



## Proposal Development

### I. Budgeting

Budgeting is one of the most important aspects of writing a grant proposal and requires review and approval by ORSP staff. Please contact a member of the ORSP team for guidance and assistance constructing your project's budget, keeping the following considerations in mind:

#### **Is cost sharing, course release or assigned time required?**

If cost sharing is required or intended, you will need to discuss it with your chair and associate dean before submitting a proposal and work with ORSP to properly draft a budget. Please refer to Reassigned Time and Match Guidelines and note on the ITA form if any cost sharing is indicated in the sponsor's guidelines. Please review LMU's Cost Sharing Policy for more information.

#### **Does the sponsor allow indirect costs or F&A paid to the institution?**

Indirect Costs, or Facilities & Administrative costs, are a required component of your budget unless restricted or not allowed by the sponsor. If permitted, you must calculate F&A as a separate line item in your budget using LMU's current rate of 43.9% of all modified total direct costs (MTDC). If the funder restricts F&A at a lower rate, then apply the agency's restricted rate instead. Project budgets that do not include indirect costs in their budget must provide evidence of sponsor restriction in writing or apply for an Indirect Cost Waiver. Please refer to LMU Institutional Profile for more information.

#### **Can a PI request an F&A waiver?**

It is LMU policy to charge all externally funded projects the full federally negotiated indirect cost rate as applicable. According to Section 4 of the Facilities and Administrative Cost Policy, "the F&A rate may be reduced or waived only under extraordinary circumstances with the written approval of the Dean/Director, the Chief Academic Officer, and the Controller. The Loyola Law School required approvals for waivers of F&A are the Dean and Associate Dean for Finance and Administration. Any F&A funds not recovered can be considered part of the University's cost-share for the project unless specifically prohibited by the sponsor.

#### **How are fringe benefits calculated?**

Fringe benefits are required on all budgets featuring LMU-employees and are calculated as 35% of total personnel costs on non-federal grants. For federal grants only, the current federally-negotiated fringe benefit rate used is 27.9% of all employee salaries and wages.



University Hall  
1 LMU Drive, UH 3000  
Los Angeles, California  
90045-2659

T 310.338.4599  
310.338.5193  
[www.lmu.edu](http://www.lmu.edu)

### **What type of expenses are not allowed?**

Read the funder's guidelines carefully and follow all instructions regarding cost exclusions. Do not include any listed unallowable items in your budget. For example, most federal grants do not allow alcohol or office supplies charged to a grant, while many non-profit foundations will not fund salaries or indirect costs.

### **Be reasonable and stay in scope!**

Carefully consider the many aspects of your project and all expenses necessary to ensure your project's success and completion. ORSP staff are available to assist with cost determinations.