



STAR | STRENGTHENING
ADMINISTRATION
OF RESEARCH

Workshop Series

STAR Workshop #9

Budget Development for Research Proposals

Jeremy Knight, Director, Research Development, Division of the Vice-President,
Research & Innovation (VPRI)

Peter Schwarz-Lam, Manager, Projects & Process Optimization, VPRI

Cintia Cristia, Strategic Research Development Officer, OVPRI, Scarborough

Thursday, May 23, 10:00am – 11:30am

Reminders

- Please mute your audio and turn off your video.
- We will have time for questions at the end of the session. Please type your questions into the chat box.
- Turn on captioning if needed.
- We will be recording today's session.
- Slides and recording will be shared following the session.



Access Check

- Access is a shared responsibility between everyone in this workshop
- If there is anything (presenter screen, sound, general tech issues) that may affect your participation in this session, please use the Zoom chat to send a private chat message to **Won Yoo**

Land Acknowledgement

"I (we) wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional land of the Huron-Wendat, the Seneca, and the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land."

Agenda

- Building effective research budgets
- Developing your budget with TAGFA in mind
- Audience activity
- Questions & answers

Learning Outcomes

By the end of the workshop, audience members will be able to...

- Support staff and faculty in developing budgets for funding proposals with more accuracy and confidence
- Identify the most common research-related expenses and learn how to project their costs
- Draft a budget that aligns with a research proposal's goals

Poll Question

What do you find most challenging about budgeting for research development?

- a) calculating compensation for research personnel
- b) projecting costs for knowledge mobilization
- c) interpreting and applying funding agencies' guidelines (e.g., eligible costs vs ineligible costs)
- d) identifying issues when reviewing budgets prepared by other individuals
- e) other (you can put your answer in the chat)



Credit: Opinion icons created by noomtah

Building Effective Research Budgets

Jeremy Knight, Director, Research Development, Division of the Vice-President, Research & Innovation (VPRI)

Why Budgeting Matters

Research costs money

Of course, we need to develop accurate budgets that truly reflect the amount of funds and actual costs needed for researchers to conduct their projects

Risk management

A good budget provides clear visibility to all parties and minimizes the chances of delays, unforeseen cost pressures, and over/underspending

Strengthens the proposal

The quality of the budget and its accompanying justification is sometimes an evaluative component of the review assessment (*scored: [CFI](#), [SSHRC Insight](#); not scored but separately assessed: [CIHR Project](#), [NIH Project](#)*)

The Essentials

To prepare a budget, you must:

Check and align with the sponsor's policies

- What expenses are eligible? Which aren't?
- What is the indirect cost rate?
- Are any matching contributions required?

Learn and adhere to the institutional policies

- U of T has a range of university-wide policies, e.g. [procurement](#), [staff collective agreements](#), and [travel](#) for research
- At the divisional level, each Faculty/Department has its own policies, costing methodologies, financial thresholds, and research supports

Compensation



Stipendiary

- Typically paid to students
- Most commonly as part of a graduate student funding package, to support the student in pursuit of their degree & academic goals
- T4A – not employment

Salary

- Personnel in this category include:
 - Postdoctoral Fellows ([if paid from grant](#))
 - Research Assistants
 - Research Associates
 - Research Technicians
 - In *some* cases: admin staff/project managers
- T4 – employed positions

Supplies / Consumables



Typically used up during the course of the project

e.g. books, software, chemicals, computer accessories, glassware, personal protective equipment (PPE)

Services



e.g. open access fees, graphic/technical design, shipping, specialized analyses, transcription, core facility user fees, hospitality and events, maintenance/service contracts (*beyond initial vendor warranties*)

Equipment

Typically has a useful life of more than one year and costs \$000's

CIHR [defines equipment](#) as a useful life > 1 yr and costing > \$2000

U of T [defines a capital asset](#) as a useful life > 1 yr and costing > \$5000



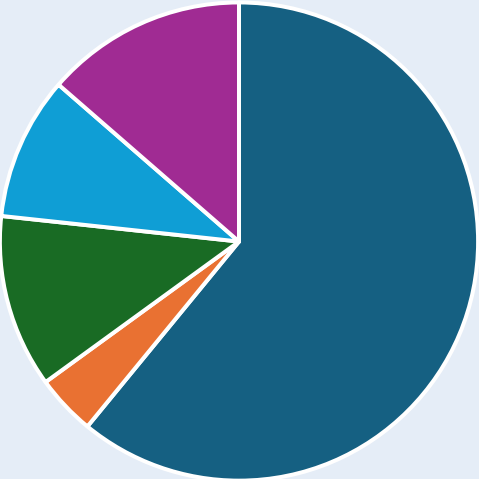
Travel

Common purposes for research travel include: attending conferences/workshops, field work and data collection, and access to unique resources



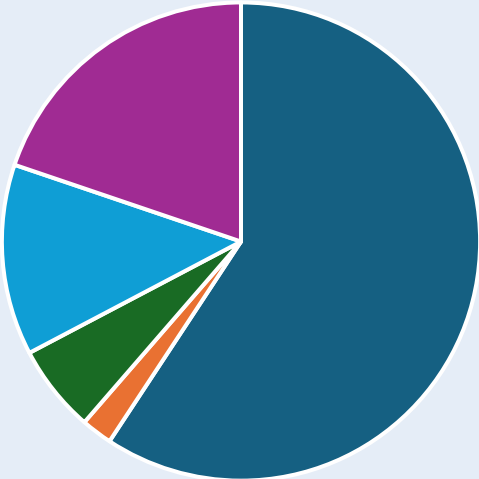
Expenditure Analysis – Tri-Agency

NSERC Discovery



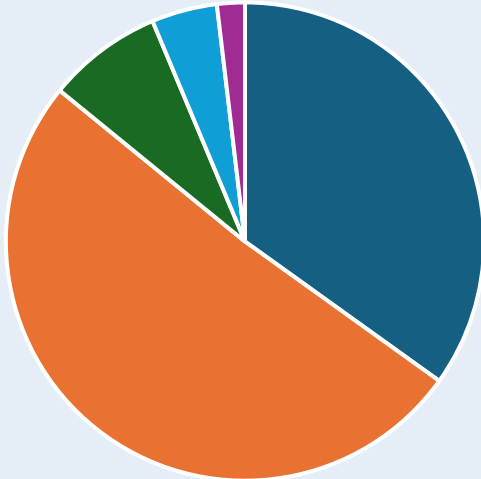
~\$150K per grant

SSHRC Insight



~\$175K per grant

CIHR Project



~\$850K per grant



From FIS - large randomized samples of Discovery, Insight, and Project Grants, 2018-2024

Other Considerations

Budget Justification

Does the writing align with the numbers? Are the costs clearly justified and calculated?

Two structuring strategies:

- Build your justification in line with the chronological order of project milestones
- List your expenses in the same order as they're listed in the sponsor's budget template

Subgrants / Internal Transfers

Will the PI be distributing funds to any co-investigators? If so, consider if this has impact on your budget

Institutional / Partner Contributions

Might be mandatory or optional. Might be cash or in-kind.

You need a consistent and justifiable approach to calculating them. SSHRC has a [helpful resource](#)

Poll Question

Which best describes your role in proposal (pre-award) budgeting?

- a) Regularly work with applicants to help forecast and justify grant expenses and institutional contributions
- b) Review completed proposal budgets to ensure accuracy and alignment with institutional policies, rates, etc. before submission to sponsor
- c) No involvement with pre-award budgeting - only post-award financial administration, i.e. spending, reporting
- d) None of the above



Credit: Opinion icons created by noomtah

Developing your Budget with TAGFA in Mind

Peter Schwarz-Lam, Manager, Projects & Process Optimization, Division of the Vice-President, Research & Innovation (VPRI)

What is TAGFA?

- **TAGFA** = **T**ri-**A**gency **G**uide on **F**inancial **A**dministration
- Provides a framework for institutions to determine eligibility of expenses **in accordance with their own policies and procedures.**
- Follows a **principles-based model** for governing the appropriate use of grant funds.

The screenshot shows the top portion of the TAGFA website. At the top is the Canada wordmark. Below it is a blue navigation bar with the text 'Tri-agency Financial Administration'. A search icon and a menu icon are in the top right corner. Below the navigation bar is a breadcrumb trail: 'Home > Inter-agency > Tri-agency financial administration > Tri-agency Guide on Financial Administration'. To the right of the breadcrumb is a red 'Login' button with a dropdown arrow. The main heading is 'Tri-agency financial administration'. Below that is a sub-heading 'Tri-agency Guide on Financial Administration'. The main text area contains a paragraph: 'The Tri-agency Guide on Financial Administration was recently revised to reflect the participation of all three granting agencies—the [Canadian Institutes of Health Research \(CIHR\)](#), the [Natural Sciences and Engineering Research Council of Canada \(NSERC\)](#) and the [Social Sciences and Humanities Research Council of Canada \(SSHRC\)](#). Changes made to this year's guide supersede the last version (April 1, 2023) of the Guide and take effect on April 1, 2024. The [Summary of changes](#) is now available.' Below this is a section titled 'On this page' with a sub-heading 'Part 1: About this guide' and a bullet point: '• [Context and purpose](#)'.

Canada

Tri-agency Financial Administration

Home > Inter-agency > Tri-agency financial administration > Tri-agency Guide on Financial Administration

Login

Tri-agency financial administration

Tri-agency Guide on Financial Administration

The Tri-agency Guide on Financial Administration was recently revised to reflect the participation of all three granting agencies—the [Canadian Institutes of Health Research \(CIHR\)](#), the [Natural Sciences and Engineering Research Council of Canada \(NSERC\)](#) and the [Social Sciences and Humanities Research Council of Canada \(SSHRC\)](#).

Changes made to this year's guide supersede the last version (April 1, 2023) of the Guide and take effect on April 1, 2024. The [Summary of changes](#) is now available.

On this page

Part 1: About this guide

- [Context and purpose](#)

But wait! Isn't TAGFA *post*-award?



Credit: CartoonStock.com

Factors Determining Use of Grant Funds

Appropriate use of grant funds and expense eligibility are determined according to the following factors:



Program / Funding
Opportunity

Principles on Use of
Grant Funds

Directives on Expense
Types

Institutional Policies

Program / Funding Opportunity

- Unique to the goal of the program or funding opportunity.
- Can be cited specifically as eligible (or ineligible) in the funding opportunity description.
- May include:
 - expenses otherwise not normally considered eligible on Tri-Agency grants;
AND/OR
 - ineligible expenses that are normally eligible on Tri-Agency grants.

Principles on Use of Grant Funds

Grant expenditures must:

1. contribute to the **direct costs of the research/activities** for which the funds were awarded, with benefits directly attributable to the grant
2. not **otherwise be provided by the administering institution** to their research personnel
3. be **effective and economical**
4. not result in **personal gain** for members of the research team

Principles on Use of Grant Funds

Grant expenditures must:

1. contribute to the **direct costs of the research activities** for which the grant is intended, which are **reasonable and allocable** to the project.
2. not constitute **personal gain** to the investigator or any other individual.
3. be **effective and economical**.
4. not result in **personal gain** for members of the research team.

Fine, but what does that actually mean?

What Does it all Mean?

What are direct costs?

- Essential expenditures that would not have been incurred had the grant not been undertaken.

What makes an expense “effective and economical”?

- It achieves the intended outcome with due regard for minimizing cost by avoiding unnecessary expense. Does not necessarily mean the lowest cost.

What does “provided by the administering institution mean”?

- If an administering unit normally provides a good or service, it cannot be charged to the grant.

What is personal gain?

- A benefit or advantage to a particular person, including the grant recipient and/or member of the research team, rather than to the grant-funded research/activities.

Directives on Expense Types



Employment and Compensation



Goods and Services



Travel and Travel-Related Subsistence



Hospitality



Gifts, Honoraria, Incentives



Directives: Employment & Compensation

Eligible

- ✓ Individuals employed to work on funded research/activities can be compensated from the grant funds (with exceptions; see Ineligible section *)
- ✓ International Researchers (employer must attest, by letter, that the individual is not being compensated by the employer for time spent on the grant)
- ✓ Mandated compensation benefits
- ✓ ****NEW - 2024**** Compensation to Indigenous Elders, Knowledge Keepers, or Indigenous People affiliated with not-for-profit organizations who are not already being compensated for conducting research

Ineligible

- ✗ * Grant recipients or individuals who conduct research independently as part of the terms and conditions of their employment (*except* international researchers; see above)
- ✗ * Individuals expected to work on the funded research/activities free of charge
- ✗ * Individuals employed and compensated by another organization for the time spent on the funded research/activities



Directives: Goods & Services

Eligible

- ✓ Goods and services expenditures, in accordance with the four principles and U of T procurement policies

Ineligible

Consulting fees to:

- ✗ Grant recipients or individuals who conduct research independently as part of the terms and conditions of their employment
- ✗ Individuals expected to work on the funded research/activities free of charge

Directives: Travel & Related Subsistence

Eligible

- ✓ Travel and travel-related subsistence claimed in accordance with the Guide to Financial Management (GTFM)
- ✓ Claimed for the grant recipient and other individuals who contribute to the funded research/activities

Ineligible

- ✗ Alcoholic beverages



Directives: Hospitality

Eligible

Hospitality costs must be directly related to the funded research and be incurred for:

- ✓ Networking purposes provided in the context of a formal courtesy or as a form of cultural respect
- ✓ Activities in the context of assemblies or gatherings that facilitate and contribute to achieving the research objectives
- ✓ Where one or more of the individuals participating is not a member of the research team and not involved in the day-to-day funded research/activities

Ineligible

- ✗ Alcoholic beverages
- ✗ Costs incurred for interactions between participants involved in day-to-day funded research/activities



Directives: Gifts, Honoraria, Incentives

Eligible

Gifts, honoraria and incentives can be offered to an individual/group *:

- ✓ when participation is voluntary
- ✓ as a “thank you” for a service for which fees are not traditionally paid
- ✓ as a token of appreciation, respect and/or goodwill
- ✓ when prescribed by cultural heritage/established traditions
- ✓ as a formal courtesy

Ineligible

Gifts, honoraria and incentives cannot be offered to:

- ✗ grant recipients or individuals who conduct research independently
- ✗ a member of the grant team

* **Note:** The provision of gifts and incentives to participants requires the prior approval of the appropriate Research Ethics Board.

Institutional Policies

- The TAGFA relies heavily on institutional policies, processes, and supports to assess the appropriate use of grant funds.
- Examples:
 - U of T Guide to Financial Management (GTFM)
 - U of T Governing Council Policies
 - Other: PSEC Policies, Divisional HR Offices, AAPM, SGS Policies, etc.

Hot Topics in TAGFA and Budgeting

- Direct vs. indirect costs
- Consulting fees: Who is eligible
- Gifts and honoraria: When are they appropriate
- Equipment and services: Personal use vs. research application
- Travel and dependant care expenses

Tips

- ✓ **Start early!** Begin planning your budget early in the proposal development process so you don't have to scramble at the last minute.
- ✓ **Know the guide!** Read through the TAGFA and understand the principles and directives. But don't stop there! It's important to familiarize yourself with the specific requirements of the program / funding opportunity.
- ✓ **Ask for help!** Take advantage of divisional and central supports and services, including your divisional HR office, graduate office, financial services, or VPRI, depending on your question.

Resources & Learning Tools

Tri-Agency Resources

- [Tri-Agency Guide on Financial Administration](#)
- [Frequently Asked Questions](#)
- [Roles and Responsibilities](#)



VPRI Resources

- [VPRI – TAGFA Renewal website](#)
 - Training Tools
 - Frequently Asked Questions
- [U of T TAGFA Companion](#)

General U of T Resources

- [Guide to Financial Management \(GTFM\)](#)
- [FAST Team website](#)
- [Divisional HR office directory](#)

Poll Question

*Which of the following is **NOT** one of the four TAGFA principles?*

Grant expenditures must:

- a) not result in personal gain for members of the research team
- b) contribute to the direct costs of the research/activities for which the funds were awarded, with benefits directly attributable to the grant
- c) avoid unnecessary expense by using the lowest cost for a good or service
- d) not otherwise be provided by the administering institution to their research personnel



Credit: Opinion icons created by noomtah

Poll Answer

*Which of the following is **NOT** one of the four TAGFA principles?*

Grant expenditures must:

- a) not result in personal gain for members of the research team
- b) contribute to the direct costs of the research/activities for which the funds were awarded, with benefits directly attributable to the grant
- c) avoid unnecessary expense by using the lowest cost for a good or service**
- d) not otherwise be provided by the administering institution to their research personnel

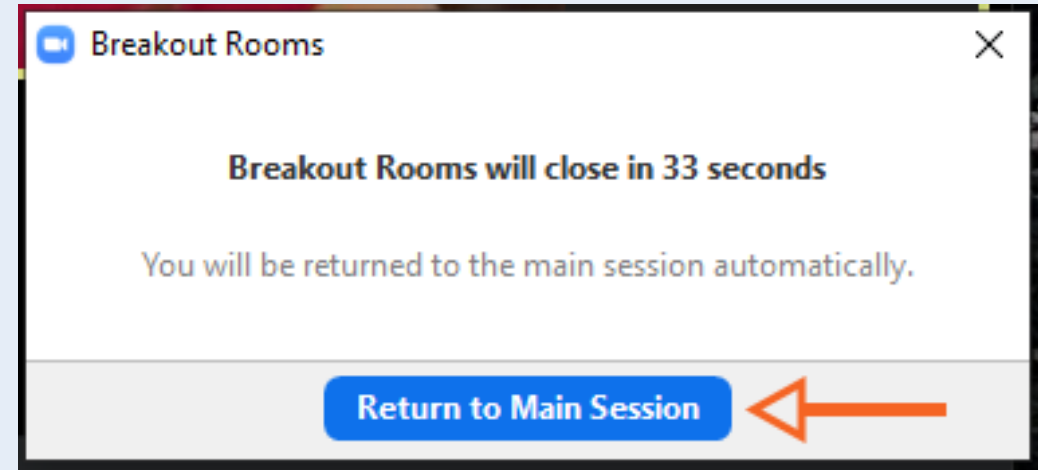


Credit: Opinion icons created by noomtah

Audience Activity

Cintia Cristia, Strategic Research Development Officer, Office of the Vice-Principal Research & Innovation, University of Toronto Scarborough

Breakout Rooms – what to expect



In the breakout room, please unmute yourself and turn on your video.

Instructions

1. Download Handout #1 from the chat. It contains an imaginary budget for a one-year term SSHRC Insight Development Grant
2. Accept the Breakout Room invitation
3. Working with your group,
 - a. Find six issues in the provided budget,
 - b. Describe each type of issue, and
 - c. Suggest a solution
4. After 15 minutes, meet us back in the Main Room for a general discussion

Note: At the end of the workshop, download Handout #2 (Activity with Answer Key)

Let's Discuss!

Audience Activity

Instructions: Find the **six issues** in this budget, then identify the type of issue and suggest a solution. Assume that applicable taxes have been incorporated into all costs.

Type of budget: SSHRC Insight Development Grant (IDG)

Period: 1 year (July 1, 2024 to June 30, 2025)

Category of expense	Amount	#	Type of issue	How to solve it
PERSONNEL COSTS				
Students Salaries and Benefits/Stipends				
2 Master of Art student annual stipends (\$10,000 per student), from July 1, 2024 to June 30, 2025	\$20,000			
Graduate Research Assistant 1 10 h/week, from September 1, 2024 to December 22, 2024 = 120 h @ \$33/h (includes 10% benefits)	\$3,960			
Graduate Research Assistant 2 10 h/week, from September 1, 2024 to December 22, 2024 = 160 h @ \$22/h (includes 10% benefits)	\$3,520			
Gift cards to 48 research participants @ \$50 each	\$2,400			

Issue #1

<p>Graduate Research Assistant 1 10h/week, from September 1, 2024 to December 22, 2024 = 120 h @ \$33/h (includes 10% benefits)</p>	<p>\$3,960</p>	<p>1</p>	<p>The total number of hours is incorrect; thus, the total dollar amount is incorrect</p>	<p>Rectify the total and recalculate: 10 h/week * 16 weeks = 160 h 160 h @ \$33/h = \$5,280</p>
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Audience Activity

Instructions: Find the **six issues** in this budget, then identify the type of issue and suggest a solution. Assume that applicable taxes have been incorporated into all costs.

Type of budget: SSHRC Insight Development Grant (IDG)

Period: 1 year (July 1, 2024 to June 30, 2025)

Category of expense	Amount	#	Type of issue	How to solve it
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Graduate Research Assistant 2 10 h/week, from September 1, 2024 to December 22, 2024 = 160 h @ \$22/h (includes 10% benefits)	\$3,520			
Gift cards to 48 research participants @ \$50 each	\$2,400			

Issue #2

<p>Graduate Research Assistant 2 10h/week, from September 1, 2024 to December 22, 2024 = 160 h @ \$22/h (includes 10% benefits)</p>	<p>\$3,520</p>	<p>2</p>	<p>The hourly rate differs between GRA 1 and GRA 2. This inconsistency could be flagged by reviewers</p>	<p>Justify the rate difference by indicating if these are Master's or PhD students, or by detailing the type of work that the GRAs would be doing</p>
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Audience Activity

Instructions: Find the **six issues** in this budget, then identify the type of issue and suggest a solution. Assume that applicable taxes have been incorporated into all costs.

Type of budget: SSHRC Insight Development Grant (IDG)

Period: 1 year (July 1, 2024 to June 30, 2025)

Category of expense	Amount	#	Type of issue	How to solve it
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Graduate Research Assistant 2 10 h/week, from September 1, 2024 to December 22, 2024 = 160 h @ \$22/h (includes 10% benefits)	\$3,520			
Gift cards to 48 research participants @ \$50 each	\$2,400			

Issue #3

Gift cards to 48 research participants @ \$50 each	\$2,400	3	Gift cards to research participants is not a compensation expense, and individuals are not paid as personnel via payroll	Move this line to Other Expenses
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Non-Students Salaries and Benefits/Stipends			
TRAVEL AND SUBSISTENCE COSTS			
Applicant/Team Members			
Return economy airfare ticket for PI (Toronto-Madrid) to attend an academic conference in April 15-18, 2025	\$1,200		
Hotel for PI and guest in Madrid, for four nights @ \$250 each night, per person	\$2,000		
Passport renewal for PI	\$600		

Issue #4

Hotel for PI and guest in Madrid, four nights @ \$250 each night, per person	\$2,000	4 Accommodation for guests is not eligible, unless the guest is a dependant, as per the Guide to Financial Management (refer to Travel and Other Reimbursable Expenses, Policies and Guidelines, Allowable Miscellaneous Business-Related Items, item #10)	Remove guest from calculation or provide justification as to whether guest is a dependant
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TRAVEL AND SUBSISTENCE COSTS			
Applicant/Team Members			
Return economy airfare ticket for PI (Toronto-Madrid) to attend an academic conference in April 15-18, 2025	\$1,200		
Hotel for PI and guest in Madrid, for four nights @ \$250 each night, per person	\$2,000		
Passport renewal for PI	\$600		

Issue #5

Passport renewal for PI	\$600	5	Personal expenses are not eligible	Remove from budget
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NON-DISPOSABLE EQUIPMENT			
iPad for data collection	\$1,500		
OTHER EXPENSES			
Administrative support from Departmental Financial Officer	\$3,735		
Hosting for project website (one year)	\$150		
Printed materials	\$300		
48 Parking passes for research participants @ \$5 each	\$240		
TOTAL	\$39,605		

Issue #6

NON-DISPOSABLE EQUIPMENT				
iPad for data collection	\$1,500			
OTHER EXPENSES				
Administrative support from Departmental Financial Officer	\$3,735	6	Overhead is ineligible	Remove from budget
Hosting for project website (one year)	\$150			
Printed materials	\$300			
48 Parking passes for research participants @ \$5 each	\$240			
TOTAL	\$39,605			Update the total once issues are solved.

How well did you do?

- 6/6 Wow! You are a budgeting pro 😊
- 5/6 Very good indeed! You are on your way to mastering this skill.
- 4/6 Good! You are quite comfortable budgeting.
- 3/6 Not bad! You already understand the basics of budgeting.
- 0-2/6 No worries! You will get better in no time. Review the recording of today's session and let us know if you have any questions.

Questions & Answers



Feedback, please!



Thank you!