



**African Population and  
Health Research Center**

Transforming lives in Africa through research.

# Budgeting For Research



*Presented by Kevin Kiiru*



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## From Objectives to Actionable Plans

At the end of this session, participant will be able to develop an efficient and effective budget that realizes the **objectives of the organization, the funder**, and other relevant stakeholders:

We will :

1. Define grant proposal budget
2. Identify its components i.e. number of units and rate per unit
3. Identify methods used to determine costs and units
4. Understand indirect cost issues and other budgetary considerations
5. Prepare a budget for their grant



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**What is a grant proposal budget?**

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**Components of a grant proposal budget**

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**How these components are budgeted for**

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**Indirect cost issues and other budgetary considerations**

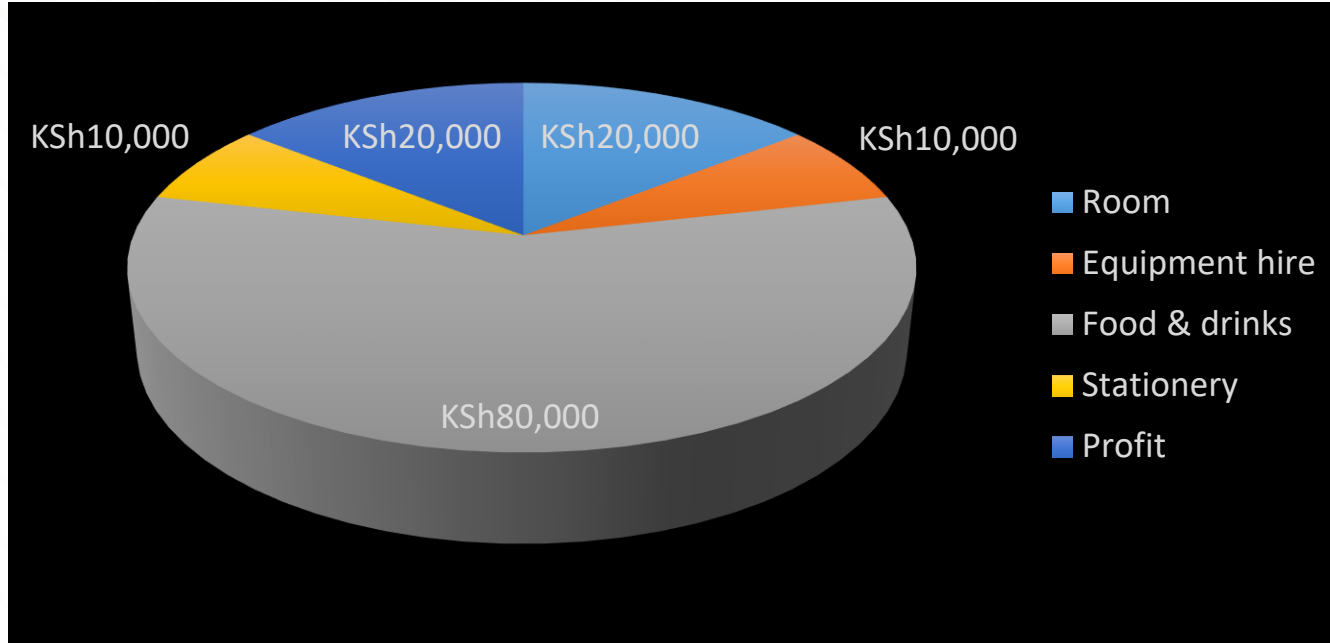
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**Value for money considerations**

# What is budgeting?



## 1. Alternative way to express your project



**Expressing a conference meeting as a budget**

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## 2. Credibility statement



- Inflated = waste
- Too low/missing items = doubt on your planning ability

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# 3. Informs program & vice versa



Affordable housing: One million homes by 2022

# 4. Alignment to funders goal



**IDRC | CRDI**

International Development Research Centre  
Centre de recherches pour le développement international



**wellcome**trust

the David &  
Lucile Packard  
FOUNDATION



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# 5. Alignment with internal requirements

## OUR VISION

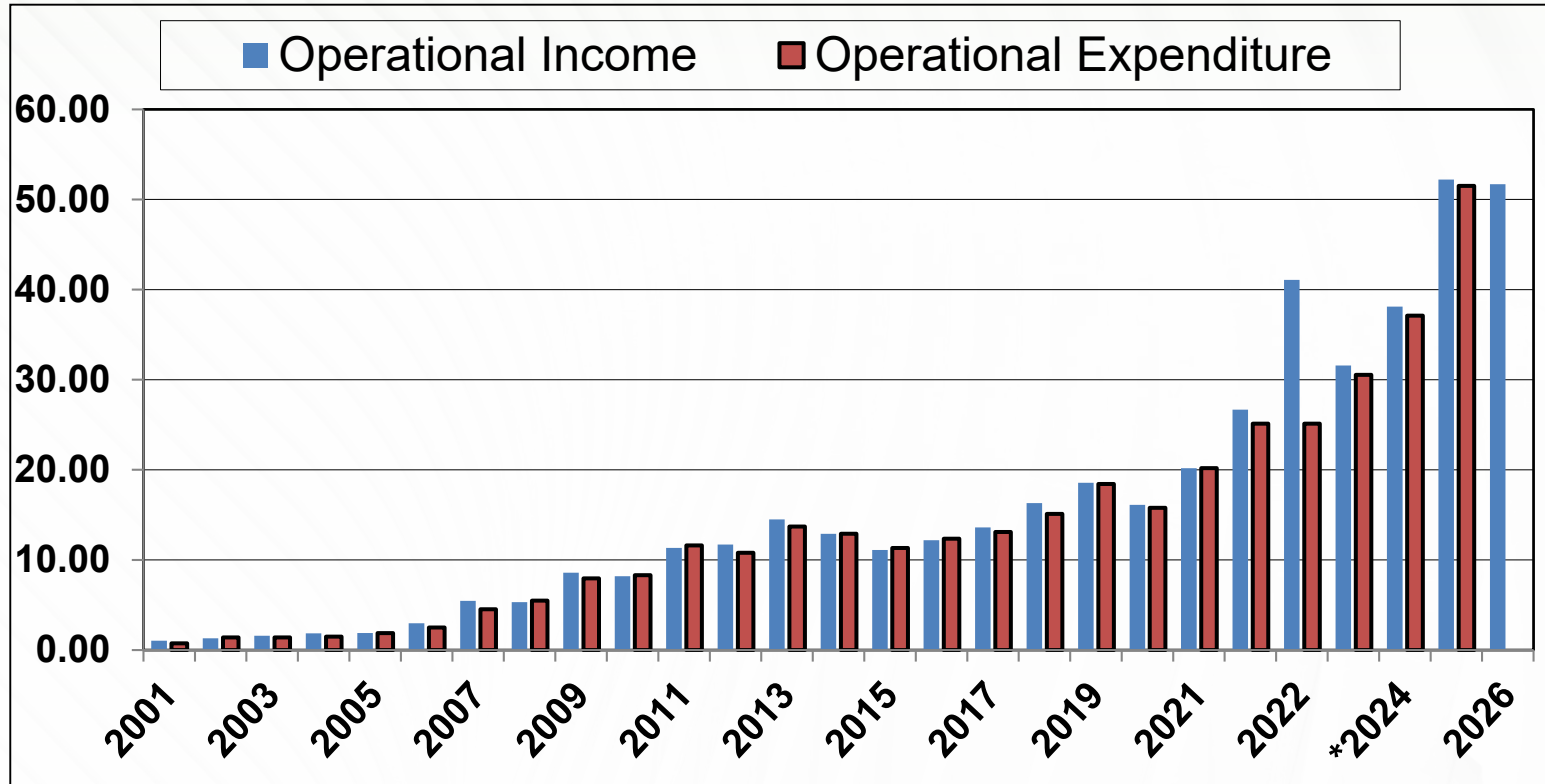
Transforming lives in Africa through research

## OUR MISSION

Generating evidence, strengthening research and related capacity in the African research and development (R&D) ecosystem, and engaging policy to inform action on health and development.

# APHRC

USM  
\$



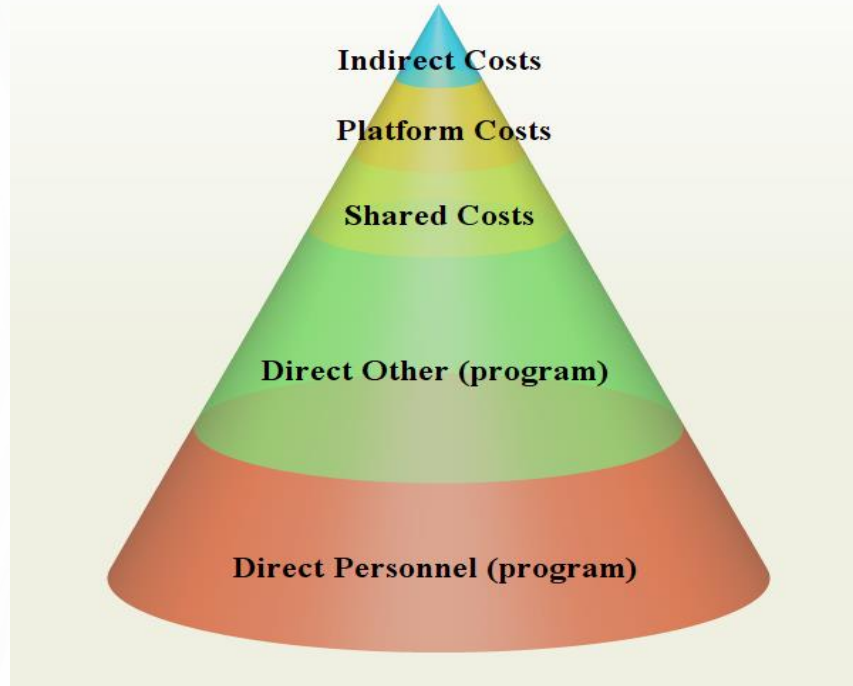
\*With \$15m gift

# Components of a grant proposal budget



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# Major research budget items



**Activity based costing most preferred**

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# 1. Direct personnel (program) cost

- **Rates**
  - Establish position costs
  - Specific staff salaries
- **APHRC example**
  - Basic pay, fringe and allowances
  - Position costs vs. individual staff costs
- Determine Level of Effort (LOE) for activities
- Make allowance for other activities ancillary to project work

# Determining staff rate

Personnel Cost Component	Amount (\$)
<b>Basic Pay</b>	<b>54,000</b>
<b>Benefits:</b>	
Medical	1,600
Pension	5,400
GPA (Group personal ),GLA (Group life assurance)	1,000
Gratuity	1,700
Professional memberships etc.	300
<b>Allowances:</b>	
Education (4 times \$500)	2,000
Housing	3,000
Home leave	3,000
<b>Total (= Yearly rate)</b>	<b>72,000</b>
<b>Daily rate (assuming 220 days a year)</b>	<b>\$327</b>
<b>Monthly rate</b>	<b>6,000</b>
<b>Benefit rate</b>	<b>33.3%</b>

# Estimating LOE

Activity	No. of days			Timing
<b>Write Report</b>	<b>Jane</b>	<b>Andrew</b>	<b>Brian</b>	
Validate data	3	1		
Data analysis	10			Aug – Sep 2026
Outline report	0.5	0.5	0.5	
Draft report	10	5		
Internal review			3	
<b>Total</b>	<b>23.5</b>	<b>6.5</b>	<b>3.5</b>	
<b>Dissemination</b>				
Preparation	5	4	0.5	
International travel	7	7		Mar 24-28, 2027
Lessons learnt	2	2		
<b>Total</b>	<b>14</b>	<b>13</b>	<b>0.5</b>	

# Common challenges in LOE estimation



- Weekends, holidays, vacation, leaves days



- Ancillary activities



- Cutting days to fit budget

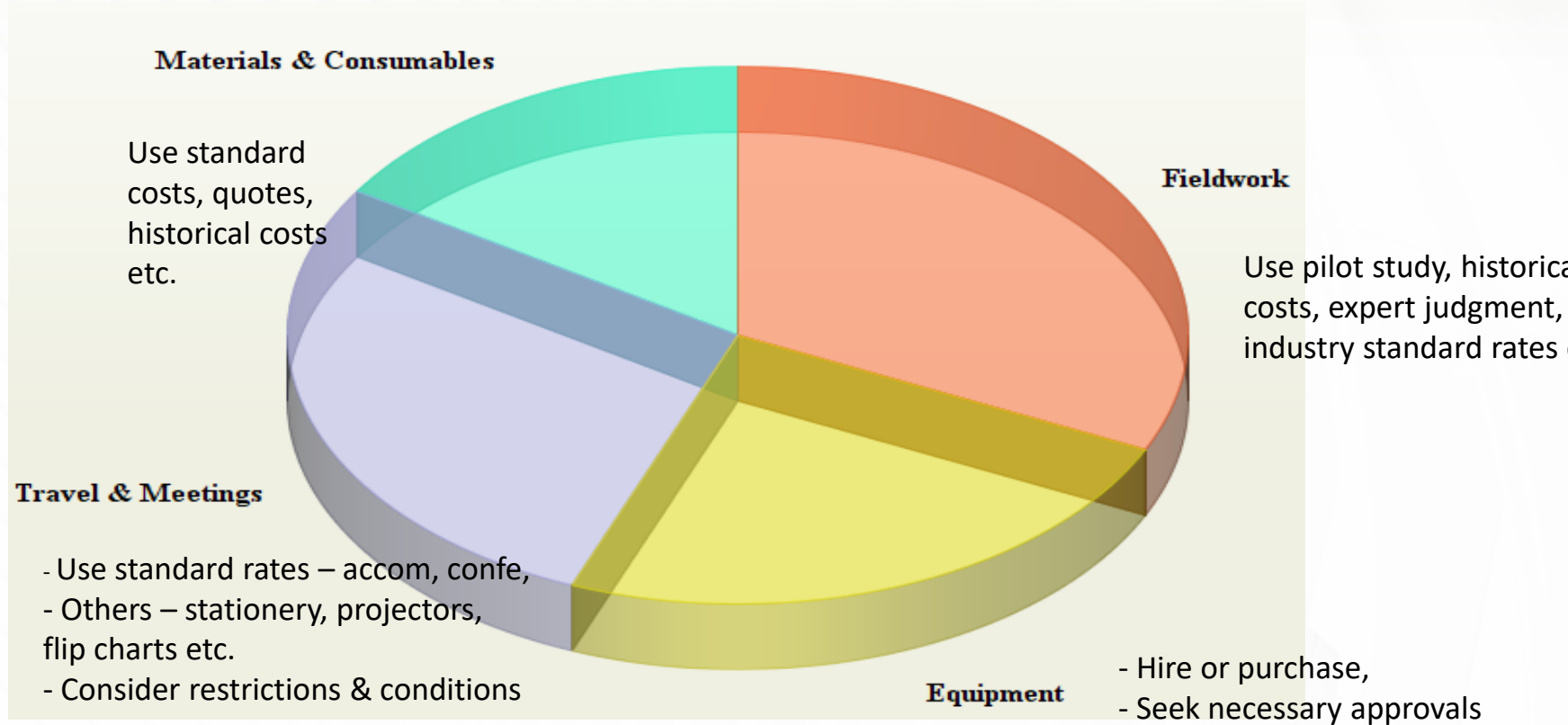


- Omitting some staff



- Top-ups

## 2. Other direct research (program) costs



# Travel and meeting sample budget

Item	Rate	Duration/ Frequency	Units	Amount	Remarks
	<b>US\$</b>			<b>US\$</b>	
Airfare	1,000	1	10	10,000	KQ rates
Accommodation	200	6	10	12,000	Hilton hotel
Per-diem	50	6	10	3,000	For evening meal
Conference package	50	5	14	3,500	Includes 4 local participants and 10 international participants
Airport transfers	25	4	10	1,000	To and from the airport within the country and to and from the airport outside the country.
Visa	50	1	7	350	No visa needed for 3 participants
Other costs	100	1	14	1,400	Pens, writing materials
				<b>31,250</b>	

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## 3. Shared costs – allocated

Need arises from the politics/issues around overhead or indirect costs

Seek to recover as most as possible

### Facility costs (rent)

- can be in overheads or
- billed directly or
- allocated on staff time/space basis

### ICT cost (general equip & staff)

- Equipment: computers, telephones, hardware and software maintenance, statistical software, antivirus etc.
- allocated on staff time/space basis

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# Other shared costs

- **Enterprise Units e.g.**
  - Vehicle usage, Meeting rooms, Equipment (projectors, netbooks) etc.
- **Admin support**
- **Policy engagement support**
- **Data unit support**
- **Director of research office**
- **Others ( grant management, electronic databases)**

# 4. Platform cost



**Virtual Learning Academy**

**Laboratory**



**Data collection framework**

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## 5. Indirect costs

- ✓ **Check funders philosophy on this**
- ✓ **Rates and justification**
  - Study rationale and present it appropriately in proposals
- ✓ **Appreciate value of indirect costs and what they cover**
  - Management activity
  - Administration and support
  - Facilities and utilities
  - Board, audit, professional fees

**Indirect cost issues  
and other budgetary  
considerations**



# Indirect cost issues



**No** percentage allowed – establish allocation base e.g. percentage of staff time, space occupied



**Low** percentage allowed – explore charging indirect costs above the line

Equipment not allowed – bill directly for usage



# Other budgeting considerations

- Budget is representation of planned activities
  - Schedule expenditures noting the network of activities e.g. recruitment, training, pilot, fieldwork
- Consider reporting requirements as driver of costs - monthly, quarterly, annually etc.
- Financial & administrative requirements
  - Permitted budget overruns
  - Restrictions- economy travel, destinations, carriers
  - Procurement e.g. USAID
  - Branding

# Other considerations cont'd

- Appreciate budgeting rules for the funder
  - Cost escalations
  - Audit requirement
  - Cost share
- Unexpected issues or risks



# Budget notes

- ***Budget notes are detailed explanations that accompany a budget and provide justification for each budget line item.*** They explain how costs were calculated, the assumptions used, the quantities involved, and the rationale for including specific expenses. Budget notes help reviewers understand the basis of the budget and ensure that the proposed costs are reasonable, necessary, and aligned with project objectives.

# Budget notes

**For example:**

<b>Budget Item</b>	<b>Amount</b>	<b>Budget Note</b>
Project Coordinator Salary	\$12,000	Salary support for one Project Coordinator at 50% level of effort for 12 months at \$2,000 per month.
Training Workshop	\$5,000	Covers venue hire, participant refreshments, training materials, and facilitation costs for a 2-day workshop for 30 participants.

# Budget notes

## Key Elements of Good Budget Notes

- Notes should be informative and not generic
- Your note should convey either the message of “pay for me!” or “don’t cut me!”
- They tell you whether your budget assumptions are correct
- Clearly describe the item or activity being funded.
- Indicate the quantity, unit cost, and calculation method.
- Demonstrate the link between the cost and project activities.
- Be concise, clear, and easy to understand.

# Value for money considerations



# Value for money

- Get items competitively – get at least 3 quotes.
- Source early to avoid last minute high prices.
- Plan well – improve efficiencies.
- Benefits should exceed costs.
- Quality.
- Delivery time.
- Reliability.
- Past experience.





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# Thank you!



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