Grant Budget Guidelines

The Commonwealth Fund

Affordable, quality health care. For everyone.

1. **Budget format:** The Fund requires a line-item budget for all funded projects. A sample budget is provided as an optional template. To the extent possible, grant budgets should be broken down into major tasks or phases of work. If the project is suited to a task or phase format, specify the steps needed to accomplish the work, the time frame, who will participate, and a detailed line-item budget. If a task or phase spans more than one year, the line-item budget should be broken down into annual budgets, with a grand summary budget provided as well.

    The budget should be prepared in a spreadsheet program such as Excel. "Detailed Budget for Initial Budget Period," from PHS 398 from NIH, or an institutional template may be used as well.

2. A detailed budget justification should accompany all budgets and should include an explanation for each line item in narrative format. Justification may be included in the body of the proposal or as a separate attachment.

3. The final budget should be dated and signed by the principal investigator and the chief financial or contracts officer of the grantee institution. Draft budgets are accepted without signatures during preliminary review process.

4. The Commonwealth Fund total budget amount should be equal to the grant amount in the proposal.

5. **Cofunding:** If the Fund is providing only a portion of the funding for the project, the budget should have separate columns for the total grant budget, the requested amount from the Fund, and other cofunding support, including in-kind support. The cofunding source, project period, and amount of other funding should be specified, with letters of commitment from other funders attached.

Budget Line Items

1. **Personnel:** The name, title, percent effort, annual salary, and fringe benefits should be listed separately for each individual in the budget. For personnel hired on a per diem basis, the number of days and the daily reimbursement rate should be specified. If the responsibilities of each individual are not described in the proposal, include them in a separate budget narrative.

    *   It is recommended that individuals with primary responsibility for the project (project director or primary investigator) should devote 10 percent to 25 percent effort. If the principal investigator percent effort falls below this range, please provide an explanation. The Fund views percent effort as an indicator of the principal investigator's involvement and commitment to the project.

- The Fund cannot support more than 50 percent effort of university faculty members.

- The budget may not include payments to members of the principal investigator's or co-principal investigator's immediate family for salaries, expenses reimbursement, or any other type of compensation. "Family members" include spouses, domestic partners, children, grandchildren, great-grandchildren, parents, siblings, half-siblings, ancestors, and spouses or domestic partners of children, grandchildren, great-grandchildren, or siblings.

- All key project personnel, as well as those devoting 10 percent effort or more, should complete the Fund's "Disclosure of Other Support" form.

- ***Tuition, Stipends, and Fellowships***: The Fund is not able to provide support for tuition, stipends, or fellowships (unless it is a Fund-sponsored fellowship program). Tuition, stipends, and fellowship support should not be included in salary or fringe calculations.

2. ***Fringe benefits:*** Show fringe benefits at the grantee institution's standard rate, with a list of specific benefits included in the rate in the budget justification section. The Fund cannot provide additional benefits.

3. ***Meetings:*** Meetings with participants from outside the grantee institution should be planned to minimize costs. The budget for meetings should indicate the number and type of participants, the length of the meeting, and the location. Show detailed cost calculations for travel and meeting expenses and honoraria, if applicable. Wherever possible, the Fund encourages the use of videoconferencing to minimize meeting costs.

4. ***Travel:*** Travel costs must relate directly to grant activities; costs typically include travel to the Fund for monitoring and oversight purposes or participation in advisory committee meetings, to disseminate project findings at professional conferences, and to conduct interviews or surveys as they relate to the project. The Fund supports coach class travel and encourages the use of cost-savings booking processes, such as utilizing discounted university or association rates, wherever possible. Prospective grantees should check with their program officer to assure that adequate travel expenses have been budgeted to allow for possible trips to the Fund during the grant period.

    Budgets should use the following average rates:

    - $1,100/trip for a one-night trip (includes coach airfare, hotel, food, ground transportation)

    - $500/trip for a one-day trip between New York and Boston or New York and Washington, D.C. (includes coach airfare or regional Amtrak, food, and ground transportation)

    - $1,500/trip for a two-night trip (includes coach airfare, hotel, food, ground transportation).

    The grantee may propose different rates (higher or lower) with appropriate justification.

Pursuant to IRS regulations, travel expenses may not be paid directly to or on behalf of U.S. government officials or employees (state, local, or federal governments) for meetings held outside of the United States, including Puerto Rico.

5. *Honoraria/Consulting Fees:* Honoraria, when applicable, should not exceed $500 per day. Consulting fees will be reviewed on a case-by-case basis. Honoraria or consulting fees may not be paid to officials or employees of federal, state, and local governments, individuals who receive funding from a federal agency through an I.P.A (Intergovernmental Personnel Act) agreement, or employees of a private, operating, or community foundation.

6. *Equipment:* The Fund does not support the purchase of equipment or other capital expenditures in its grant budgets.

7. *Communications/Publications:* Cost estimates for any communications and dissemination activities included in the work plan should be covered in the budget. The Fund does not support printing or reprinting costs of publications but will support digital design. To reduce costs, the Fund may provide in-kind support from its own Communications department in preparation of publications.

8. *Overhead:* The Fund's indirect cost policy allows overhead to be charged at a rate up to 15 percent of total direct costs, with some exceptions as noted below.

   The 15 percent allowance is intended to cover items such as rent, utilities, office furnishings and equipment, accounting/staff services, library services, liability insurance, and the time of the organization's chief executive, financial, and administrative officers. If any of these charges is included on a budget line, then the sum of that charge and the indirect charge should not exceed the 15 percent allowance.

   Additionally, the Fund requests that the following items are **excluded** from the direct cost base for the indirect cost calculation (if applicable):

   - Consultants, contractors, and sub-awards*
   - Fee-for-service charges, including data purchase
   - Tuition and stipends for Commonwealth Fund-approved fellowship programs. The Commonwealth Fund does not provide direct or indirect funding for tuition, stipends, or non-Fund fellowship programs

   *If a subcontract budget does not include overhead expenses, the project budget may include the subcontract amount in the direct cost base for the indirect cost calculation. The exception is for for-profit subcontractors, as the Fund does not support indirect costs for-profit entities.

   This indirect policy applies to all nonprofit organizations and does not apply to budgets from for-profit entities, private foundations, or government agencies. For these entities, Commonwealth is unable to support indirect costs due to IRS regulations.

9. *Subcontracts:* All the above guidelines apply to subcontract budgets.