–12 month budget periods, The Ratio plays a role, and the base salary must be annualized:
**% Sal Req** \( x \) Base Salary \( x \) \( \left( \frac{\# \text{ budget period months}}{12} \right) = \) Salary Cost

**% Sal Req** is \( \frac{\# \text{ person months budgeted}}{\# \text{ months in the base salary}} \) and the base salary is annualized. So the formula then more specifically looks like this:

\[
\left( \frac{\# \text{ person months budgeted}}{\# \text{ budget period months}} \right) \times \text{Annualized Base Salary} \times \left( \frac{\# \text{ budget period months}}{12} \right) = \text{Salary Cost}
\]

Or, moving the ratio over, it looks like this:

\[
\left( \frac{\# \text{ person months budgeted}}{\# \text{ budget period months}} \right) \times \left( \frac{\# \text{ budget period months}}{12} \right) \times \text{Annualized Base Salary} = \text{Salary Cost}
\]

Using the 3-month example in the previous section, where a person makes $10k a month and $10k is the salary cost,

First, calculate the Annualized Base Salary:

\[
\text{Annualized Base Salary} = \frac{\text{Base Salary}}{\# \text{ months in Base Salary}} \times 12 \text{ months}
\]

\[
\text{Annualized Base Salary} = \frac{\$90K}{9} \times 12
\]

\[
\text{Annualized Base Salary} = \$10K \times 12
\]

\[
\text{Annualized Base Salary} = \$120K
\]

Then, solve for \# person months budgeted:

\[
\frac{\# \text{ person months}}{3} \times \frac{3}{12} \times \$120K = \$10K
\]

\[
\frac{\# \text{ person months}}{12} \times \$120K = \$10K
\]

\[
\frac{\# \text{ person months}}{12} \times \$10K = \$10K
\]

\[
\# \text{ person months} = 1
\]

Person months calculate as 1 in this example.

Now solve for % Sal Req:
% Sal Req = \( \frac{\text{# person months budgeted}}{\text{# budget period months}} \)

\[
\begin{array}{c}
\text{% Sal Req} = \frac{1}{3} \\
\text{% Sal Req} = 33.3333333\%
\end{array}
\]

9.13 Using the effort tool w/ non-12 month budget periods + exact amount you want to budget (18 month budget period example)

9.13.1 How to fill in the tool

Open the Effort Tool and click on the “Salary – non-12 month budget periods” tab:

There’s a column for faculty or non-faculty personnel, and a column for NIH proposals where faculty are over the NIH Salary Cap. Use the appropriate column.

You will enter:

- # Months in Base Salary (Appointment Type, typically 9 or 12):
For “faculty over the NIH Salary Cap”, we use 12 because the cap is a 12 month value.

- **Base Salary Amount:**
  - This is the base that corresponds to the # of months in the Appointment type. For example, a person makes $10K a month and has a 9 month appointment type = $90K.
  - For “faculty over the NIH Salary Cap”, this is the current NIH cap. At the time of this writing, it was $203,700.

- **Budgeted Salary Amount:** Enter the amount that you want to budget for this person.

- **# Months in Budget Period:** Enter the number of months in the budget period. If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the “Duration (Months) column on the “Budget Periods and Key Dates” SmartForm in the “# Months in Budget Period” box in the Effort Tool.

**The tool will return:**

- **Annualized Base Salary amount to be entered in Princeton ERA:** For budget periods greater or less than 12 months, the annualized salary must be entered as the Princeton ERA base salary.
- **Salary Requested %:** Enter this value into Princeton ERA
- **Person Months:** This is the calculated value of person months that corresponds to the budgeted salary amount. This value is not entered into the Princeton ERA budget. If you are submitting via Huron s2s, you will need to update the # of person months on the SF424 with this value.

9.13.2 **An example of the tool output:**

Example: You need to budget $10k. The person has a 9 month appointment type and makes $90K for those 9 months, or $10K a month. I love to use $90K with 9 month appointment type because it’s easy to see what the math is doing. Also, there are 18 months in your budget period.

Fill in the numbers in the Effort Tool as follows:

- **# Months in Base Salary (typically 9 or 12):** 9.
- **Base Salary Amount:** $90K
- **Budgeted Salary Amount:** $10K
- **# Months in Budget Period:** 1. If any months in your budget period are NOT whole months, you must use the whole value as displayed on the “Budget Periods and Key Dates” SmartForm, as Huron rounds the value to a whole number, and it may not be the number you expect. For example, we have seen a budget period that ends on Sept 29 round down. Use the value that is displayed in the “Duration (Months) column on the “Budget Periods and Key Dates” SmartForm in the “# Months in Budget Period” box in the Effort Tool.
### The tool will return:

- **Annualized Base Salary amount to be entered in Princeton ERA:** For budget periods greater or less than 12 months, the annualized salary must be entered as the Princeton ERA base salary.
- **Salary Requested %:** Enter this value into Princeton ERA
- **Person Months:** This is the calculated value of person months that corresponds to the budgeted salary amount. This value is not entered into the Princeton ERA budget. If you are submitting via Huron s2s, you will need to update the # of person months on the SF424 with this value.

- Why so many places past the decimal? We found in testing that:
  - You may need at least 4 places past the decimal to get exactly $10K; less than 4 decimals and the calculated amount may be a dollar off (e.g. $9,999)
  - You may need at least 7 places past the decimal for the person month calculation to map as 1.00 months on the SF424 form; less than 7 places and the person months may appear as 0.99.

#### 9.13.3 Plug and chug

This is an example of plugging and chugging, which you can do yourself. Alternatively, if you use the tool, the tool will plug and chug for you.

Because these are non-12 month budget periods, The Ratio plays a role, and the base salary must be annualized:

\[
\% \text{ Sal Req} \times \text{ Base Salary} \times \left( \frac{\# \text{ budget period months}}{12} \right) = \text{Salary Cost}
\]

\%\text{Sal Req} \text{ is (# person months budgeted / # months in the base salary)} \text{ and the base salary is annualized. So the formula then more specifically looks like this:}
Or, moving The Ratio over, it looks like this:

\[
\left( \frac{\text{# person months budgeted}}{\text{# budget period months}} \right) \times \frac{\text{Annualized Base Salary}}{\frac{\text{# budget period months}}{12}} = \text{Salary Cost}
\]

Using the 3-month example in the previous section, where a person makes $10k a month and $10k is the salary cost, First, annualize the base salary:

**Annualized Base Salary** = \( \frac{\text{Base Salary}}{\text{# months in Base Salary}} \times 12 \text{ months} \)

Annualized Base Salary = \( \frac{90k}{9} \times 12 \)

Annualized Base Salary = \( 10k \times 12 \)

Annualized Base Salary = \$120k

Then solve for # person months budgeted:

\[
\left( \frac{\text{# person months budgeted}}{18} \right) \times 18 \times \frac{120k}{12} = 10k
\]

\[
\left( \frac{\text{# person months budgeted}}{12} \right) \times 120k = 10k
\]

\[
\left( \frac{\text{# person months budgeted}}{1} \right) \times 10k = 10k
\]

So person months = 1 in this example.

Now solve for % Sal Req:

**% Sal Req** = \( \frac{\text{# person months budgeted}}{\text{# budget period months}} \)

% Sal Req = \( \frac{1}{18} \)

% Sal Req = 5.5555556%
The blended base salary tab can help you out when you need to combine two base salaries. For example, you have a budget period that is 18 months and you need to budget, for example, 1 month from one base salary and 1 month from the inflated base salary.

Open the Effort Tool and click on the “Blended Salary Base” tab:

---

**9.14.1 Example with blended base salary tab.**

- Example: your budget period is 18 months.
- Initially, the person’s salary is $10k a month. But during the course of that 18 months, the person’s salary should be inflated by 4%
- You need to budget 1 month from the original “$10k a month” salary and 1 month from the “$10K salary a month salary inflated by 4%”.
- What do you enter as the blended salary base amount in Princeton ERA? The Blended Salary Base tab can help!
### Blended Salary Base

#### Enter information in the field below

<table>
<thead>
<tr>
<th>First Salary</th>
<th>Second Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Person Months: 1</td>
<td>Person Months: 1</td>
</tr>
<tr>
<td>Base Salary (Use NIH Salary Cap if salary exceeds cap): $120,000.00</td>
<td>Base Salary (Use NIH Salary Cap if salary exceeds cap): $120,000.00</td>
</tr>
<tr>
<td>Inflation Rate: 0%</td>
<td>Inflation Rate: 4%</td>
</tr>
<tr>
<td>Inflated Salary: $120,000.00</td>
<td>Inflated Salary: $124,800.00</td>
</tr>
<tr>
<td>Total Person Months: 2</td>
<td></td>
</tr>
<tr>
<td>Blended Salary Base Amount to be entered in Princeton ERA: $122,400.00</td>
<td></td>
</tr>
</tbody>
</table>

#### First Salary column:
- **Person Months**: 1
- **Base Salary**: The person makes $10k a month for 9 months, but we have to use the Annualized Salary because this is a non-12 month budget period, so $10k times 12 = $120K Base Salary
- **Inflation Rate**: In this example, we don’t want the salary to inflate this first year so we’ll leave it as 0%
- **Inflated Salary**: Because we didn’t inflate it, the “inflated salary” is the same as the Base Salary box.

#### Second Salary column:
- **Person Months**: 1
- **Base Salary**: The person makes $10k a month for 9 months, but we have to use the Annualized Salary because this is a non-12 month budget period, so $10k times 12 = $120K Base Salary
- **Inflation Rate**: We want the salary to inflate this second year at 4%, so enter 4%.
- **Inflated Salary**: The tool multiplies the Base Salary times the inflation rate. $120K x 4% = $124,800

#### Blended Salary
- **Total Person Months**: The tool displays that there are 2 person months. It sums the value for the first salary person months with the value for the second salary person months.

#### Blended Salary Base Amount to be entered in Princeton ERA: The tool calculates the blended salary using the following formula:

\[
\text{Blended Salary Base Amt} = \frac{1^{st} \text{ Inflated Salary} \times 1^{st} \text{ Sal PM}}{2} + \frac{2^{nd} \text{ Inflated salary} \times 2^{nd} \text{ Sal PM}}{2}
\]

\[
\text{Blended Salary Base Amt} = \frac{120,000 \times 1}{2} + \frac{124,800 \times 1}{2}
\]

\[
\text{Blended Salary Base Amt} = \frac{120,000 \times 0.5}{2} + \frac{124,800 \times 0.5}{2}
\]

\[
\text{Blended Salary Base Amt} = 60,000 + 62,400
\]

\[
\text{Blended Salary Base Amt} = 122,400
\]

So, how will this look in Huron? Well the formula is:

\[
\% \text{ Sal Req} \times \text{ Base Salary} \times \left(\frac{\# \text{ budget period months}}{12}\right) = \text{Salary Cost}
\]

And more specifically with “Blended Salary Base Amount” (and moving The Ratio over):
So the math looks like:

\[
\frac{2}{18} \times \frac{18}{12} \times 122,400 = \text{Salary Cost}
\]

\[
\frac{1.11111111}{1} \times 1.5 \times 122,400 = \text{Salary Cost}
\]

Salary Cost = $20,400

9.15 Downstream effect with Non-12 month budget periods, The Ratio, and person months

Note that you cannot tell while using Huron what the # of person months will be on the pending section of the C&P support report in the IW.

9.15.1 What is the Number of Person Months Calculation?

- On the SF424 the calculation is: % sal req x appointment type
- In the pending section of Current and Pending Support IW report, the calculation is: % effort x appointment type

Note that The Ratio is NOT currently included in this calculation.

9.15.2 Person months and 12 month budget periods

For 12 month budget periods, there are no downstream effects with person months:

12 month budget periods:  
Budgeting 1 month

<table>
<thead>
<tr>
<th>9 month appt type</th>
<th>12 month appt type</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 month base salary</td>
<td>12 month base salary</td>
</tr>
<tr>
<td>11.11% x 9 months = 1 month</td>
<td>8.33% x 12 months = 1 month</td>
</tr>
<tr>
<td>(\left(\frac{1}{9}\right) \times 9 \text{ months} = 1 \text{ month})</td>
<td>(\left(\frac{1}{12}\right) \times 12 \text{ months} = 1 \text{ month})</td>
</tr>
</tbody>
</table>

No downstream effects: Person months is correct.
9.15.3 Person months and non-12 month budget periods

Non-12 month budget periods: Budgeting 1 month

<table>
<thead>
<tr>
<th>3 month budget period</th>
<th>18 month budget period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must use annualized salary</td>
<td>Must use annualized salary</td>
</tr>
<tr>
<td>Must use 12 month appt type</td>
<td>Must use 12 month appt type</td>
</tr>
<tr>
<td>Budgeting 1 month</td>
<td>Budgeting 1 month</td>
</tr>
<tr>
<td>33.33% x 12 = # person months</td>
<td>5.55% x 12 = # person months</td>
</tr>
<tr>
<td>1/3 x 12 = 4 person months</td>
<td>1/18 x 12 = 0.66 person months</td>
</tr>
</tbody>
</table>

Downstream effects: Person months is incorrect.

9.15.4 How the downstream effect with person months will be fixed and when

- The SF424 will be wrong for person months.
  - That is because Huron doesn’t include The Ratio in the Person Month calculation
  - You can manually correct the # of person months on the SF424.
- If the person has a 9 month appt type, their SF424 base salary will be wrong.
  - It will display the annualized salary.
  - You can manually correct the base salary on the SF424.
- After updates are made to the C&P calculation, the pending section of the C&P will have the correct person months for new proposals going forward. We anticipate that calculation to be updated during the summer of 2022. The updated calculation will include The Ratio so that the number of person months calculates properly.
  - However, all proposals that had non-12 month budget periods from the past will continue to have the wrong person months on the pending section of the C&P, because we weren’t using the Huron method. If those proposals are awarded, the FP can be updated using “JIT Changes Requested”.

10 Appendix D: The Blended OH Rate in Princeton ERA

10.1 The weighted average

Princeton’s OH rate changes from 62% to 64% on 7/1/2024 for FY25. For proposals that cross that timeframe, Princeton ERA calculates a “blended” rate, which is a weighted average, using this formula:

$$\frac{(# \text{ days in the budget period at 62\% times 62\%}) + (# \text{ days in the budget period at 64\% times 64\%})}{(# \text{ days at 62\%} + # \text{ days at 64\%})}$$

Princeton ERA then rounds the “blended” rate to two places past the decimal, and multiplies by the OH base to calculate the OH amount for that budget period. Note that CY2024 is leap year. If the budget year starts before 3/1/2024, February has 29 days and the software is including leap day.
10.2 The sponsor questions the blended rate

If the sponsor questions the “blended” rate and asks for the OH rate to be broken out into 62% and 64%, first try explaining that it is a weighted average using the formula above.

10.3 The sponsor asks for the rate to be broken into a row for 62% and a row for 64%

If, after explaining the weighted average calculation, the sponsor still asks for the OH rate to be broken into two rows: a row for 62% and a row for 64%, use the first tab of the Blended 62% and 64% OH Rate Tool in the Tools section of the Princeton ERA homepage, which calculates the OH base and amounts for 62% and 64% using key pieces of data you enter in the spreadsheet.

If you submit via s2s, Huron will automatically generate a row for 62% and a row for 64% on the SF424 budget, but the total OH amount on the SF424 might not match the total OH amount on the FP budget. It may be a few dollars different, which is within our tolerance. See section 10.5 for details.

10.4 What does the Blended 62% and 64% OH Rate Tool do?

The Blended 62% and 64% OH Rate Tool is a spreadsheet with 2 tabs. Use the first tab when you need to determine the OH base and rate for 62% and 64% separately.

Enter OH base as displayed in Princeton ERA, and the start and end date of the budget period that crosses from 62 to 64%, and the spreadsheet will do the following:

- Calculates the number of days in the budget period at 62%
- Calculates the number of days in the budget period at 64%
- Calculates the total number of days in the budget period
- Determines the ratio of number of days in the budget period at 62% to the total number of days in the budget period by using this formula, then rounds to 2 places after the decimal:
  \[ \frac{\text{# days in the budget period at 62\%}}{\text{total number of days in the budget period}} \]
- Determines the ratio of number of days in the budget period at 64% to the total number of days in the budget period by using this formula, then rounds to 2 places after the decimal:
  \[ \frac{\text{# days in the budget period at 64\%}}{\text{total number of days in the budget period}} \]
- Calculates the OH base for 62% using this formula:
  \[ \text{OH base for 62\%} = \text{Ratio for 62\%} \times \text{Huron OH base} \]
- Calculates the OH base for 64% using this formula, then rounds to 2 places after the decimal:
  \[ \text{OH base for 64\%} = \text{Ratio for 64\%} \times \text{Huron OH base} \]
- Calculates the OH amount for 62% by using this formula:
  \[ \text{OH amount for 62\%} = 0.62 \times \text{OH base for 62\%} \]
- Calculates the OH amount for 64% by using this formula:
  \[ \text{OH amount for 64\%} = 0.64 \times \text{OH base for 64\%} \]
10.5 What about s2s and the SF424 budget? Why are the calculated amounts for the OH blended year different between the Huron FP budget and the Huron SF424?

The Blended 62% and 64% OH Rate Tool is a [spreadsheet with 2 tabs](#). Use the second tab to help understand what is happening with the SF424 calculations.

The Huron SF424 budget automatically generates 2 rows, one row for 62% and another row for 64%, with the OH base and OH calculated amount for each. However, the overall OH amt for the two rates summed together will most likely be different than the OH calculated amount displayed in the Princeton ERA budget for that period. That is because the SF424 is not rounding the results of this calculation, but the Huron FP budget is rounding this calculation to 2 places past the decimal:

\[
\frac{(\text{# days in the budget period at 62\% times 62\%}) + (\text{# days in the budget period at 64\% times 64\%})}{(\text{# days at 62\% + # days at 64\%})} = \frac{62 \times 62}{62 + 64} = \frac{3632}{126} \approx 28.919
\]

Then it multiplies the result by the OH base. The effect is, when compared with the FP budget OH amount, the total calculated OH for that SF424 budget period will be off by a few dollars, which means the total amount for that SF424 budget period will also be off by a few dollars, and the grand total for the overall SF424 budget will also be off by a few dollars. This is within our tolerance.

Example:

\[
\frac{(91 \text{ days in the budget period at 62\% times 62\%}) + (274 \text{ days in the budget period at 64\% times 64\%})}{(91 + 274) \text{ days at 64\%}} = \frac{91 \times 62 + 274 \times 64}{365} = \frac{5692 + 17824}{365} = \frac{23516}{365} = 64.3823529412
\]

**FP budget:** 63.50% times $248,912 = $158,059

**SF424 budget:** 63.50% times $248,912 = $158,062

This is a difference of $4.

---

As far as the OH base and calculated amount for each OH rate, while for this example above it appears that the SF424 is calculating:
# days in the budget period at 62%

and

total number of days in the budget period

and NOT rounding either, then multiplying each ratio by the overall base of $248,912 to calculate the OH base at each rate, then multiplying by 62% and 64% respectively, it is not always calculating that way for every SF424. We have asked Huron for their SF424 formulas.

## Appendix E: Budget FAQ

### 11.1.1 How do I delete a budget?

You cannot delete a **project budget**, but you can remove it from being included in your funding proposal. Go to the Budget SmartForm – General Proposal Information Page. Change question 4 “Include in Consolidated Budgets?” to “No.” This budget will no longer be included in what is being submitted to the sponsor; it will not be included on the funding proposal Financials tab or Budget PDF. **At least one budget on the funding proposal must be included in the budget totals; You will need to add a second budget and then do this step if you are removing your initial budget.**

To delete a **cost share budget** or **subaward budget**, go to that budget workspace and then select the “Withdraw” activity. The budget status will be updated to “Archived” and it will no longer be associated with your proposal. **Make sure you do not accidentally select “Withdraw Proposal” on the funding proposal workspace. This would withdraw the entire proposal, and a new one would need to be created.**

### 11.1.2 How do I add another budget?

To add another **project budget** (funds being requested from the sponsor), go to the funding proposal workspace and execute the “Create Additional Budget” activity. This activity will prompt you for a budget name and the budget PI, and then you will be brought directly to the new budget SmartForm.

If you are adding multiple budgets, ensure the budget names make it clear what the different budgets include. For example, naming budgets “Professor Jones Budget” and “Professor Smith Budget” or “Off-Campus Budget” and “On-Campus Budget” will be helpful for you, your reviewer, and your ORPA Specialist. You can update the title on the General Budget Information page of the Budget SmartForm.

To add a **cost sharing budget**, go to the budget workspace and select the “Create Cost Share” button. You will be brought directly to the new cost share budget SmartForm. Remember to also complete the Create-Update Cost Share Commitment activity on the funding proposal workspace.

To add a **subaward budget**, go to the budget workspace and select the “Create Subaward” button. You will be brought directly to the new subaward budget SmartForm.

If the proposal has multiple budgets, ensure the subaward and cost share budgets are added to the correct budget.

### 11.1.3 What should I do if my budget includes multiple F&A Rates? For example, certain items or subawards receive a different F&A Rate than most items.

If certain items receive different F&A rates, multiple project budgets should be created. Each project budget can have a different F&A Rate.
For example, if the sponsor has an F&A rate of TDC at 20% for all items, except for subawards which receive an F&A rate of TDC at 12%, then we would create two budgets. One budget at TDC 20% will include personnel and general cost items. The other budget at TDC 12% will only include subawards.

See the above question for information on adding additional budgets.

11.1.4 How do I apply 3% inflation for Grad Students?
Inflation for personnel defaults to 4% within the system. When budgeting graduate students, their salaries typically need to be inflated at 3% as opposed to the defaulted 4%

If you are only including graduate students on this budget, go to the General Budget Information page on the budget SmartForm, and update question #7. Change the default rate from 4% to 3%. This will apply the 3% inflation rate to all personnel listed on the budget.

If you are budgeting more faculty than grad students in the budget, leave the default rate at 4% on the General Budget Information page. On the Personnel Cost Definition page, indicate that inflation should not be applied for each graduate student. After you have done this, the base salary field on the Personnel Costs page table will be editable for the grad student. Update the base salary for each out year to account for the 3% inflation by multiplying the previous period base salary by 1.03.

If you are budgeting more grad students than faculty in the budget, change the default rate to 3% on the General Budget Information page. On the Personnel Cost Definition page, indicate that inflation should not be applied for each faculty member. After you have done this, the base salary field on the Personnel Costs page table will be editable for the faculty. Update the base salary for each out year to account for the 4% inflation by multiplying the previous period base salary by 1.04.

If your budget period is not 12-months, please refer to the General Budgeting Questions – Inflation Question for additional details on budgeting inflation for periods greater or less than 12 months.

11.1.5 Why am I seeing a “Salary Overage” message on my budget workspace?
A message may appear on the budget workspace that says “This budget has a salary overage of $XX.XX. Use the Create Cost Share creator to properly capture these costs.” This message indicates that the system thinks a cost share budget should be created based on the budget information entered.

If you were not expecting to see this message, check the following items on your budget:

- Review each person budgeted to confirm that the Effort percentage and Salary Requested percentages used for each period are the same. Even if the percentages are just slightly different (including decimal rounding), the system will calculate cost share.
- If this is an NIH proposal, and the person’s salary exceeds the NIH salary cap, budget the person with a 12 month appointment type and use the NIH salary cap as the base salary. Do not apply inflation for that person.
- If this is an NIH proposal, and the person’s salary exceeds the NIH salary cap, and the budget periods are not 12 months, budget the person with a 12 month appointment type and use the base salary as calculated by the Effort Tool. Remove the salary cap from box 5 on the General Budget Information SmartForm. Do not apply inflation for that person. Non-12 month budget periods for NIH will create cost share if the salary cap is not removed.

If there is a difference between the Effort Percentage and Salary Requested due to sponsor or DFR requirements but this will not be tracked as cost sharing, it is ok to ignore this message. It will not stop you from proceeding.
If this proposal includes financial cost share, a cost share budget should be created and the cost share commitment should be completed. For clarification on if a cost share budget is needed or not for your proposal, please reach out to your ORPA GCA.

11.1.6 Can I budget my personnel’s salary as Total Direct Costs or Other, instead of using the Personnel Costs page? The sponsor does not require a detailed budget.

Even if the sponsor does not require a detailed budget, personnel should be budgeted at the detail level within Princeton ERA. It is important to capture the proposed effort because proposed effort now appears in the pending section of the Current & Pending Support report.

11.1.7 How do I update the amount per period for my general cost types? I’m not budgeting the same amount for each period.

Different amounts can be budgeted for each period on the General Costs page. To do so, add the item on the General Cost Definition page and select “no” for the apply inflation question. Then when you go to the General Costs page, the amount field for each period will be editable.

11.1.8 Can I enter cents in Princeton ERA?

Princeton ERA will automatically round cents to the whole dollar. Please budget at the dollar level.

11.1.9 The rounding of my budget is off, and I need it to be an exact number. What should I do?

If the rounding of your budget is slightly “off” from the exact number you need it to be, carefully review the budget to ensure all budget items and FA information is entered correctly.

If you have a budget item in which indirects is not charged, you can reduce or increase that item as needed.

If all items have indirects calculated on them, then changing a budget item by $1 may result it rounding in the other direction since with the indirect rate applied the change may really be $2 due to rounding (e.g. reducing the budget $1 would also reduce its FA 62 cents. which Princeton ERA rounds to $1).

If the rounding is slightly off and the indirect rate applies to all budget items, reduce a budget item by $1 per period. Then add the same budget item again on the General Cost Definition page for $1 but denote that indirects should not be calculated on the item. The budget item will be listed twice, and indirects will be calculated on it except for the $1. This should cause the budget to round as desired. Do not use the “Other” budget item for this purpose; use one of the existing budget items.