General Budgeting Questions

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.

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.**

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.
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)) divided by 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.

**Personnel Budgeting Questions**

**What appointment length should I select for my personnel?**

**Faculty on Non-NIH proposals:** PI and other faculty with an academic year appointment should typically have a 9-month appointment.

**Faculty on NIH proposals:** The appointment should be 12-months if this is an NIH proposal and the faculty member’s salary is above the NIH salary cap. In this case, select the 12-month appointment. Ensure the base salary is listed as the NIH salary cap and inflation is set to no. If your proposal has non-12 month budget periods, please see the “How do I budget with non-12 month budget periods” section of this guide.

**Non-Faculty:**
Post Docs, Grad Students, and other non-faculty personnel are typically budgeted at 12 months. If this proposal is S2S, grad students should be budgeted with a 12-month appointment by adding their academic and summer month salaries. If the proposal is not being submitted S2S, they can be budgeted with a 12-month appointment or by adding one row for the 10-month appointment at the AY salary and second row for the 2-month appointment at the summer salary.
**How is Salary calculated in Princeton ERA?**

Princeton ERA calculates the salary amount using the following formula:

\[ \text{% Sal Req x Base Salary x } \frac{\text{# of budget period months}}{12} = \text{Salary Cost} \]

The last part of the formula is the ratio of the number of months in the budget period to 12 months. It is not intuitive that the formula includes the ratio, but we have confirmed with Huron that this is the formula the software is using.

For non-12 month budget periods, these two guiding principles apply:
- % effort is a % of the number of months in the budget period, **not** the appt type
- The base salary **must** be annualized

**How are Effort and Salary Requested calculated for 12 month and non-12 month budget periods?**

Please use the Princeton ERA – Effort Distribution Tool available on the ORPA website to calculate the correct effort and salary requested percentages. This tool can be when you know the effort or salary requested in person months or when you know the person’s base salary and determined budget amount for salary.

**The formula used by the Effort Distribution Tool for % Sal Req is:**

For **12 month budget periods:** (The number of months of salary you want to budget) **divided by** (the number of months in the appointment type).

For **non-12 month budget periods:** (The number of months of salary you want to budget) **divided by** (the number of months in the budget period).

**To generate cost share, the % Sal Req entered is less than the % Effort.** The Effort Distribution Tool can be used for both sal req and effort—use it once for the sal req and again for the effort.

**Use the annualized salary for non-12 month budget periods**

- The Effort Tool includes tabs specifically for non-12 month budget periods, when you know the # of person months or the salary amount.
- The non-12 month tabs include cells for specifying the Base Salary, the number of months in the base salary, and number of months in the non-12 month budget period.
- If the base salary entered is not 12 months (such as 9 months), the tool then annualizes the base salary to a 12 month value.

**The formula used by the Effort Distribution Tool for Base Salary for non-12 month budget periods is:**

- (Base salary amount/# of months in base salary) x 12
- Example: 9 month base salary is $90K
- ($90K/9) x 12 = $120K Annualized Base Salary to be entered in Princeton ERA.
- The displayed Annualized Base Salary should be entered in Princeton ERA.

**NIH and non-12 month budget periods:** **Inflation should be set to no. Remove the salary cap from the General Budget Information Page box 5. Otherwise, a warning will appear on the budget screen saying Cost Share should be created.**
Salary cost examples (12 month and non-12 month examples):

Guiding principles to use:
- If budget period is not 12 months:
  - % Sal Req is a % of the budget period, not the appointment type
  - The base salary must be annualized
- The formula is:
  - % Sal Req x Base Salary x # of budget period months = Salary Cost

<table>
<thead>
<tr>
<th>12 month budget period</th>
<th>3 month budget period</th>
<th>18 month budget period</th>
</tr>
</thead>
<tbody>
<tr>
<td>9 month appt type</td>
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</tr>
<tr>
<td>Salary is $10k a month</td>
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</tr>
<tr>
<td>Budgeting 1 month</td>
<td>Budgeting 1 month</td>
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</tr>
<tr>
<td>Can use 9 month salary as base salary</td>
<td>Must use annualized salary</td>
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<table>
<thead>
<tr>
<th>Calculation</th>
<th>12 month</th>
<th>3 month</th>
<th>18 month</th>
</tr>
</thead>
<tbody>
<tr>
<td>$90K x (12/12) = salary cost</td>
<td>11.11% x $90K x 1 = $10K</td>
<td>33.33% x $120K x 0.25 = $10K</td>
<td>5.55% x $120K x 1.5 = $10K</td>
</tr>
</tbody>
</table>

How are Person Months Calculated?

Princeton ERA calculates Person Months on the SF424 detailed budget form using the following formula:

# Appt Type Months \times \text{ the } %\text{Sal Req in Princeton ERA} \div 100

Person Months are calculated on the pending section of the Current and Pending Support Report using the following formula:

# Appt Type Months \times \text{ the } %\text{Effort in Princeton ERA} \div 100

For 12 month budget periods:
- # of person months is correct

For non-12 month budget periods:
- The SF424 will display the wrong number of person months, because Huron doesn’t include the ratio of (number of months in the budget period/12) in the PM calc, but you can manually correct the SF424.
- If the person has a 9 month appt type, their SF424 base salary will be wrong because it will display the annualized salary, but you can manually correct the SF424.
- After updates are made to the C&P calculation to include the ratio of the number of budget period months divided by 12 for all proposals, the pending section of the C&P will have the correct person months for new proposals going forward, but, all proposals that had non-12 month budget periods from the past will continue to have the wrong person months value on the pending section of the C&P, because we weren’t using the Huron method. This can be corrected using the Huron just-in-time functionality.
Person month examples (12 month and non-12 month examples):

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<tr>
<th>Calculation</th>
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<td>1/9 x $90K x (12/12) = salary cost</td>
<td>$10K</td>
</tr>
<tr>
<td>11.11% x $90K x 1 = $10K</td>
<td>Correct # of person months</td>
</tr>
<tr>
<td>33.33% x $120K x .25 = $10K</td>
<td>3 person months</td>
</tr>
<tr>
<td>11.11% x 9 = 1 person month</td>
<td>Incorrect # of person months as explained above.</td>
</tr>
<tr>
<td>33.33% x 9 = 3 person months</td>
<td>33.33% x 12 = 4 person months</td>
</tr>
<tr>
<td>33.33% x 12 = 4 person months</td>
<td>Incorrect # of person months as explained above.</td>
</tr>
<tr>
<td>1/18 x $120K x (18/12) = salary cost</td>
<td>$10K</td>
</tr>
<tr>
<td>5.55% x $120K x 1.5 = $10K</td>
<td>0.5 person month</td>
</tr>
<tr>
<td>5.55% x 9 = 0.5 person month</td>
<td>5.55% x 12 = 0.66 person month</td>
</tr>
<tr>
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<td>Incorrect # of person months as explained above.</td>
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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, 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.

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 you’re 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.
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.

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.

General Cost Types Budgeting Questions

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.

Can I enter cents in Princeton ERA?
Princeton ERA will automatically round cents to the whole dollar. Please budget at the dollar level.

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 in 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.