Financial Oversight Policy

Preparing Budgets for Grant Submissions

There are two options for budget preparation:

1) The faculty member and grants staff meet; the faculty member explains what he/she foresees as necessary expenses and provides whatever information is available regarding total funding or limitations; and the grants and contracts analyst prepares the budget and sends it to the faculty member for review and approval.

2) The faculty member prepares a budget or partial budget and sends it to the grants and contracts analyst for review and/or completion.

Regardless of which method is used, no budget information should be shared with a potential sponsor, even if denoted as a “draft”, without review by finance.

The following budget assumptions are to be followed:

1) It is recommended that all direct expenses in subsequent years be calculated using an estimated inflation rate of 2-3%.
2) The PI must have at least 1% of their salary on the budget.
3) Merit increase should be included if it is a multiple year award. The standard range is between 2-3%.
4) If a multiple-year budget extends beyond JHU’s current Federal rate agreement, F&A (indirect costs) lock at the last negotiated rate. If it is a non-federal award 20% is a good target.
5) The following common expenses are often overlooked when preparing budgets:
   i) Administrative Support (i.e. research program coordinator)
   ii) Long Distance Telephone Charges/VOIP Charges (Zoom)
   iii) Photocopying/Printing
   iv) Salary Support for Report Completion and Meeting Attendance (sometimes focus group logistics overlooked in technical services contracts)
   v) Meeting Costs (refreshments, parking and mileage for off-site attendees, etc.)
   vi) Dissemination Costs
6) Equipment is defined as any single item over $5,000. Computers, therefore, will not typically qualify as equipment and should be included in the Supplies portion of the budget.
7) F&A (IDC) is applied only to the first $25,000 on Federal Grants of each subcontract, regardless of the number of years of the project. This does NOT apply to non federal applications. They take F &A (IDC) on the entire amount.
8) The following expenses are also exempt from F&A:

i) Equipment (single items costing $5,000 or more)
ii) Patient Care Costs
iii) Capital Expenditures
iv) Tuition Remission
v) Scholarships and Fellowships
vi) Space Rental Charges