

# Tips for Writing a Budget

## 1. Know the jargon

There are two types of budget categories, direct and indirect costs:

- **Direct Costs** are seen as essential for achieving the research described in the application. These can include line items like personnel, equipment, travel, consumables.
- **Indirect costs** (overheads) are those incurred by the University in supporting a project, but which cannot be directly attributed to individual projects. For example, provision and maintenance of services, facilities and infrastructure, space, libraries, laboratories, research facilities and other resources.

There are also two types of support:

- **Cash** – hopefully needs no further explanation.
- **In-Kind** support consists of non-cash contributions provided to the project. For example, staff time committed to the research that is not funded by the project, indirect costs, access to infrastructure, equipment or services.

Lastly, be aware of **On-costs** which refer to the additional charges to salaries and wages, like payroll tax, workers' compensation etc. They are usually calculated at 30%.

## 2. Follow the rules

Before you start your grant shopping list, it is important to establish what you can and can't ask for, so spend time reading at the funding rules/guidelines. For example, make sure you can purchase that big-ticket item as often infrastructure isn't covered or there are upper limits to the amount you can spend on equipment. Salaries can also trip up applications as many have shortfalls and some don't cover on-costs. Use the calculators UQ provides or ask Finance to help you work out the costs. Be mindful that some grants will only pay for particular types of roles like research assistants rather than postdocs or vice versa. A few schemes will allow you to cost in your own salary, but some grants don't permit salaries at all.

Another thing to watch out for are non-research specific items (standard equipment) like basic computing or facilities. Unless explicitly argued essential for the project, these items will have a good chance of being cut from awarded budgets or ruled as an ineligible cost.

## 3. No Surprises

***Nothing should appear in your budget that was not mentioned or alluded to in the project description.***

One of the most common mistakes seen in grant applications are items that suddenly appear in the budget without any indication why they are there. For example, trips to overseas conferences or collaborators often crop up in budget and the budget justification but not in the project plan. Make sure that you always cross reference your budget with the project. This also goes for in-kind support. If you receive significant resources from collaborators or colleagues make sure this support and its significance has been identified in the project description. Grantors like to see that you are leveraging other resources as it means their funding will go further.

## 4. Justify the cost

So how did you come up with the total for all that travel you have planned? What about the testing you are doing, why does it cost so much? Breaking down the costs so your reviewer understands that you didn't just pull the amount out of the air, but actually calculated them based on gathered information is key to doing this section correctly. It's all about justifying the price of each line item. Quotes are an easy way to do this - sometimes you will need to attach them to the application, sometimes they are required to be kept on file. Remember, the granting body wants to understand that the costs are reasonable and thought out.

Here are some suggestions for what to consider when costing some of the common budget line items:

- **Travel** – Do use the [university travel resources](#) – they have budgeting tools and travel advice links. Include costs such as cost of transport (taxis, flights, car hire, etc), accommodation (rates per night), travel allowance, travel length (number of days or weeks), meals (if not applying for the travel allowances), conference costs, visas (if required). *For example: 2021 International Symposium on Microscale Separations and Bioanalysis (Paris) – total includes economy flights to France (\$2000), 3-star accommodation for 8 days at \$150 per day, travel allowance (\$170 per day using University travel rules), local transport (\$300).*
- **Equipment** – If you are building a piece of equipment make sure you include the major build component categories, any costs related to assembly or maintenance. If you are buying a piece of equipment, you may need to include installation and delivery costs as part of the breakdown of the total, especially if they are sizeable. If you are commissioning something, make sure to include workshop hourly rates. Get quotes, as it is highly likely you will need to attach them to the application or that they are required to be kept on file.
- **Materials and Consumables:** Indicate general categories such as glassware, chemicals, test kits, and include an amount for each category, unit price and number of units needed.
- **Services** – are you planning on outsourcing some of the work such as diagnostic or transcript services? Make sure to include hourly rates, volume of work (e.g. 10 x 45 minutes scans at \$550 per scan).
- **Personnel** – Include the fraction of the appointment, its duration, the rate of pay and if on-costs are included. Sometimes it will be an annual salary, sometimes it may be an hourly rate.

## 5. Justify why it's needed

A well written justification explains the necessity for the proposed expenditure and enables you to emphasise the importance of essential project costs. So, do say what the role of personnel you want to hire is and explain why you have chosen to pay them at certain rates (e.g. level of expertise needed). If you are travelling to a conference, say why it's important to present at that specific one for the project. Remind the grantor why that piece of equipment is needed for the research and why those services will enable collection or analysis of the data.

Don't forget, a budget that is adequately and appropriately justified is the best way to assure a positive cost analysis by the granting body.