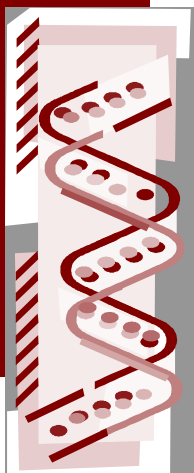


# Four Views of a Budget



When submitting a proposal to industry, there are options for presenting the budget. Four views of the same budget are presented below; however, remember that industry may request a specific budget format that may not match one of those presented. This information is intended to serve as examples that could be submitted to industry, and may not contain all the required elements needed to receive approval if submitted with a gold sheet, such as agreements on matching funds, cost sharing, and salary details. A separate, detailed internal budget should be prepared and submitted with the gold sheet, along with a copy of the proposed industry view of the budget.



Office of the Vice Provost for Research and Advanced Studies

Office of Biotechnology

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## Fixed Cost

Budget\*: \$50,000

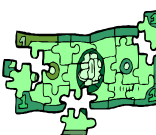
A fixed-cost budget presents only one figure to industry—the total cost. No information is provided to indicate how much of the cost is directed toward salaries, supplies, or indirect costs. This type of budget is often acceptable to industry, because industry’s main concern is the total cost of the project.



## General Categories

Budget*:	Salary and Benefits	\$15,000	–OR–	\$21,900
	Supplies	\$ 9,247		\$13,500
	Equipment	\$14,600		\$14,600
	Indirect Costs (46%)	\$11,153	<b>Total</b>	<b>\$50,000</b>
	<b>Total</b>	<b>\$50,000</b>		

In this budget, general categories are presented, but no detailed information is given about the exact supplies, equipment, or salaries that are included. This is the most common type of budget presented to industry. In the left column, the indirect costs ‘jump out’ of the budget and take the focus away from the work that will be accomplished, whereas the right column focuses on the work.



## Itemized Details

Budget*:	Technician Salary (includes 29.18% benefits)	\$10,000	–OR–	\$14,600
	Merit Staff Salary (includes 35.47% in benefits)	\$ 5,000		\$ 7,300
	Enzymes	\$ 8,000		\$11,680
	Test tubes	\$ 1,247		\$ 1,820
	Centrifuge	\$10,300		\$10,300
	Water bath	\$ 4,300		\$ 4,300
	Indirect Costs (46%)	\$11,153	<b>Total</b>	<b>\$50,000</b>
	<b>Total</b>	<b>\$50,000</b>		

Neither view of this budget is recommended with industry. It contains *too much* detail and acts as an invitation to scrutinize and question every expenditure.



## Fee for Service

Budget*:	Analysis One	\$ 250/sample	\$ 4,250	–OR–	\$ 365/sample	\$ 6,200
	Analysis Two	\$1,000/sample	\$15,000		\$1,460/sample	\$21,900
	Analysis Three	\$5,000/sample	\$15,000		\$7,300/sample	\$21,900
	Indirect Costs	46%	\$15,750	<b>Total</b>	<b>\$50,000</b>	
	<b>Total</b>		<b>\$50,000</b>			

The fee-for-service budget is presented in two ways. In the left example, the indirect costs are separated out but not the salaries or supplies needed to accomplish the service. In the example on the right, the indirect costs are included in the calculation of the fee rate. For industry, the second method is recommended.

For questions or assistance related to budgets, please contact Diane Meyer, (515) 294-5225, Email: meyerd@iastate.edu  
 For questions assistance in working with industry, please contact: Lisa Lorenzen, Phone: (515) 294-0926, Email: llorenze@iastate.edu

\*Some numbers are rounded for presentation purposes. In addition, not all potential budget categories are shown (e.g. travel, student support, subcontracts, etc.).

Acknowledgement: Thanks go to Valrey Kettner, Sonja Klocker, and Wolfgang Kliemann for their help with this Tip Sheet.