

Policy and Guidelines for Multi-year Budget Preparation

(An Addendum to [Policies and Guidelines for Research Proposal Submission Process](#))

New Jersey Institute of Technology

The purpose of this document is to guide the preparation of multi-year budgets as accurately as possible for future needs and how to administer adjustments with respect to unforeseen increases and other changes in budgetary needs.

For the purposes of this policy, budgeting is divided into pre-award, awarded and post-award. The budgeting process includes both the formulation of a new project budget and the need to change an approved project budget.

- a) Pre-award: Changes in the budget prior to proposal submission is internal to NJIT. Budget changes prior to proposal submission requiring approval is addressed in the current: [Policies and Guidelines for Research Proposal Submission Process](#)
- b) Awarded Proposals: Changes in the budget at the time of award is addressed under the current [Policies and Guidelines for Research Proposal Submission Process](#)
- c) Post-award: This covers any changes in the budget (budgeting) during the grant period. *The SRA has a budget change policy. This policy requires changes to be rebudgeted from the existing awarded grant budget.* Small budget changes can usually be accommodated by the PI working within the current budget (subject to SRA approval). Large budget changes often require a request and approval from the granting agency for rebudgeting or a request for extra funds.

For multi-year budgets, the cost of the proposed work should to be estimated with the best information possible. However, help can be needed to ensure the success of the grant in the face of budget shortfalls, particularly due to unforeseen and unbudgeted changes. The following budget categories should have special consideration for multi-year pre-award budget formulation and required changes at- or post-award.

Personnel: It is difficult at times to predetermine the level of student/staff with appropriate pay level when the personnel are not yet in place. Accordingly, when budgeting, the SRA will assist to specify the proper staff titles and salary ranges as well as full student support. Attention should be paid to forecasting and budgeting personnel support at the proposed start of work. For instance, if the grant will be awarded in 12 months, student support should reflect next year's tuition and minimum stipend. Pre-proposal assistance will be available to help budgeting to meet personnel needs in the face of proposal specific budgetary limitations.

- Student support. Full student support (tuition + stipend) is required for all PhD students. Student stipends and tuition listed in the budget will be estimated for the time of award or the start of the proposed work. The Graduate Studies Office and the SRA will publish full student support minimums including estimated future increases for five years for budgeting. Student stipends are currently budgeted with 3.5% annual increases. If unprojected increases in minimum stipends and tuition can no longer be supported by the awarded budget, the remaining portion will be cost shared by the Department, Dean or SRA. For fellowship and other student support funds that do not cover the minimum

student support levels, the remaining portion will be cost shared by the Department, Dean or SRA.

- Staff pay: For support staff, technicians and research staff, the SRA will assist in defining the appropriate title and budgeting the salary. For post-docs, salary minimum and maximum will be recommended by the SRA. Salary increases are currently budgeted with 3.5% for cost of living adjustments (COLA). For unprojected and required increases that are not covered by the awarded budget, the remaining portion will be cost shared by the Department, Dean or SRA.
- Faculty salaries. All summer salary and future increases must be covered by the awarded budget. Faculty salary listed in the budget will be estimated for the time of award or at the start of the proposed work. Summer salary increases are currently budgeted at 3.5%. Budgeting release time is dependent upon agreement between the PI, Department Chair and Dean. Increases in release time are currently budgeted at 3.5%. An unbudgeted change in the cost of release time on grants is currently taken care of by departments.

Changes in fringe benefit rates. Fringe rates are budgeted with 3 increases yearly. Fringe rate is calculated yearly by the state and are revealed sometime in the spring. Accordingly, fringe rates may be more or less than budgeted. Any increase higher than 3% will be discussed with the Chair, College Dean and Vice Provost for Research.

Supplies and other services: Be sure to include yearly increases due to the rising costs of goods and services. Unforeseen needs will need to be met by securing additional funds.

Changes in indirect costs. NJIT's indirect rates are established for three year periods. The entire grant budget will be subject to the indirect cost rate listed in the awarded budget. Future changes in the indirect rate will not affect the grant post-award and are held for the duration of the grant period.

Off Campus Budgets: Off campus budgeting may need to consider special circumstances, particularly in different states or countries. Issues can be different indirect rates, different laws/rule affecting budget numbers such as different collective bargaining agreements, staff salary structures, student stipends and COLA increases. The SRA will assist the PI in developing the appropriate budget. The conditions of budgeting the categories listed above will also apply.