Sponsored Programs
Common Budget Mistakes

MISTAKE #1
No Principal Investigator effort is listed. The most important element in a proposal is the ideas and expertise of the PI and/or the Co-PI. Therefore, PI effort should be included (as a % of time not hours) in a budget.

MISTAKE #2
Use the correct fringe benefit rates. This information is available from the Sponsored Programs Office or the Compliance Assistance (Grants and Contracts) Office.

MISTAKE #3
Include Facilities and Administrative Cost (Indirect Cost). All proposals must contain F&A costs (see Grants and Contracts on the Compliance website for current F&A rates), or a copy of agency policy which restricts F&A costs for all grantees, or an F&A Waiver.

MISTAKE #4
Make sure the budget adds correctly. Also check for rounding errors.

MISTAKE #5
Don’t show pennies. The inclusion of pennies implies a degree of precision that doesn’t exist when doing sponsored projects. Budgets are best guesses of anticipated project cost.

MISTAKE #6
Put commas in numbers. Numbers with commas are much easier to read. The proposal should inform the reviewers not frustrate them.

MISTAKE #7
Use the columnar format for budgets. Numbers should align on the right. They should be easy to follow.

MISTAKE #8
Equipment items must cost at least $5,000. Don’t list items in the equipment category unless they meet the definition (minimum capitalization limit) of equipment.

MISTAKE #9
Start your budget with the most important item. Begin with salaries.
MISTAKE #10
Don’t over commit the PI’s time to the project. Be realist about the time the PI can devote to the project. What would happen if a PI submitted 3 proposals each showing 60% effort and they all got funded? Take into account all other assigned responsibilities (i.e., teaching, committee assignments, administrative duties, etc.). Remember, effort cannot equal more than 100%. Arrange to have time from a primary responsibility reassigned in order to take on a project. For faculty, check the agency’s regulations on additional work and/or summer assignments. Know if the agency has a salary cap.

MISTAKE #11
Don’t measure the PI’s time with hours. There is no such thing as a standard 40-hour work week for faculty. It is important to use % of effort. Again, total effort must equal 100%.

MISTAKE #12
Use agency electronic forms, when available. More and more agencies are requiring the use of systems such as grants.gov. Read the request for proposal carefully to make certain you know the appropriate application process.

For assistance in preparing a sponsored program budget, contact the Sponsored Programs Office at 801-863-6099.