



World Learning
EDUCATION | DEVELOPMENT | EXCHANGE

IDEAS
INCREASE & DIVERSIFY
EDUCATION ABROAD
FOR U.S. STUDENTS

2024 IDEAS Grant Competition Budget Proposal Development

#LaunchIDEASabroad

The IDEAS (Increase and Diversify Education Abroad for U.S. Students) Program is a program of the U.S. Department of State with funding provided by the U.S. Government and supported in its implementation by World Learning.

Agenda

- Goals of Budgeting Process
- Basic Cost Principles
- Unallowable Costs
- Budgeting Tips
- Cost Categories
- Cost Share Best Practices
- Budget Template Examples
- Budget Narratives
- Closing Tips
- Questions

Budgeting Process Overview

Goals of budgeting process

Tell the same story as your narrative, but in the language of dollars

Assure your university that your proposed project is financially feasible

Assure reviewers that you have fully conceived of and understand the costs associated with your project

Present line items with clear cost objectives and pertinence to your scope of work

Costs are realistic and reasonable, based on actual costs

Write a detailed budget narrative that fully explains the purpose and intention behind each line item

Basic Cost Principles

- Reasonable
 - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost
- Allocable
 - A cost is considered allocable if it is incurred specifically for this contract, benefits the contract, and is necessary to the scope of work
- Allowable
 - As defined by the OMB Uniform Guidance and/or terms of this award

Allowable vs unallowable costs

- Allowable costs are reasonable, allocable and necessary to the project
- Examples of unallowable costs include:
 - Student costs (meals, transportation, scholarships, passports, etc.),
 - Nonexpendable equipment such as furniture or office equipment
 - Administration of a program that will make a profit
 - Lobbying activities
 - Entertainment expenses
 - Alcoholic beverages

Budgeting tips

Be specific

- Itemize
- Avoid lump sums, e.g., \$10,000 for travel
- Break out the costs and how it was calculated

Avoid guessing costs

- Research flights and hotels
- Use on-campus resources to find historical pricing
- Talk to your finance or grants office for indirect and fringe rates early in the process

Be reasonable. Honestly reflect the costs needed for your project

- If your idea exceeds the \$35k ceiling, consider paring it down, as opposed to stripping costs

Make it look neat

- A sloppy budget and narrative may torpedo your proposal

Use Government per diem rates for domestic and international travel

- Can use lower rates, do not budget higher rates

Cost Categories

Cost Categories

- Arrange your budget in this order:

	Grant Request	Cost Share*	Total Project Budget
Salaries and Wages	\$0.00	\$0.00	\$0.00
Fringe Benefits	\$0.00	\$0.00	\$0.00
Consultants/Contractual	\$0.00	\$0.00	\$0.00
Travel and Transportation	\$0.00	\$0.00	\$0.00
Supplies	\$0.00	\$0.00	\$0.00
Other Direct Costs	\$0.00	\$0.00	\$0.00
Indirect Costs	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00

Personnel

- **Salaries and Wages**
 - Employees receiving benefits from your university
 - Includes full time and part time staff
- **Consultants**
 - Do not receive benefits and are usually budgeted as a daily rate and for short term contracts

Formula example

- Annual salary/ 12 x months needed to complete project x percentage of time needed = total costs per person

Faculty Compensation

- Faculty compensation is an **allowable cost**
- If proposed in excess of the Institutional Base Salary (IBS), faculty compensation must comply with certain guidelines
 - [2 CFR § 200.430\(h\)](#)

Fringe Benefits

- Fringe benefits are non-wage, or non-salary compensation that is provided to your organization's employees
- Can include FICA, retirement, unemployment, health and dental insurance
- Calculated as a percentage of wages
- Consult with your grants or financial offices to obtain your university's fringe rate
- It can differ depending on employee type
- Check your university's NICRA letter for the rate

Contractual

- Might include consultants, third-party providers, or other types of fee-for-service vendors
 - Not an employee
 - No fringe benefits
- Explain how those costs were gathered and scope of work of consultants or vendors

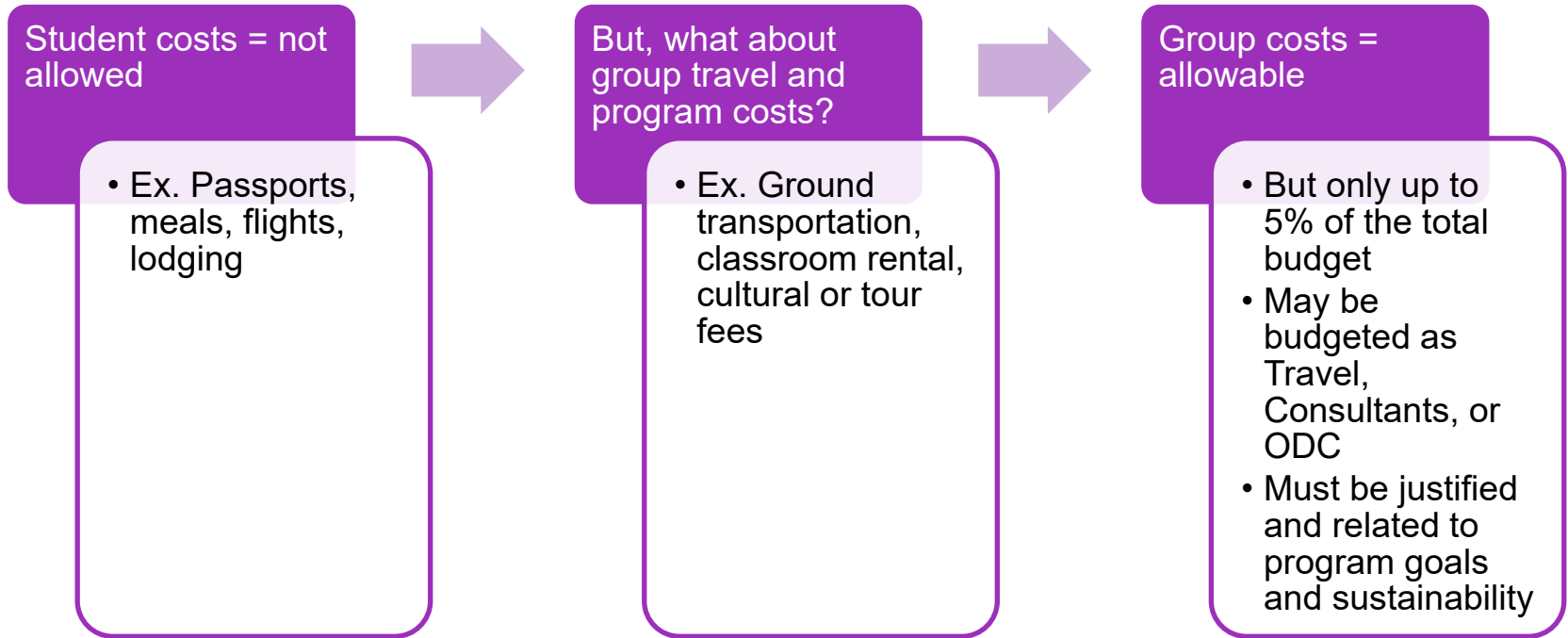
Travel

- May include domestic and/or international travel
- Your detailed budget and narrative should explain the need for all travel and justify the travel costs as necessary to achieve your outcomes
- Include information about the number of travelers, proposed days of travel, and the proposed origins/ destinations
- Distinguish international from domestic travel
- Travel costs can include car rental, airfare, costs for getting to and from the airport, lodging and meals
- Research Fly America Act

Other Direct Costs

- The “catch-all” category. If your proposed line item does not fit neatly into any of the other cost categories, you can budget it in ODCs
- Do NOT include contingency, other or miscellaneous costs; all costs must be identifiable and necessary to your proposed scope of work
- Cost often include program costs such as academic fees, conference fees, printing of materials, vaccinations, office rent, staff passports or visas, postage, conference room rentals

A note about allowable costs...



Indirect Costs

- Costs that cannot be easily attributed to one grant or project
- Examples of indirect costs include utilities and other G&A expenses (finance staff for instance who work in cross cutting roles)
- You almost certainly need to include indirect costs in your budget, under the \$35k ceiling
- If your university has a NICRA, you must use that rate
- If your university does not have a NICRA, you may want to consider the 10% de minimis rate instead

Cost Share best practices

- What is cost share?
 - Cash vs in-kind
- What does this mean for my university?
 - Paying portion of the cost
- Check with your grants office before committing cost share and to ensure compliance with USG rules and regulations
- NOT a requirement for this competition, although it might be judged favorably

Cost Share Compliance

All contributions, both cash and in-kind, shall be accepted as part of Grantee's share when such contributions are:

1. Verifiable from Grantee's records;
2. Necessary and reasonable for proper and efficient accomplishment of project objectives;
3. Provided for in the budget;
4. Not paid by U.S. Government funds under another award.

Drafting Budget Documents

How to set up the Excel budget

- Must be clear and easy to understand / replicate math and logic
- Check in with your university-- may have a template for this purpose
- Order by cost category
- IDEAS program provided template (optional)

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A. Personnel	Hourly Rate/Salary	# of Hours	% Effort	Amount				
Faculty 1	\$ 36.06	1040	50%	\$ 18,750.00	\$ 18,750.00	\$ -	\$ 18,750.00	
Faculty 2	\$ 38.46	1040	30%	\$ 12,000.60	\$ 12,000.60	\$ -	\$ 12,000.60	
Total Personnel					\$ 30,750.60	\$ -	\$ 30,750.60	
B. Fringe Benefits				Amount				
Faculty 1 Fringe Benefits	\$ 18,750.00	30%		\$ 5,625.00	\$ 5,625.00	\$ -	\$ 5,625.00	
Faculty 2 Fringe Benefits	\$ 12,000.60	25%		\$ 3,000.15	\$ 3,000.15	\$ -	\$ 3,000.15	
Total Fringe Benefits					\$ 8,625.15	\$ -	\$ 8,625.15	
C. Contractual				Amount				
Total Contractual								
D. Travel and Transportation	# of People	# of Days	Rate/cost per day	Amount				
International Airfare (IAD-Nairobi, Kenya)	1	1	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00	
Lodging (Nairobi)	1	10	\$ 250.00	\$ 2,500.00	\$ 2,500.00	\$ -	\$ 2,500.00	
M&IE (Nairobi)	1	12	\$ 68.00	\$ 782.00	\$ 782.00	\$ -	\$ 782.00	
Total Travel and Transportation					\$ 5,282.00	\$ -	\$ 5,282.00	

Applicant			
Project Title			
Detailed Budget			
1. Personnel		Program Cost	Cost Share
a.	Faculty Name 1		
	<i>(50% LOE over 3 months @ \$75,000 annual salary)</i>	\$ 9,375	
b.	Faculty Name 2		
	<i>(30% LOE over 3 months @ \$80,000 annual salary)</i>	\$ 6,000	
SUBTOTAL		\$ 15,375	
2. Fringe Benefits			
a.	Faculty Name 1 (25%)	\$ 2,344	
b.	Faculty Name 2 (20%)	\$ 1,200	
SUBTOTAL		\$ 3,544	
3. Travel and Transportation			
	International Travel		
a.	Roundtrip Airfare for (2) Faculty <i>(Washington, DC to Nairobi Kenya)</i>	\$ 4,000	
b.	Lodging for 12 nights for 2 Faculty <i>2 single rooms at \$250 per room per day @ GSA rates</i>	\$ 6,000	
c.	Meals and Incidentals for 2 Faculty for 12 days <i>\$82 per person per day @ GSA rates</i>	\$ 1,968	
	Domestic Travel		
a.	Roundtrip Airfare for (2) Faculty <i>(Washington, DC to Birmingham, AL)</i>	\$ 1,000	
b.	Lodging for 5 nights for 2 Faculty <i>2 single rooms at \$113 per room per day @ GSA rates</i>	\$ 1,130	
c.	Meals and Incidentals for 2 Faculty for 5 days <i>\$69 per day for 5 days at GSA rates</i>	\$ 690	
SUBTOTAL		\$ 14,788	

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A budget narrative should...

- Highlight and align with your proposal
- Not simply repeat what is in the Excel budget
- Explain the expenses required to complete your proposed project
- Explain any special circumstances
- Explain how every line-item was calculated
- Justify and explain the source of the proposed cost
- Align your budget narrative to the budget for easy review (start with personnel then fringe, etc.)

Budget Narrative Tips

- Is there a clear purpose for the cost? How does it contribute to our proposed project? What is the estimated cost based on?
- Do not wait until the last minute (a lesson learned the hard way)
- Explain your formulas
- Use the budget narrative to highlight your overall proposal
- Avoid passive voice (e.g., \$200 has been budgeted for materials...)

Budget narrative example

International Travel					TOTAL
1.	International Flight (DCA-NRT)	/RT	\$2,000	2	\$4,000
2.	Per diem	/Day	\$450	=2*14	\$12,600
3.	Ground transportation	/RT	\$150	2	\$300

1. International Flights: Professors 1 and 2 will travel to Tokyo one time for this project for the purpose of meeting with Tokyo Institute of Technology. This opportunity will allow them to develop a partnership with this institution, which will then develop an engineering study abroad program. We have budgeted \$2,000 per roundtrip airfare ticket from Washington, DC to Tokyo, Japan based on average ticket costs in July.
2. Per Diem: We have budgeted the government per diem rate of \$450 per day in Tokyo, for a total of 14 days per trip per person.
3. Ground Transportation: We have included ground transportation to get to and from the airports. We have set aside \$150 per person per trip for this purpose. This cost is based on average taxi fare to/from DCA and the cost of a train ticket to/from Narita airport.

Administrative vs program costs

- Admin costs include personnel, fringe, indirect
- Clearly explaining/justifying your admin vs program costs
- Explain how admin costs connects to the broader goals of the project and IDEAS Program
- Consider sustainability of costs

Best Practices & Tips

- Think carefully about personnel costs
- Use realistic costs, source quotes, use historical data from your university; Avoid guessing
- A comprehensive, detailed budget narrative will minimize questions from reviewers
- Have several people, both technical and finance staff at your university, review the budget and narrative before submission
- Budgets are estimates– there is flexibility (10% between line-items)

Resources

USG per diem
rates

- Domestic
- International

CFR cost
principles

- 2 CFR 200.430

Fly America Act

Cost Share
Guidelines

Questions?

Please enter your questions in the Q&A box.

Important Dates

Phase Two

March 7,
2024

- Training Session 3: MERL



April 4,
2024

- Phase 2 Closes



April-May
2024

- Phase 2 Review



June 2024

- Finalists Announced



September
1, 2024-
February
28, 2026

- Grant period of performance



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StudyAbroadCapacityBuilding.org

IDEAS@worldlearning.org

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