

# INSTRUCTIONS FOR PREPARING THE HSC INTERNAL BUDGET WORKSHEET

## OVERVIEW

A new Internal Budget Worksheet (IBW) should be downloaded from the PreAward Administration website each time it is filled out to insure use of the most current version available. A copy should be downloaded to the hard drive of your computer before entering data into the spreadsheet.

Upon opening the IBW, be sure to elect “Enable Macros” when prompted. The IBW will not function properly unless the macros are enabled.

The IBW consists of six interactive Excel spreadsheets: 1) “Salary Detail”, 2) “UH Employees”, 3) “Personnel Summary”, 4) “Patient Care”, 5) “Subcontracts”, and 6) “Budget Summary”. Each spreadsheet is accessible by clicking the appropriate tab at the bottom of the screen.

The individual spreadsheets are password protected, to prevent corruption of the embedded formulas. Except for the shaded areas, that accept data entry, all cells are locked. If you require access to locked cells, you may obtain the password by calling the Pre-Award Administration office.

## CALCULATING SALARIES and FRINGE BENEFITS

Begin by filling in the shaded areas of the “Salary Detail” spreadsheet (yellow tab), which automatically displays when the worksheet opens. Fill out the top of the spreadsheet with the requested information: “Principal Investigator”, “Department”, “Project Title” and “Funding Agency”. The data you enter on the “Salary Detail” will populate fields and formulas throughout the worksheet.

Tab to the next shaded area and fill in the “Duration of Project”, calculated in months. For example, if it is a two year proposal or award, put 24 in the shaded area.

Next, fill in the shaded area marked “First Year of Initial Period Starts:” with the start date of the project. Now, fill in the line below it “First Year of Initial Period Ends:” with the end date of the first budget period. This date is usually one year from the start date of the project, however, this may vary if the entire project is for less than one year or if the initial period is shortened under the terms and conditions of the proposal or award.

Tab to the shaded box titled “Applicable F&A Rate”(UNM’s federally negotiated indirect cost rate). The default is 50%. If the F&A cost rate for your project is not 50%, overwrite with the appropriate percentage.

Tab to the next shaded box and place an “X” in this box if the funding originates from NIH or SAMHSA, if not, leave blank. If you place an “X” signifying that this is an NIH or SAMHSA funded proposal or award, then an “X” will appear in the box marked “Place ‘X’ Here  If Project is Federally Funded.” If not, and the funding for this proposal or award originates from a Federal agency other than NIH or SAMSHA, or from Federal flow-through funds provided by city, state, private, or non-profit entities, place an “X” in the box. Otherwise, leave these boxes blank.

Tab to the “Employee’s Name” shaded area and fill in the first employee’s name. Enter that employee’s corresponding UNM FTE (using 1.0 for full-time employees or appropriate decimal for part-time employees).

Enter the number of months of the employee’s appointment, 12, 9, or 3 (for a faculty members working under a summer contract) in the “Appt. Mos.” column of the spreadsheet. Tab and enter the employee’s “Annualized Salary”, converting part-time or nine-month actual salaries where necessary and appropriate. PreAward can provide annualized salary information to you or you can download and use the “Annualized Payrate Conversion” table on the PreAward website.

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Now tab and enter the “Level of Effort”. Level of effort represents that portion of the employee’s time that will be devoted to the project. For example, if a none-month employee is devoting 50% effort to the project, or a student (who is designated by our payroll system as a .50 UNM FTE) is devoting 50% of their time, you need not convert to hours or months to enter the appropriate full-time equivalent (a percentage of the 2,080 hours that make up a full-time equivalent per UNM policy). The spreadsheet is designed to make this conversion for you based on the actual percent of that individual’s time.

Now tab to the “Fringe Benefits Type” column and fill in the appropriate code (single letter only) that is appropriate for that employee (see table in upper right-hand corner for the appropriate Fringe Benefit code). Please note that fringe benefits are calculated using “Method 2” of UNM’s policy on “Fringe Benefit Rates on Proposals” issued by the VP for Research and Economic Development office. This is a variable rate for all faculty and staff positions (either an “A” or “F” fringe benefit code).

Continue entering employee data until you have filled in information on each person working on the project. If you have an employee who will not be working the first year of a proposal or award, but will work in one or more subsequent years, be sure to fill in all the basic information for this employee and then put a “0” for “Level of Effort” in the initial budget period and enter the percentage of effort in the subsequent year(s) as necessary.

The employee’s name and “Level of Effort” will automatically fill in subsequent years from the information you entered in Year 1, but you can alter or overwrite the “Level of Effort” in subsequent years as needed.

A summary of salary and fringe benefit information that you have entered on the Salary Detail spreadsheet will pre-populate these budget line items on the “Budget Summary” spreadsheet (pink tab).

If University Hospital employees are participating in the project, add them using the “UH Employee” salary spreadsheet (green tab). Entering UH employee data in the shaded areas is similar to the technique you used on the “Salary Detail” spreadsheet.. Since “Appt. Mos.” is always twelve (12) for hospital employees, this entry field/column has been omitted.

Please note that “Fringe Benefits” for UH employees are automatically calculated at a flat rate per UH policy.

The total for these employees will appear on the “Budget Summary” spreadsheet under “UH Contractual.” Subtotals for UNM personnel and totals for salaries and fringe benefits for all years of the project or award will automatically populate the “Budget Summary” spreadsheet (pink tab).

*NOTE:* All salaries are adjusted at the beginning of each new fiscal year by an inflation factor calculated by the HSC Budget Office and incorporated into the spreadsheet formulas. The “Personnel Summary” spreadsheet (grey tab) is informational only; you will not be able to enter data into this spreadsheet.

### **CALCULATING PATIENT CARE COSTS**

The “Patient Care” spreadsheet (cyan or blue tab) is an optional spreadsheet for calculating patient care costs over a specified performance period.

Begin by filling in the “Protocol Number” and number of patients involved in the study.

Tab to the next shaded area and enter the type of procedure to be performed (“Procedures”), and the number of procedures to be done (“Frequency Per Procedure”).

Repeat for all procedures to be performed and then tab to the next table, titled “Estimated Percent of Total Patient Care Costs Per Year.” Estimate and enter for each year of the project a percentage of the total cost.

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The totals from this table will automatically populate the "Patient Care Costs" line item in the "Budget Summary" spreadsheet. If you decide that you do not want to use the "Patient Care" spreadsheet, patient care costs can be entered directly into the "Budget Summary" spreadsheet.

### **ENTERING SUBAWARD/CONSORTIUM COSTS**

If you have subcontractors working with you on the proposal or award, you will want to complete the "Subcontracts" spreadsheet (purple tab).

Begin by filling in the subawardee's name in the column titled "Subawardee", and then tab to the appropriate year and enter the proposed budget for the subcontractor (please note that direct and indirect costs are entered separately) for each year of the project.

This spreadsheet is designed to automatically stop calculating UNM's F&A costs when a subaward reaches the \$25,000. This is a limit on subaward costs negotiated by UNM on its F&A cost rate agreement.

If this spreadsheet is being used for a non-competing year of an award, you will want to enter the cumulative total of subawardee costs from previous years in the table in the lower right-hand corner of the spreadsheet, "Amount Awarded to Subawardee in Previous Year(s)". This will allow the spreadsheet to calculate the correct amount of F&A costs applicable to that individual subaward for a non-competing year.

Enter all budget information for each subawardee who will be working on the proposal/award. The IBW will transfer all subaward costs from this spreadsheet into the totals on the "Budget Summary" spreadsheet.

### **ENTERING EXPENSES and OTHER PROJECT COSTS**

The "Budget Summary" spreadsheet (pink tab) is used for projecting all other expenses and calculating the F&A costs for each year of the project.

An increase of 3% for inflation is automatically added to all expenses entered in Year 1. This spreadsheet will pre-populate Year 2 through the last year of the proposal/award period at that inflation rate. However, you can change the 3% inflation rate, if you so desire, or alter the pre-populated information. All amounts displayed in the expense categories can be over-written by simply entering an alternate amount in any of the shaded cells.

The "Budget Summary" spreadsheet is designed to give subtotals on all expenses by year and budget category. The spreadsheet also calculates the amount of "Modified Direct Costs," the amount of "F&A Costs" (with and without subawardee's F&A costs) and the "Total Costs" for all years of the proposal or award.

### **MODULAR BUDGETS:**

Conversion to a Modular Budget is simple. Take the annual direct cost total and divide by \$25,000, round up, and then multiply by \$25,000. For example, if the total direct costs for a given year are \$199,544, divide \$199,544 by \$25,000. That gives you 7.98. Round up to the nearest whole number, and that gives you 8 modules. Multiply the number of modules by \$25,000 (in this case, 8 X \$25,000) and that gives you \$200,000 in direct costs for your modular budget for that year.

If you wish to "straight-line" the modular budget (same number of modules for all years), take the total direct costs from the IBW for all years of the proposal and do the same calculation. This will give you the total direct costs for all years of the proposal. Now divide this figure by the number of years. This will give you the same direct cost figure for each year of the proposal/award.