

Technology & Sponsored Programs

A Discussion of Budgeting Technology into Grant Proposals



**OFFICE OF RESEARCH
*AND***

**OFFICE OF TECHNOLOGY & ENHANCED
LEARNING**

COLLEGE OF EDUCATION & HUMAN ECOLOGY

Overview of the Session

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- Welcome
- Sponsored Programs and Budgeting Technology
- Direct and Indirect Costs
- Technology: Direct or Indirect Cost?
- A Few Examples
- Discussion

Introductions

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Office of Research

- Associate Dean for Research – Dr. Mark Failla
- Director, Office of Research – Dr. Carolyn Gunther
- Senior Grants Managers – Neal Kelley, Bing Tian
- Facilities Planner – Mark Taylor
- Administrative Coordinator – Beth DeWitt

Office of Technology & Enhanced Learning

- Associate Dean for Academic Affairs – Dr. Jackie Blount
- Chief Information Officer – Micheal Carroll

Direct vs. Indirect Costs

- Direct Costs – “Costs that can be identified specifically with a particular sponsored project, an instructional activity or any other institutional activity, or that can be directly assigned to activities relatively easily with a high degree of accuracy”
- Examples – personnel, fringe benefits, travel, research supplies, consultants, subcontractors, participant support

Defining a Direct Cost

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- Factors in determining allowability of costs:
 1. **Reasonable** – “prudent person” principle; withstand public scrutiny – would a prudent person deem this cost as appropriate
 2. **Allocable** – “A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable with the relative benefits received or other equitable relationship..”
 3. **Consistent Treatment** – defined as handling similar costs in the same manner as either a direct or indirect charge.

Key point: If a cost is identified as an indirect cost it may be charged as a direct cost if it has characteristics that would unfairly burden the indirect cost area.

Direct vs. Indirect Costs



- Indirect Costs, a.k.a. F&A costs, or Overhead, are those costs associated with providing and maintaining the infrastructure that supports the research enterprise (buildings and their maintenance, libraries, etc.) and which cannot easily be identified with a specific project.
- Examples – research administration, general office supplies, utilities, maintenance, pens/pencils, local telephone charges, toner cartridges

Defining an Indirect Cost



F & A Components:

- OSU's rate is 52.5% (negotiated with DHHS)
 - ❖ Building Use/Depreciation
 - ❖ Equipment Use/Depreciation
 - ❖ Interest
 - ❖ Operations and Maintenance
 - ❖ Library
 - ❖ Administration (General, Departmental, and Sponsored Projects)

Technology: Direct or Indirect?



In general, federal government considers technology costs as indirect costs.

Exceptions: items that are fully “dedicated” to project and meet the following conditions:

If budgeting technology as a direct cost, must be “allowable” (reasonable, allocable, consistent treatment)

At a minimum we need to meet the following conditions ...

Technology: Direct or Indirect?



1. The project has special need for the item or service that is beyond the level normally provided
2. Costs can be specifically identified and directly related to the project
3. Costs are in the budget and fully justified/explained in the budget justification (narrative)
4. The sponsor accepts the cost as part of the project's direct cost budget

Technology: Direct or Indirect



- What kind of technology are we talking about?
 - Hardware – computer, laptop, server, external hard drive
 - Services – database development/management, web design/development/hosting, server management

EHE Process



- If PI is thinking about incorporating any type of technology, at any scale, contact Senior Grants Managers in Office of Research
- We will work with you to determine if this is an allowable cost
- If so, Senior Grants Managers will contact OTEL to confirm price and/or role OTEL could play in project
- At a minimum OTEL needs to be aware of any technology needs, especially on “large” projects

A Few Examples...



Scenario: The PI requests anti-virus software be included in her proposal budget. The software to be purchased is the highest version currently available and will be installed on all computers in her lab where the proposed research, as well as other projects, will take place.

Allowable?

A Few Examples...



Answer: Not allowable because this type of software generally considered an indirect cost. Cost can not be allocated to this specific project.

A Few Examples...



Scenario: Dr. Smith is submitting a proposal to the US Dept. of Education. His proposed research entails developing a website to conduct online research (data collection) from targeted groups. Target population is 10,000 subjects. The survey website will be fully dedicated to this project.

Would web site development and maintenance be allowed as a direct cost?

A Few Examples...



Answer: First point, expense directly allocable to the project. Second, because the volume is so great and the data being collected needs to be kept confidential and separated, an unlike circumstance for the purchase of technology and maintenance services exists. Allowable cost.

A Few Examples...



Scenario: In addition to the PI, the proposed project will consist of 4 Co-Is, 4 GRAs and a Program Manager. One component of the research is collecting school-based data, two-times per year, at 10 school sites across the state of Ohio. The PI wants to budget a desktop computer and 5 laptops.

Allowable?

A Few Examples...



Answer: The laptops are in the budget and will be solely used for the benefit of the project. Also could be considered an unlike circumstance Allowable cost.

What about the desktop? If used for general tasks, unallowable. If it is to be used solely for data storage and other project related tasks, maybe Allowable. Consult your Grant Manager.

Discussion & Questions