**Guidance sheet for completing ARC project budgets**

While each ARC scheme has its own peculiarities and rule subtleties the Deakin Research Grants ARC team have identified a number of common pitfalls that finance officers should be aware of when assisting their academics in costing and preparing proposal budgets and budget justifications for ARC submissions.

**Common pitfalls when costing an ARC budget:**

* **Using the incorrect salary and on-cost allocations (wrong year / on-cost %)**. Please ensure you do not use Faculty or HR provided salary spreadsheets - for each ARC scheme, Deakin Research Grants will provide a specific Deakin Salary Rates Calculator spreadsheet tool that you should use when calculating correct rates for all ARC requested salary costs as well as Deakin in-kind salary rates. The salary calculator spreadsheet is available within each ARC scheme specific Deakin webpage, under ‘Templates, forms and tools’.
* **Forgetting to add any step increments** in subsequent years to salaries that are not at the top of the salary level. The step increments must be based on the current year’s salary rate.
* **Assuming promotion and increasing salary level.** That is, a CI on Level C step 6 in Y1 does not increase to Level D step 1 in Y2. The CI would remain at Level C step 6 for all subsequent years of the proposal.
* **Confusion between salary step increments and indexation (i.e. EBA increases)**. Step increments are those set increases as one moves up a salary step within a set salary level. e.g. Level C steps 1 to 5. Indexation refers to salary increases as dictated by the EBA, e.g. 2% EBA increments for each year. The ARC does not allow indexation increases to be included in an ARC budget.
* **Including ARC / NHMRC/Commonwealth funded fellowship salaries as Deakin in-kind**- this is seen as a major breach and could render the application ineligible. For academics in receipt of a Commonwealth funded Fellowship their Deakin in-kind salary should only show the appropriate proportion of any salary tops up to the fellowship that Deakin provides (e.g. 0.2FTE of the salary top up if academic is committing 0.2FTE of their time to the project).
* **Showing in-kind salary costs against an Emeritus position.**  An academic who holds an Emeritus position should not show any salary in-kind as they have an unpaid position. Note there may be some instances, for example, international participants, where this may differ.
* For those schemes that allow **teaching relief,** the CI must answer ‘Yes’ at question ‘Is the participant applying for Teaching Relief’ and select one of four levels for each year teaching relief is required. The levels are 25%, 50%, 75% or 100%. In the budget, the ARC assigns the amount that can be requested based on the level selected.
  + The level selected must be appropriate to the amount of time the CI’s teaching requirements will be replaced. For example, if only half of one semester is required, then 25% will be selected for that year.
* **Entering items under the wrong heading** (eg conference travel under ‘Other’ instead of ‘Travel’) or in the wrong column (eg other partner org in-kind salary going under Admin org in-kind).
* Not including other **justifiable in-kind costs** – materials/equipment/access fees/, etc.
* **Not adding Other Eligible Organisations, Partner Organisations or Other Organisations in Part A of the application** so that they feed through into the budget template. Once the organisation is showing at Part A, RMS will automatically add a budget column for these additional organisations.
* **Forgetting** to include otherorganisation participants’ in-kind salaries.
* **Overstating in-kind contributions-** The ARC can request to see evidence of the in-kind contribution shown against an organisation, so ensure these are reasonable.
* **Amounts shown in the budget table do not correspond to the description in the budget justification-** we suggest applicants do a careful cross check of the budget table against the budget justification to identify discrepancies and omissions.
* **Consider including a request to cover Open Access costs for outputs**, particularly in the final year of the project.
* **Do not request standard computing equipment including tablets/IPads etc.-** Standard computing /office equipment is expected to be provided by the individuals organisation.
* **Over complicating the budget table** – new requirements from the ARC are:
  + **Personnel** - Do not list each individual salary request on a separate line. Group together by institution or role.
  + **Travel** - Do not include individual flights, travel allowance, conference costs, etc as line items. ‘Travel’ costs must be listed by trip only (eg. Paris conference for 2 people) with full details and costings in the justifications.
  + **Field Research** - Do not include individual ‘Field Research’ as line items. Field research must be listed by site visit only (eg. Yass 10 days).

**Complicated**:

|  |  |
| --- | --- |
| econ airfare to London | 1550 |
| travel to Cambridge | 255 |
| transfers in Melbourne | 100 |
| meal allowance 7 days in Cambridge | 1400 |
| meal allowance 7 days in Cambridge | 1085 |
| CI Goodie transfers in Melbourne | 100 |
| CI Goodie travel to Cambridge | 255 |
| economy airfare to London | 1550 |
| CI Goodie 7 night’s accommodation at $250 pn | 1750 |
| transfers in London | 125 |
| transfers in London | 125 |
| 7 night’s accommodation in Cambridge at $250 pn | 1750 |

**Simple**:

|  |  |
| --- | --- |
| Cambridge conference – 2 people | 8045 |

* **Do not request ARC prohibited items –** applicants should be familiar with the particular scheme Funding Rules. These rules clearly state those prohibited items that cannot be requested for funding from the ARC.
* **Disconnect between the project description in terms of the scheduling of activities and the budget/budget justification for each year.** Applicants should ensure their application remains consistent throughout.
* **Inconsistencies between project description, budget table, justification and ROPE when stating a participants FTE on the project**. This can be avoided by careful review prior to submission for compliance checking.

**Common pitfalls when writing a budget justification:**

* **Not providing sufficient detail in the justification** – how the costs have been determined, why that period of time is required, source of quotes.
* **Not providing the breakdown of costs in the justification** – ARC require transparency in all costings. Justification should clearly show how the total request for a budget line has been calculated if made up of multiple items.
* **Teaching relief is often poorly justified** – you need to clearly justify the need for and cost of teaching relief - show the cost of replacing you with casual staff to justify the teaching relief cost and outline why teaching relief is required (for example, field research can only be carried out during spring when you have a high teaching load).
* **Justification is complicated and difficult to follow.** The ARC require proposals to deliver value for money. The budget request and justification therefore need to make a strong case for value and need. Deakin Research Grants strongly suggest you cross reference each budget line with the budget justification entry to ensure all information is provided.
* **Not actually stipulating why the budget item requested is really needed for the project** – the budget justification must explain the need for the requested item- it is not sufficient to just state the item and cost. For example you could explain why personnel at a certain level (eg a post doc vs an RA) was necessary, why the piece of equipment was essential, why the conference attendance was critical to the project and so on.
* **Using the ATO per diem rates.** ATO rates for some counties are hard to justify from a value for money perspective. Many assessors do not like these so we recommend if you can, to review these critically and see if the costs are reasonable to the average reader and represent good use of tax payers money. If a rate lower than the ATO rate is sufficient then no harm in stating the costs shown are, for example, half the ATO recommended rate to demonstrate value. Always better to quote actual accommodation rates from a hotel comparison website rather than revert to ATO rates. If travel is to a city you are familiar with it is acceptable to state costs are based on your own previous experience of the location.