Direct Costs

Personnel

- May include:
  - **Faculty** (overload, release time, summer/intersession.)
  - **Research assistants and associates** (full or part time.)
  - **Graduate and/or undergraduate students** (20 hrs/wk max during AY, full or part time during summer.)
  - **Administrative assistance** (full or part time, specific to project only and not for your typical research project.)
  - **Evaluators, programmers, technical experts** (typically considered consultants, but in some cases, such as when employed by SJSU or the Research Foundation, would be considered benefited personnel.)

- **Personnel Pay Categories**

  *Note: The salary calculation in a proposal budget depends on a number of variables, such as potential merit, increases. At the time of proposal we forecast what the salaries will be at the time the project occurs, which could be months or even years later.*

  - **Overload**: Additional employment up to 25%, beyond 100% base. Payroll is handled by the Research Foundation. See CSU Additional Employment Policy. [https://www.calstate.edu/HRAdm/Policies/HR2002-05.pdf](https://www.calstate.edu/HRAdm/Policies/HR2002-05.pdf)
  - **Release Time**: Time the campus has released an employee from normal work duties to work on other activities, such as a sponsored project.
    - Payroll is handled by SJSU as normal, and the Research Foundation reimburses SJSU.
  - **Summer**: Time the faculty member will work during the summer. Pay is based on regular salary and calculated on a daily rate.
    - Payroll is handled by the Research Foundation.
  - **Regular Time**: Time based on a 12-month calendar year and paid through SJSURF. May be full-time or part-time. This category represents persons who are not employed by SJSU or who are employed part-time and who are employed by SJSURF for the project.
    - Payroll is handled by the Research Foundation.

Fringe Benefits (full and part time)

- **Employee Fringe Benefits**

  - For each dollar paid as salary or wages to an employee, the University or the Research Foundation also incurs associated costs for fringe benefits (FICA, worker’s compensation, unemployment compensation, retirement, and health insurance).
  - Whether an employee is full or part-time, fringe benefit costs are mandatory by law and must be covered by the project budget.
  - Fringe benefit rates change every fiscal year (beginning each July 1). Rate changes are directly tied to changes in health care costs, worker’s compensation, FICA, etc. The fringe benefit rates charged by SJSU (in the case of release time) or the Research Foundation are determined by the State of California and/or the Federal Department of Health and Human Services.
For budget years that go beyond the current fiscal year, we estimate what future fringe benefit rates will be, and apply those rates to the budget.

Rates differ depending on the type of salary and wages.
Current Rates are effective 7/1/15-6/30/16.
Forecast rates are effective 7/1/16 and beyond.

<table>
<thead>
<tr>
<th>Current</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overload:</td>
<td>9.1% Escalate by 1%</td>
</tr>
<tr>
<td>Release Time:</td>
<td>Actual 0 – 100%+</td>
</tr>
<tr>
<td>Summer:</td>
<td>9.1% Escalate by 1%</td>
</tr>
<tr>
<td>Regular Time:</td>
<td>41.6% Escalate by 1%</td>
</tr>
<tr>
<td>Student:</td>
<td>9.1%* Escalate by 1%</td>
</tr>
</tbody>
</table>
*4.8% with proof of enrollment (Exempt from FICA)

Participant Costs
- Stipends, Travel, and Other Costs are paid to participants of workshops, conferences, or other educational vehicles.
- In proposal budgets, stipends and salary are two different items.
- Participant costs are for non-service participation only. Those attending the training may receive stipends; those delivering the training are doing “for service” work and would be paid a salary.
- Not subject to F&A, but may be subject to fringe benefits for Research Foundation employees.

Equipment
- Types of Equipment
  - CAPITAL EQUIPMENT:
    Non-expendable tangible property with an acquisition cost of $5,000 or more and the estimated useful life of one year.
  - SENSITIVE MATERIALS AND SUPPLIES
    Item(s) with an acquisition cost of less than $5,000, but that is closely monitored, such as electronic or other ‘sensitive’ items. Laptops, digital cameras, computers, printers, etc.
  - OTHER
    Non-sensitive items with an acquisition cost of less than $5,000 are usually considered materials and supplies.
- List each piece of equipment not already available that you need to conduct the project.
- Be as specific as possible in your description, including model numbers, types, size, etc. For major pieces of equipment, a quote is necessary.
- Take into consideration sales tax and shipping charges.
- Take into consideration maintenance fees, if needed.
- Not subject to F&A.
Direct Costs

Travel
- **Conference Travel and Professional Meetings**: Airfare or mileage, hotel and meal costs, registration.
- **Fieldwork**: Vehicle rental, mileage, living expenses.
- **Local Travel**: Mileage, currently .575 cents per mile.
  (This rate is determined each year by the federal government.)

**Other Direct Costs**
- Typically those are costs that do not fit into the established budget categories, such as:
  - Materials and Supplies
  - Publication Costs
  - Consulting
  - Subawards
  - Other Miscellaneous Items

**Materials and Supplies**
- Itemize expendable materials and supplies that are needed for the project:
  - Lab supplies such as chemicals, glassware, and disposables.
  - Questionnaires and test materials.
  - Instructional materials.

**Consultants**
- Paid consultants may be justified when a project calls for expertise of a well-defined nature for a fixed period of time.
- Some funding agencies limit the amount that can be paid to a consultant.
- When possible, identify consultant by name, indicate number of days of work, and provide a vita in the proposal.

**Subcontracts**
- If your project involves expenses associated with a partner organization, these expenses should be included as a subcontract in the budget.
- The subcontract cost will be one line item in your budget, and a separate detailed budget must follow.
- A signed contract committing the subcontractor to the proposed work will eventually be needed. This contract is between the Research Foundation and the subcontracting institution (for example, CSU LA or UC Davis.)
- Subcontracts should include fringe benefits and indirect cost calculated at the subcontractor’s negotiated rates (not SJSURF’s). Your project colleagues must work directly with their respective Office of Sponsored Programs to ensure their budget is correctly prepared and authorized.