ATTACHMENT 1

PROPOSAL FORMAT

A. Cover Page

Programs should use the ORS sample of a cover page (Attachment 2) for proposals to sponsors that do not specify a required format.

B. Budget

Budgeting is the process whereby the proposed scientific and technical scope of work is translated into an itemized and systematic plan of operation, expressed in dollars over a defined period of time. The program budget provides the sponsoring agency with an opportunity to examine the composition and viability of the proposed program/activity.

Unless otherwise specified by the sponsoring agency, proposal budgets should be in the following format:

1. Salaries - This section covers all salary requirements and should identify the types of personnel, an estimate of the number of months and percentage of full time effort each will devote to the sponsored activity, the salary rate, and the total amount of salaries to be paid from the proposed grant or contract. Salaries are payments made by an employer to an employee and are not interchangeable with other forms of support (i.e. scholarships/fellowships/stipends). Names and titles of all key personnel and senior professional staff should be identified, whether a part of their salaries are to be directly charged to the project or pledged as UH cost sharing/matching. Cost sharing/matching funds must be checked and cleared through the appropriate UH official (see Section 5 of AP 12.410 for details). Salary rates included in the proposed Budgets are only estimates and should be noted as such. Actual salaries are set at the time of appointment or extension, in accordance with current salary scales and relevant UH policies.

2. Off-Duty Period Salaries – Compensation for work performed by eligible faculty and staff on the proposed program during the summer or other off-duty period should be properly identified and budgeted for. The use of overload should be discussed with department AO or FA, ORS, UH Office of Human Resources, and made in accordance with any specific policies of the sponsoring agency.

3. Anticipated Salary Increases - Provision for anticipated collective bargaining increases, as well as for pending promotions or upward position reclassification and re-pricing must be properly budgeted for in the proposed
funding application to sponsors. These increases should be considered for any program that extends beyond June 30th or for more than one year. Budgeted salaries should be properly footnoted to explain the types of anticipated salary increases, the rate of increase, and the period for which the increases apply.

**Employee Benefits** - employee fringe benefits are treated as a direct program cost and must be provided for as an expense in the proposed program budget whenever salaries are identified. The current fringe benefit rates to be used for budgetary purposes are provided at [http://www.ors.hawaii.edu/index.php/rates/102-quick-links/rates/98-fringe-benefit-rates](http://www.ors.hawaii.edu/index.php/rates/102-quick-links/rates/98-fringe-benefit-rates).

### C. Direct Program Costs

1. **Travel** - Indicate the number and estimated cost of trips as well as the destinations (if known) and the number of individuals for each trip. If the exact location is not known, the general geographic location should be specified. The estimated cost should be itemized by air fare or other mode of transportation, the number of days of per diem and daily rate, registration and conference fees, ground transportation, excess baggage and handling charges, and other related travel expenses. Most sponsors require a statement regarding the purpose of each proposed travel and its relevance to the sponsored program, particularly in connection with foreign travel. Some sponsors require prior approval of foreign travel. Foreign travel is defined as any travel outside of Canada and the United States and its territories and possessions.

2. **Equipment Purchases** - Each equipment item costing more than $5,000 with a life expectancy of more than one year should be listed by type, manufacturer, and model number. Catalog or estimated prices including anticipated price increase (with proper justification), shipping, insurance, and custom fees (for foreign purchases), delivery and installation charges (if any), and applicable taxes should be included as part of the cost of equipment acquisition. Catalog prices and written vendor quotations should be retained as supporting documentation. If equipment needs are not definite, probable choices should be listed with estimated costs. Where it is difficult to predict the types and quantities, such as for the overhaul and restoration of a major system, circumstances justifying needs should be fully explained.

3. **Fabricated Equipment** - The nature of the equipment to be fabricated should be properly identified with a detailed breakdown of component purchases, material and supply items, UH or RCUH recharge center services, consultant fees, and sub-contract requirements. If the cost estimate is based on historical experience, documentation of supporting costs should be made available for pricing review by the sponsor or Defense Contract
Audit Agency (DCAA). The total charges related to the equipment fabrication shall be ultimately recorded as "equipment" charges by the UH.

4. **Materials and Supplies** - Materials and supplies should be identified by major categories with the estimated costs for each category. An indication of how the estimates were arrived should be provided. Prior year accounting records or other documentation may be used to support these estimates.

5. **Consultant Fees** – Costs for professional and consultant services of a particular profession or special skill required in the performance of a proposed activity should be properly justified and budgeted. To the extent possible, consultant fees should list all component costs, such as, rate of service fees, travel expenses, etc. Since intra-University consulting is assumed to be undertaken as part of the normal faculty workload, extra compensation in addition to full-time base salary during the on-duty period (a.k.a. “overload”) should not normally be budgeted for; this principle shall generally apply to all faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member within the UH.

6. **Other Costs** - This category includes all costs that can be specifically identified and are directly beneficial to the proposed program, such as, computer time, publication costs, telephone toll charges, etc. Items listed should be separately identified by class category with a justification for the estimated cost. For example, publication costs should list the number of pages to be published and the cost per page. All other direct costs listed should be supported in as much detail as possible and documentation should be retained by the department FA. Miscellaneous and contingency costs are not normally recognized by the sponsor and therefore should not be included.

D. **Cost Sharing and Matching** - Some federal sponsors require cost sharing/matching on awards. Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Since cost sharing/matching identified in proposals may become a contractual commitment of the UH, they should be kept to a minimum and be limited to those items that can be easily documented and verified, such as, salaries, wages and fringe benefits. Salary costs for Deans/Directors, administrative and clerical support personnel, and use of UH facilities and equipment shall not be utilized for cost sharing/matching since these costs are included as part of the University’s indirect overhead computation. Costs that are financed from federal sources cannot be used for sharing/matching purposes.
Moreover, the same costs cannot be utilized as cost sharing/matching on more than one federal award. Documentation for the cost sharing/matching must be obtained prior to proposal submission.

E. **F & A Costs** – Facilities & administrative (F&A) costs are real costs incurred by the UH that are common to all programs but which cannot be precisely assigned and charged to individual programs. F&A costs are those costs incurred for general administration support and maintenance and include expenditures relating to depreciation and use allowance, operation and maintenance, general administration and general expense, departmental administration expense, sponsored project administration, library expenses, and student administration and services. All proposals for external support should request for the full reimbursement of indirect costs as prescribed under AP 8.927.

F. **Unexpended Balance** - Proposals for the extension or renewal of existing sponsored activities may require an estimate of the unexpended balance anticipated upon expiration of the current grant or contract budget period. Considerable caution should be exercised in projecting unexpended balances since some sponsors apply the unexpended balance as partial funding support for the next budget period.