

## Community Budget Considerations

<p>Sponsor makes <i>Separate Awards</i> to the community organization and academic institution</p>	<p>Academic Research Partner issues <i>Subaward</i> to the community organization; or <i>Community Budget is Line Item</i> in academic institution budget as <i>Service Contract, Consultant, Honoraria, Personnel</i></p>
<p><b>Advantages</b></p>	
<ol style="list-style-type: none"> <li>1. Each organization controls the finances for their part of the project. Community has more control of their allocated funds.</li> <li>2. Indirect costs and benefits, such as paying people to report spending to the funder, may be important to a community organization.</li> <li>3. The community organization can expand its staff capacity and knowledge to meet funder's fiscal monitoring and accounting procedures.</li> <li>4. Project responsibilities must be clearly defined &amp; reinforced.</li> </ol>	<ol style="list-style-type: none"> <li>1. Funding for indirect costs might accrue to the community organization.</li> <li>2. Only awardee/contractor (academic organization) is fiscally responsible to funder.</li> <li>3. Community group does not have to prepare and submit fiscal reports to funder.</li> <li>4. Community organization controls how they spend the money allocated to them for the project (but the academic research partner has the final control).</li> <li>5. Requires fiscal monitoring and accounting procedures acceptable to the academic research partner to be in place, and this may be a growth opportunity (but ...see disadvantages).</li> <li>6. An academic research partner MAY be willing to "float" subcontract funds to the community organization if funds from funder are delayed.</li> </ol>
<p><b>Disadvantages</b></p>	
<ol style="list-style-type: none"> <li>1. Can be a source of tension and disagreement if roles and responsibilities are not clearly defined before funding is awarded.</li> <li>2. Large institutions have all the personnel elements in place (e.g., health insurance, other fringe benefits) that a community agency may find hard to duplicate</li> <li>3. Community organization needs good fiscal monitoring and accounting procedures acceptable to the funder. It can be labor and time intensive to build these (if they are not already in place).</li> <li>4. If funding from funder is delayed, community partners may not have funds when needed.</li> </ol>	<ol style="list-style-type: none"> <li>1. Final fiscal control is in hands of the academic research partner. By extension the academic organization can more easily control the conduct of the research itself.</li> <li>2. Terms (including payment schedule) are determined by the main award/contract and MIGHT be unchangeable.</li> <li>3. Community organization needs internal fiscal monitoring and accounting procedures acceptable to the academic research partner. This may be a strain if it is a small organization.</li> <li>4. If funding from academic partner is delayed, community partners may not have funds when needed.</li> </ol>

<p>5. Community organization and academic partner are responsible for submitting fiscal reports to funder.</p> <p>6. The community organization is open to the risk of underbudgeting.</p>	<p>5. Might require community organization to be responsible for personnel related items (e.g. health insurance, other fringe benefits) but they might not get funds through the project budget to fully cover the expenses.</p> <p>6. When community budget is line item in academic research partner budget, the community organization does not receive indirect costs funding.</p> <p>7. A new community organization would not gain experience in handling third party funds and building a fiscal infrastructure.</p>
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**Questions to guide discussion/decisions.**

<b>Question</b>	<b>If yes, consider</b>	<b>If no, consider</b>
Are the academic organization and community organization able to write detailed roles and responsibilities when applying for funding?	Separate Awards	Subcontract
Does the community organization want to be fiscally responsible to the funder?	Separate Awards	Subcontract
Can the community organization do all the indirect tasks (reporting, accounting, etc.) associated with the project? If no, do they want to build that capacity?	Separate Awards	Subcontract, unless community organization wants to build capacity (or engage a fiscal sponsor as their fiscal administrator)
Is the community organization able to accurately budget for their portion of the project?	Separate Awards	Subcontract, unless community organization wants to build capacity (or engage a fiscal sponsor as their fiscal administrator)