

Effective Budget Preparation for Research Grants Proposal. An invited paper presented by Prof. C.C. Eze , Department of Agricultural Economics, FUTO, at workshop on Excellence in Strategic Grants Writing Held at SOPS Auditorium on Tuesday 2nd May, 2017 for Academic Staff of the Federal University of Technology Owerri, Imo State, Nigeria



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Introduction

- A proposal without a budget is incomplete
- identify proposal solicitor , read and understand the entire document announcing the need to apply before starting the write up.
- The solicitation may give guidelines , budgetary restrictions , limitations in direct or indirect costs .
- . total allowable funding limits, and cost share requirements, all of which must first be taken into consideration by the applicant.
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Introduction cont'd

- As a budget is being developed issues arise ,these could be resolved
- through the justification of the items of costs included in the budget.
- through a thorough market survey of the prices of items to be included
- ensuring that standards are met & making enquiries from experts

PURPOSE & IMPORTANCE OF A BUDGET

- A budget is
- a key element of most grant proposals
- serves as a blueprint for spending the project's funds.
- outlines the proposed project in fiscal terms and helps reviewers to determine how the project will be conducted.
- provides reviewers with an in-depth picture of how the project will be structured and managed.
- usually reveal whether a proposed project has been carefully planned and whether it would be ultimately feasible.

Purpose & importance of budget cont'd

- The proposed budget must give an accurate assessment of all cost items and cost amounts that are deemed necessary and reasonable.
- It should be complete .
- The project needs to be feasible within the budget presented.
- If major cost areas are omitted or underestimated, the project, as proposed, is dead on arrival and will not be feasible.

Purpose & importance of budget ...

- The decisions made now at the proposal stage will continue through the life of the grant, and others will make decisions based on it at future stages
- . It should be noted that a reasonable budget is one that is based upon actual costs.
- It will evolve into a useful management tool during negotiations, and, if the project is funded, the budget will become the financial plan used by the funding agency to provide support.

KINDS OF COSTS IN A RESEARCH PROPOSAL BUDGET

- Two major kinds of costs
- **Direct Costs:** materials and supplies (photo-copying, printing, stationeries , secretarial services), consumables,
- honorarium for research team (10% of project cost),
- chemicals, animal costs , glass wares, seeds and seedlings, postages, mailing, shipping , special space rentals, service fees,
- equipment,
- travel and transportation for field assistants, supervisors, team leader and co- researchers,
- questionnaire, personnel , professional and technical services/ contracts- statisticians, field assistants, data processors, subsistence cost,
- dissemination (workshops/ seminars)
- , Publication of research outcome, etc .
- **Indirect Costs:** . Examples are rent, utilities, insurance, bank charges, a
- administrative overheads (10% of total project cost eg. power and lighting, desks and chairs, cleaners and security, University Library

JUSTIFICATION OF THE BUDGET

- The justification help
- the research funder to understand the line of thought of the applicant
- properly show that the budget is reliable and effective
- that it would serve the purpose for which it was approved.
- explains the figures in the budget and links them back to the methodology.
- someone reading your application should be able to flip between your methodology, budget, and budget justification, and easily see what goes with what.

ITEMS TO BE JUSTIFIED IN THE BUDGET

- Personnel
- Fringe benefits/ Honoraria
- Travels & Transportation
- Equipment
- Consultants / Subcontracts
- Supplies & materials
- Hiring of one off assistants
- Facilities & Administrative costs
- Workshop/Seminar
- Publications

Vital questions a good budget must answer

- * who- the personnel requirement?.
- *What- the direct and indirect costs of the project? What period is the grant covering?
- *When-When will the research take place?
- *where-Where will the research take place?
- * how questions in the budget- considers a statement of all sources of income for the research which must be disclosed to the funder.

Coverage of a proposal

- Relevance and fit- response to local, national, regional development priorities
- Voice and inclusion – team composition, community
- Merit- conceptual soundness, appropriate study design, capacity strengthening strategy
- Gender, equity and rights considerations in conceptual, design and analysis
- Feasibility – adequate capacity of the team, viable study design and budget, identification and mitigation of risks .

ALLOWABLE AND UNALLOWABLE COSTS

- An applicant may have a well written proposal and still not win the grant due to the exclusion or inclusion of allowable or unallowable cost items in the budget.

Table 1 Simple research budget

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Budget items	Number of Items	Cost per Item	Total cash cost	In-kind cost	Notes
Owerri – Abuja economy airfare(study location , Nassarawa state)	1	N 50450	N50450		Air peace Airlines
1 Week accommodation	1	N10350 .	N72450		1 week stay by team leader
7 days per diem	7	N16500	N115500		FUTO Rules
Car hire for 8 days	8	N15000	N120000		Nassarawa transport corporation
Training of enumerators/ allowance	20	N12000	N240000		1day team leader
Tea break & lunch	21	N1230	N 25830		FUTO rules
Car hire to Niger State From Nassarawa state	1	N30000	N30000		Nassarawa transport corporation
1 week accommodation	8	N10350	N82800		1Week team leader
7 days per diem	7	N16500	N115500		FUTO travel rate
Car hire for 8 days	8	N13500	N108000		Niger transport line
Interpreter in local language	1	N3200	N3200		Local rate
Training of enumerators /allowance	20	N12000	N240000		1 day training
Tea break & lunch	21	N1230	N 25830		FUTO rules
Computer services	2weeks		N159284.80		10% of total cost
Salary of team leader for 8 days				45000	10% of basic
Supplies			N 363288		Aggregated cost of stationeries
Sub-total			N 1752132.80	N45000	
Overheads (office, light, utilities)			N175213.28		University overheads at 10%
Total			N1927346.08	N45000.00	

Table 2 : Project Timeline/Work Plan

Activity	Action Owners	Duration
Sample Selection from the study areas	Researchers	2 Weeks (January, 20..)
Preparation of survey instruments/ questionnaire,	Researchers	1 months (January – February, 20..)
Test for Validity and Reliability	Researchers	2 months (February – April, 20..)
Revision of Questionnaire	Experts/Researchers	2 weeks (April, 20..)
Hiring and training of enumerators	Researchers	1 months (May, 20..)
Field data collection and Secondary data collection	Enumerators/Researchers	6 months (June – November, 20..)
Coding and analysis of data	Experts/Researchers	3 months (December, 20.. – February, 20..)
Review of relevant literature	Researchers	1month (March, 20..)
First draft report preparation and presentation	Researchers	1month (April, 20..)
Final draft report preparation and submission for publication.	Researchers	1month (May, 20..)
Total		17 months (20../20..)

	and Strategic Marketing Advisor	BP; 7112 Ouagadougou 03 Burkina Faso
Mrs.	M.Sc. Geography and Rural Development and Livelihoods, Gender and Environment expert	Benue State University, PMB
Mrs.	M.Sc. Anthropologist and researcher	TNS RMS P.O.Box 72951,

BUDGET NARRATIVE

Item	Description	Amount (US \$)
Training of Enumerators	16 enumerators @ \$200.00/person	\$3,200.00
Training Allowance for Enumerators	\$75 per diem x 16 x 3days	\$3,600.00
Enumerators allowance	\$125 x 16 x 6 Months	\$12,000.00
Field Trip allowance for Researchers	\$250 per diem x 8 x 6 days	\$12,000
Sourcing of relevant secondary data	Access fees/sundry charges	\$2,000.00
Equipment		
• Laptop computers	2 Nos. @ \$955.41 each	\$1,910.82
• Digital video camera	Hiring	\$600.00
• Mobile printer	1Nos @ \$318.47	\$318.47
• Digital still cameras	Hiring	\$1400.00
• Handheld GPS receivers	Hiring	\$1,550.00
Coding and analysis of data		
• Expert fee	\$500.00 per expert x 3	\$1,500.00
• Software(Procurement/Licence)		\$3,900.00
Draft Report Preparation		
• Report production		\$1,300.00
• Rented services (Halls and Equipment)		\$1,200.00
• Catering services		\$1,000.00
Travel and Subsistence		
• Meeting of researchers.	\$250 per diem (8persons x 3days x 2 times)	\$12000.00
• Local transportation (by land)		\$4000.00
• Regional transportation (by air)		\$9,500.00
Communication		
• Language facilitators		\$2,000.00
• Telephone /Internet services		\$600.00
Total		\$78,584.29

Table 4 : Budget Narrative

- Having looked at all the above discussions and tables, you need to sit back and think a

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AFTER PREPARING THE BUDGET, WHAT NEXT ?

- you need to sit back and think about the project as a whole.
- Is anything missing?
- Does it make sense?
- Does it seem reasonable?
- What's the value proposition?
- Are the figures right, small or over bloated?
- It is unethical and counter-productive to pad or over bloat or submit small estimates for a grant.
- Asking for too much is a bad idea because you may not get the grant, but asking for too little is suicidal for exactly the opposite reason – you might get the grant and the fund will not satisfy the needs of the study.
- There might be two different problems with a budget that is too big.

AFTER BUDGET ...

- The first problem is padding.
- Do you really need all that travel?
- Is it really that expensive to stay in the research location?
- A padded budget provides a critical reviewer with a big target to attack and therefore deny you the grant.
- The bigger issue is one of risk.
- Is this budget (this project) too big for your team?
- Funding agencies essentially have to decide if they should risk the money with your group.

AFTER THE BUDGET ...

- If you are asking for ~~N~~50,000, they do a quick check to see that you have had a funded project before.
- If you are asking for N5, 500,000, they will be checking to see whether someone in your team has handled big projects before, what your project management processes are, and how successful you have been in acquitting past grants.
- When the level of risk is high, the level of scrutiny will be equally high, too.
- GOOD LUCK AS YOU PROPOSE
- GOD BLESS FUTU



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