

## **THE ROBERT WOOD JOHNSON FOUNDATION BUDGET PREPARATION GUIDELINES**

An important component of your grant application is the preparation of a detailed budget and budget narrative, which links the funding you have requested with specific elements of your proposed project. Use your best judgment when projecting program expenses and timeline for the project.

### **Funding policies**

Foundation funds may not be used for lobbying activities. In addition, policy guidelines established by the Foundation's Board of Trustees usually preclude funding support solely for:

- Ongoing general operating expenses or existing deficits
- Items for which third-party reimbursement is available
- Endowment or capital costs, including construction, renovation, or equipment
- Basic biomedical research
- Research on unapproved drug therapies or devices
- International programs or institutions
- Grants made directly to individuals as opposed to institutions/organizations.

Applicants should carefully read the "Request for Project Support and Conditions of Grant" form, which must be signed as part of your application package. This document contains information regarding the legal, financial, communications, and program responsibilities of our grantees.

### **Budget negotiation process**

Your proposed budget will be reviewed and negotiated to ensure that it meets the goals and objectives of your proposed project and that it is consistent with Foundation policies. Therefore, during budget negotiation, your budget may need revisions.

During the budget negotiation process, Foundation staff may decide to eliminate a line item or support only a percentage of the funding requested for a particular line item. In these cases, you may need to identify and specify other sources of support.

### **General guidelines for budget submissions**

The budget is divided into two parts: a *line-item budget worksheet* and a *budget narrative*.

A sample line-item budget worksheet is located at the end of this document. The worksheet shows the format for the line-item budget and is where you list costs associated with the proposed project. You will complete one worksheet for each budget period as well as a consolidated budget for the *entire* grant period.

The budget narrative is where you describe how the funds requested for each line item will be spent and how the amount was determined. You will provide a separate narrative—providing as much detail as possible—for every line item for which you request funds.

For grant proposals that require funding for more than one year, the budget is usually divided into twelve-month periods. If your project warrants it, you may request periods of other than twelve months, such as three eight-month periods or one fifteen-month period and one nine-month period. Occasionally, a project may be for an uneven length of time. For example, if a grant lasts 27 months, the budget may be prepared utilizing two twelve-month budgets and one three-month budget. The three-month budget can be either at the beginning or the end of the proposed grant period. A line-item budget worksheet and budget narrative must be prepared for each year/period for which you are requesting Foundation support. A consolidated line-item budget worksheet should be prepared for the *entire* proposed grant period.

A column labeled "Non-RWJF Support" is included on the line-item budget worksheet. The Non-RWJF Support column is where you enter the dollar amount of project support being provided by funders other than RWJF. This column must be completed if other sources of funds are to be applied to the line items in the budget. The budget narrative for the relevant line item(s) should state the source, dollar amount, and purpose of the funds and whether the funds are cash or in-kind. In-kind support is defined as contributed services or time, such as a percentage of an individual's time, free duplicating and printing support, contributed meeting space and audio visual support, etc. For example, if a Project Director is to be partially funded by the Foundation and partially by his/her institution, the institution's commitment should be listed in dollars as "Non-RWJF Support" and designated as in-kind.

Questions regarding the preparation of the budget and budget narrative for a proposal to be submitted to The Robert Wood Johnson Foundation should be directed to your Grants Administrator. For grants to be awarded under a RWJF National Program, contact the National Program Office designated in the Call for Proposals. If you do not have a Grants Administrator or are not applying for a grant under a RWJF National Program, you may contact us at (609) 627-5845.

### **Specific guidelines for completing the worksheets and narrative**

This section provides definitions for each of the budget categories and line items, and explains how to provide the required information.

**PERSONNEL:** This category captures the personnel costs required to perform the project. In addition, please include in the budget narrative a detailed description of the activities, base

annual salary, and FTE (full-time equivalency or percentage of effort) of each position as it relates to the project. If applicable, multi-year projects should state the cost-of-living-adjustment percentage, or any other increases, being applied to the base salaries for each year of the project. For each position, state the amount requested from RWJF and the amounts being provided from non-RWJF sources. Costs identified under Personnel are only for project staff who are employees of the applicant organization. Costs for project staff who are not employees of the applicant organization should be entered under **Purchased Services**.

Do not list individual positions on the line-item budget worksheet. All positions are to be listed in the budget narrative under the appropriate subcategory with RWJF dollars requested, FTE and the amount of Non-RWJF Support. Only the total RWJF dollars, FTE, and amount of Non-RWJF Support should be entered on the line-item budget worksheet for each Personnel subcategory for each budget period. For example, assume that your project has a Principal Investigator and a Co-Principal Investigator budgeted for budget period 1. The dollars and FTE are \$50,000/.50 FTE and \$10,000/.10 FTE, respectively, with no Non-RWJF Support. The numbers entered on the line-item budget worksheet for budget period 1 for the subcategory Project Director/Principal Investigator would be \$60,000 RWJF Support, .60 FTEs, and zero under Non-RWJF Support.

The Personnel subcategories are as follows:

**Project Director/Principal Investigator:** Direct project time associated with such positions as project director, principal investigator, and co-principal investigators providing leadership to the project.

**Project Staff:** Time or salary costs attributable to such project staff as project manager, project coordinator, case manager, senior staff, etc. who provide direct input to the project. This subcategory includes staff titles with roles directly related to the technical and professional aspects of the project, such as nurses, epidemiologists, graduate students, research associates, scientists, research analysts, statisticians, economists, etc. This subcategory would exclude positions falling under the Project Director/Principal Investigator, Administrative Staff and Other subcategories.

**Administrative Staff:** Administrative support positions (such as receptionist, administrative assistant, program assistant, secretary), general clerical help, temporary help, coders, data entry, phone bank staff (callers), etc.

**Other Staff:** Any salary costs not covered under the other **Personnel** subcategories. For grants made under Scholars or Fellows programs (e.g., Clinical Scholars, Generalist Physician Faculty Scholars, etc), the stipend or salary for the scholar or fellow would be included in this subcategory.

**Fringe Benefits:** Should include all federal, state and local taxes as well as health insurance, tuition and other benefits provided to the employees. Indicate the percentage used to calculate the fringe benefit costs. If different rates were used for different

individuals, please explain the calculation for each individual. If the rate exceeds 35%, please provide a listing of the benefits included.

**Fringe Benefits Percentage Field:** The percentage used to calculate fringe benefits. If the rate varies depending upon position, show an average and explain the rates in the budget narrative for fringe benefits. Enter the percent as a decimal to the nearest thousandth, e.g., .175 and .260 for 17.5% and 26%.

**FTE Field:** Full-time equivalency (FTE) represents the total percentage of time, funded by the Foundation, staff under each personnel subcategory will spend on the project. Please enter the information as a decimal, e.g., .05 for 5% effort, .75 for 75% effort. The FTE entered on the line-item budget worksheet should be the total FTEs for each personnel subcategory. For example, if the Administrative Staff subcategory is comprised of an Administrative Assistant at .60 FTE, a Secretary at .20 FTE and a Data Entry Clerk at .50 FTE, the total FTEs for Administrative Staff entered on the line item budget worksheet would be 1.30.

**OTHER DIRECT COSTS:** These are direct non-personnel project-related costs excluding consultant fees and contracts. In the budget narrative, state the amount requested from RWJF and the amounts being provided from non-RWJF sources.

**Office Operations:** Includes Supplies, Printing/Duplicating, Telephone, Postage, Service/Maintenance Agreements, Software, Computer Usage (includes payment for costs associated with processing information on a mainframe computer or server), and Staff Training (e.g., computer training, time management training, writing and presentation courses and others as described by grantee) directly related to the project. Identify any other items that are not covered in the above-mentioned areas. In the budget narrative, list the items (Supplies, Printing/Duplicating, Telephone, etc.) being funded under this subcategory and the amount budgeted for each item. Report total Office Operations costs requested for each budget period on the line-item budget worksheet.

**Communications/Marketing:** Funds needed to increase awareness and visibility as well as to promote a project. Includes costs such as printing of brochures, newsletters, press kits, public service announcements, media training for staff, printing/publication of manuscripts, printing and dissemination of findings, etc., and non-personnel web site costs. Also includes the costs of producing a documentary or television show, comprising such items as scriptwriting, title design, filming and editing, scoring of the piece, fees paid for the rights to use another's music or written work, etc.

**Travel:** Travel by project staff and consultants directly related to the project. Includes costs such as travel to professional meetings to present project findings or promote the program or project, to attend RWJF meetings, travel to perform interviews or surveys, guest speaker travel, etc. This would also include stipends or scholarships to offset meeting participant travel expenses.

**If you are able to identify the specific destination and rates for airfare and lodging, please include the actual amounts in your budget and narrative.** Otherwise, please use the

Foundation's travel cost estimate of up to \$1,110 for a one night-one day meeting and \$1,360 for a two night-two day meeting where air travel is necessary. This figure includes airfare (\$760), lodging (\$175 per night), meals (\$75 per day), and ground transportation (\$100). If the meeting will be for more than two nights, add \$250 for each additional night for lodging and meals.

For local travel, you should use the mileage reimbursement rate approved by your organization.

Note: If you are applying for a grant under one of the Foundation's National Programs, you should budget a two-night stay (\$1,360) for two project staff to attend the National Program's annual meeting each year (total \$2,720 per year), unless otherwise directed by the National Program Office. You should check with the National Program Office regarding whether other grantee meetings or travel should be budgeted in addition to the annual meeting.

**Meeting Expenses:** Project-related expenses for meetings, including meeting room rental, audiovisual equipment rental, slide presentation costs, and meals/refreshments. Guest speaker fees should be included under the category **Purchased Services**, and speaker transportation, meals and lodging costs should be included under **Travel**.

**Surveys:** Costs associated with conducting surveys that do not fall under **Personnel** or **Purchased Services**. This would include items such as temporary help (interviewers, data coders, data entry clerks, etc.), polling costs, design and development of survey instruments, mailing of questionnaires, expenses related to telephone surveys (toll calls, 800 lines, additional temporary phone lines, etc.), printing and dissemination of findings, etc.

**Equipment:** Computers, printers, faxes, telephones, postage meters, etc. purchased or leased for use in the project. Itemize the equipment and provide unit and total costs.

**Project Space:** Space costs required as a result of this project. Includes the prorated costs of the occupied space or the actual costs of the additional space requirements. Provide the basis used to calculate the amount requested, e.g., \$20 sq. ft. X 500 sq. ft = \$10,000.

**Other:** Includes any cost not previously covered under **Other Direct Costs**. Purchased information would be included here, such as the purchase of data, purchase of mailing lists, purchase of manuscripts and publications, subscriptions to periodicals, magazines, journals, newsletters, etc. required as a part of the project.

### **PURCHASED SERVICES:**

The line item **Consultants** represents fees or honoraria paid to individuals for a specific service provided based on an agreed per diem rate. Some examples are proposal review, technical assistance, speaking engagements, and service on an advisory committee or board. Fees and honoraria may be budgeted using the Foundation's approved rate of \$500

per day for a full day of work. If a fee or honorarium will be more than \$500 per day, an explanation must be provided for the higher amount.

**Contracts:** Agreements entered into with specific deliverables and expectations negotiated for an agreed upon price over a specified period. The salaries and fringe benefits of personnel working on the project who are not employees of the applicant organization would be included under Contracts. State the amount requested from RWJF and the amounts being provided from other sources, the length of the contract, and the deliverables. Provide a budget for each contract or explain in the budget narrative how the amount requested was determined. If the specifics of the contract are not available during budget development, you will need to later submit a fact sheet (or a copy of the actual contract) once you have identified the contractor. The RWJF Contractual Agreements Guidelines, including the fact sheet format, are available at [www.rwjf.org](http://www.rwjf.org) under *Publications & Resources > Grant Reporting > Annual Grant Reporting*. The fact sheet (or actual contract) must outline the name of the contractor, the dates and dollar amount of the contract, and the tasks/deliverables to be provided.

The Foundation should not be listed as a party to the contract. The grantee maintains fiscal responsibility for its contracts, which includes reporting the expenses associated with the contract to the Foundation. We recommend that you consider including right to audit provisions and record retention expectations when negotiating contracts.

Do not spend any funds for contracts until the fact sheet and/or contract have been submitted and accepted.

**INDIRECT COSTS:** Indirect costs are overhead expenses incurred by the applicant organization as a result of the project but that are not easily identifiable with a specific project. These are administrative expenses that are related to overall operations and are shared among projects and/or functions. Examples include executive oversight, accounting, grants management, legal expenses, utilities, and facility maintenance.

The Foundation's approved rate is 12% of all RWJF costs (Personnel, Other Direct Costs, and Purchased Services) associated with the project. However, if the Purchased Services category represents more than 33% of the RWJF portion of the budget, the percentage allowed on this category is 4%. State the amount requested from RWJF and the amounts being provided from other sources.

**THE ROBERT WOOD JOHNSON FOUNDATION  
SAMPLE LINE ITEM BUDGET  
(Insert Institution Name)**

Grant Period: (from \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_)

Budget Period: (from \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_)

PROJECT YEAR 1 2 3 4 Consolidated (please circle)

**I. PERSONNEL:**

Position	Base Salary	FTEs	Total	RWJF Support	Non- RWJF Support
Project Director/Principal Investigator			_____	_____	_____
Project Staff			_____	_____	_____
Administrative Staff			_____	_____	_____
Other Staff			_____	_____	_____
Fringe Benefits (_____%)			_____	_____	_____
<b>SUBTOTAL</b>			_____	_____	_____

**II. OTHER DIRECT COSTS**

Office Operations			_____	_____	_____
Communications/Marketing			_____	_____	_____
Travel			_____	_____	_____
Meeting Expenses			_____	_____	_____
Surveys			_____	_____	_____
Equipment			_____	_____	_____
Project Space			_____	_____	_____
Other			_____	_____	_____
<b>SUBTOTAL</b>			_____	_____	_____

**III. PURCHASED SERVICES**

Consultants			_____	_____	_____
Contracts			_____	_____	_____
<b>SUBTOTAL</b>			_____	_____	_____

**IV. INDIRECT COSTS**

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**GRAND TOTAL**

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