**Common Proposal Budget Formulas**

Note: AY = Academic Year; FY = Fiscal Year

**Effort Commitment**

If the effort commitment is the same for all 12 months of the year and the investigator has a 12- month appointment, no calculation is needed.

Total Months Worked = Appointment Months + Summer Months = Total Months Worked

*Basic Formula (use when effort commitment is the same for all working months)*

1. (Total Months Worked × Effort%) ÷ 12 = Annual Effort Commitment%

2. Total Months Worked × Effort = Annual Effort Commitment in person-months

*Advanced Formula (use when effort commitment is different for Academic vs. Summer months)*

1. (Appointment Months × Effort%) ÷ 12 = AY Effort Commitment%

2. (Summer Months × Effort%) ÷ 12 = Summer Effort Commitment%

3. AY Effort + Summer Effort = Annual Effort

*Shortcut: [(AY Months × Effort%) + (Summer Months × Effort%)] ÷ 12 =Annual Effort%*

**Annualized Salary**

1. Salary ÷ # of Appt. Months = One Month Salary

2. One Month Salary × 12 = Annualized Salary

*Shortcut: 𝑆𝑎𝑙𝑎𝑟𝑦 ÷ 𝑜𝑓 𝐴𝑝𝑝𝑜𝑖𝑛𝑡𝑚𝑒𝑛𝑡 𝑀𝑜𝑛𝑡ℎ𝑠 × 12 = 𝐴𝑛𝑛𝑢𝑎𝑙𝑖𝑧𝑒𝑑 𝑆𝑎𝑙𝑎ry*

**F&A/Indirect Costs**

MTDC: MTDC × F&A Rate = F&A Costs

* MTDC does not include equipment, first $25K of outgoing subawards or outgoing subawards
* Most commonly used indirect base at UAF

TDC: TDC × F&A Rate = F&A Costs

* TDC includes all direct costs

TC: There are two formulas to choose from based on if costs are known

* If costs are known: (TDC ÷ (1-F&A Rate)) – TDC = F&A Costs
* If costs are unknown: TC – (TC x (1-F&A Rate)) = F&A Costs

**Split Rates**

1. Annual Costs ÷ 12 = One month of costs

2. Months before end of FY (before June 30th) = Months at Rate 1

3. One Month of Costs × Months at Rate 1 × Rate 1 = Costs to charge at first rate

4. Months after start of next FY (after July 1st) = Months at Rate 2

5. One Month of Costs × Months at Rate 2 × Rate 2 = Costs to charge at first rate

6. Costs at Rate 1 + Costs at Rate 2 = Cost for PY

*Shortcut: (Cost ÷ 12 x Months at Rate 1 x Rate 1) + (Cost ÷ 12 x Months at Rate 2 x Rate 2) = Costs for PY*