

A CHECKLIST FOR DEVELOPING AND EVALUATING EVALUATION BUDGETS

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This checklist is designed to assist evaluators and others think through the many issues that should be considered when developing an evaluation budget. This instrument is divided into several categories of typical cost items for conducting evaluations, and questions or statements are used as prompts for users to consider. In some cases, an item on the checklist may not be applicable. Full consideration should be given to the following two Program Evaluation Standards¹ in all cases:

F 3–Cost Effectiveness *The evaluation should be efficient and produce information of sufficient value, so that the resources expended can be justified.*

P 8–Fiscal Responsibility *The evaluator’s allocation and expenditure of resources should reflect sound accountability procedures and otherwise be prudent and ethically responsible, so that expenditures are accounted for and appropriate.*

I. Basic Considerations. In developing a budget, basic considerations or information will guide the form and nature of your work. Therefore, the issues should be known before attempting to construct either a preliminary or final budget.

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| <input type="checkbox"/> Type of agreement for the evaluation | Will this evaluation be funded by a grant, contract, or cooperative agreement? |
| <input type="checkbox"/> Condition of payment | Will payment be on the basis of cost reimbursement or a fixed price? |
| <input type="checkbox"/> Funding source | Is the funding source a government agency, private foundation, private sector business/industry, or nonprofit entity? |
| <input type="checkbox"/> Funding period | Over what period of time will the budget be applicable? Does this include more than one fiscal year? |
| <input type="checkbox"/> Budget contact | Who are the designated contacts for budget matters in the funding organization and in the proposer’s organization? |
| <input type="checkbox"/> Budget limits | Has a limit for the evaluation budget been established, such as percentage of total budget or maximum amount? |
| <input type="checkbox"/> Condition of payment | Will monies from the funding agency be made available as a lump sum, periodically (e.g., monthly, quarterly, or on the basis of submission of deliverables), or reimbursable based on submission of invoices with required documentation? |
| <input type="checkbox"/> Preaward costs | Are costs allowable that are directly related to the evaluation activities but are incurred before the official effective date of the grant/contract? |



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| <p>II. <u>Format.</u> Most agencies that actively fund projects that include evaluation components have specific formats in which they expect to receive proposed budgets. Likewise, institutions or agencies that conduct evaluations have one or more acceptable formats for presenting budgets.</p> | |
| <input type="checkbox"/> Designated format | Has a particular form or format been provided for the budget? |
| <input type="checkbox"/> Institutional format | Is the form or format acceptable to your institution or agency, or will it require a budget organized according to other specifications? |
| <input type="checkbox"/> Detail | Does the format require/include a separate set of details that explains how amounts are calculated or how the monies on a line will be used? |
| <input type="checkbox"/> Cost breakdown by task/function | Are there unique budgetary breakdowns, i.e., task, function, etc., required in addition to a budget summary by year and/or project activity? |
| <input type="checkbox"/> Summary | Will the budget require annual cost summaries and a performance summary? |
| <p>III. <u>Personnel Costs.</u> The cost for personnel is usually the largest single item in a budget; therefore, it is critical that careful attention be given to the type and amount of effort that will be required to complete the evaluation as proposed. Further, a proposal that identifies key personnel is often more competitive than one in which personnel are more generally named, e.g., data analyst, research assistant.</p> | |
| <input type="checkbox"/> Personnel types | Have key types of individuals to both administer and conduct the evaluation been identified? |
| <input type="checkbox"/> Basis | Will personnel costs be determined on the basis of days of effort, percentage of time, percentage of assigned work load, person hours, or some other factor? |
| <input type="checkbox"/> Effort | How much time of each person/type will be required to complete identified tasks? |
| <input type="checkbox"/> Unit costs | What is the cost of a time/cost unit for each person? |
| <input type="checkbox"/> Consistency of costs | What anticipated increases (merit, cost of living, across the board, etc.) can be anticipated for each evaluation year? |
| <input type="checkbox"/> Hiring costs | Will recruitment and hiring costs be required to staff the evaluation? |
| <input type="checkbox"/> Support staff | Will support staff services be assigned to the evaluation, or will services (e.g., secretarial support, data entry services, etc.) be "purchased" from a pool? |
| <input type="checkbox"/> Student assistance | Have all costs for student workers, as defined by institution/agency, been considered? |
| <input type="checkbox"/> Fringe benefits | What fringe benefits, including vacation/annual leave time, sick leave, etc., are applicable for each staff member? What anticipated increases in fringe benefits are expected? What is included in the fringe benefit package? (Note: If <u>employee benefits</u> , such as vacation time, holidays, etc., are not a part of the "official" fringe benefit package, they should be included in the salary/wage line item for each staff member, as applicable.) |

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| <p>IV. <u>Travel.</u> Costs for travel may include anticipated expenditures for administrative activities, attendance at required meetings with the funding agency, data collection, feedback workshops, participant involvement, etc. It is important that these widely varying costs be anticipated, identified by function, and carefully calculated using the best information available.</p> | |
| <input type="checkbox"/> Purpose | What type of travel expenses will be incurred, i.e., administrative, data collection, participant, etc.? |
| <input type="checkbox"/> Mode | What mode of travel will be utilized, i.e., air, auto (personal or rental), train, etc.? |
| <input type="checkbox"/> Allowable | What allowable travel costs are accepted by the funding agency and your institution, i.e., per diem, lodging? |
| <input type="checkbox"/> Time requirement | How much total time (travel and on-site) will be required to conduct the evaluation activities? |
| <input type="checkbox"/> Consultants | Will consultants' travel expenses be paid from the travel budget line or the consultant line? |
| <input type="checkbox"/> Sharing costs | Is it possible to couple trips within this evaluation or with other evaluations to reduce travel costs? |
| <input type="checkbox"/> Ground transportation | How will ground transportation be provided upon the termination of air travel, e.g., taxi, rental car, limousine services, etc.? |
| <input type="checkbox"/> Courtesy/local support | Will on-site transportation be provided by another party and not charged to the evaluation? |
| <input type="checkbox"/> Additional costs | What additional costs may be required for special situations, i.e., excess baggage, long/tiring flights that may require upgraded accommodations, etc.? |
| <p>V. <u>Supplies and Materials.</u> Office supplies and other materials are required to conduct an evaluation, and they may be anticipated based on experience with other evaluations of a general nature; but some evaluations may have unusual requirements, and these should be specified as appropriate.</p> | |
| <input type="checkbox"/> Office supplies | What supplies and materials will be needed to simply conduct the normal operations of an evaluation, e.g., office supplies and institutional products? |
| <input type="checkbox"/> Specialized materials | What unusual supplies and materials will be needed for this evaluation, i.e., reference books, specialized printing cartridges, evaluation letterhead, data collection articles, etc.? (Note: computer software sometimes is restricted or requires special permission or must be listed separately as a computer cost.) |

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| <p>VI. <u>Communications.</u> Normally, the costs for monthly rental of telephone sets and lines are included as a part of “indirect” costs, but long-distance calls, dedicated phone lines for specific data collection procedures, postage for mailing of surveys, etc., are allowable evaluation costs and should be estimated in this category.</p> | |
| <input type="checkbox"/> Phone installation | Will any new installation of telephones, computer ports, or other communication equipment be required? |
| <input type="checkbox"/> Phone usage | What are the fixed costs for the use of telephones, computers, and other communications equipment that can be identified as chargeable to the evaluation? |
| <input type="checkbox"/> Evaluation-specific costs | Other than the usual administrative communications, will there be other costs for large mailings, express services, etc.? |
| <input type="checkbox"/> Long-distance costs | What long distance telephone and facsimile charges and other variable communications costs will be incurred? |
| <input type="checkbox"/> Postage/mail services | What postage or other forms of mail services will be required, giving special attention to mass mailings of surveys, notices, invitations, etc.? |
| <p>VII. <u>Copying and Printing.</u> Copying and printing costs often exceed estimates due to the ease with which modern equipment provides ready and rapid responses to staff actions. Further, some evaluations may require printing of optical scanning forms and other documents that must be obtained from external agents.</p> | |
| <input type="checkbox"/> In-house copying | How many persons will be making in-house copies, and will there be a system to monitor individual usage? |
| <input type="checkbox"/> Per-page costs | What is the current and anticipated rate of copying over the long-term evaluation? |
| <input type="checkbox"/> Reports | How many copies and of what type/quality must reports be submitted? |
| <input type="checkbox"/> Promotional materials | Will the evaluation produce promotional materials, i.e., brochures, pamphlets, etc.? |
| <input type="checkbox"/> Data collection | What printing costs will incurred as a part of the data collection process? |
| <input type="checkbox"/> Outsourcing | Can all printing jobs be handled inside the organization, or will some outsourcing be required? |
| <p>VIII. <u>Equipment.</u> In most cases, purchase of equipment is not an allowable expense for evaluation budgets. However, there may be specialized functions for which a justification and inclusion of equipment costs are acceptable.</p> | |
| <input type="checkbox"/> Type | What specialized equipment is needed? |
| <input type="checkbox"/> Purchase vs. lease/rental | Is purchase of the equipment a better value than lease/rental? |
| <input type="checkbox"/> Allowable | Does the RFP or similar document address equipment purchases or rentals? |

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| <p>IX. <u>Other-Consultants.</u> The use of consultants to gain specialized expertise or to accomplish specific tasks/activities is a common practice. Consultants are considered to be independent contractors and are not included under personnel costs, and seldom are they provided with fringe benefits or other support services normally available to evaluation employees. Separate contracts are established between the consultants (independent contractors) and the organization conducting the evaluation, usually on a specified daily rate plus allowable expenses, i.e., travel, communications, etc.</p> | |
| <input type="checkbox"/> Name or type | Who or what types of persons will serve as consultants? |
| <input type="checkbox"/> Service | What service will each consultant perform? |
| <input type="checkbox"/> Rate and total time | What is the allowable rate or basis for performing the service, e.g., 10 days @ \$500/day? |
| <input type="checkbox"/> Reimbursable expenses | Will travel and other required expenses incurred by the consultant during provision of service be reimbursable? |
| <p>X. <u>Other-Subcontracts.</u> On occasion it is necessary to issue a subcontract for a particular task that your organization is not able to accomplish or a service that someone else can provide at substantial savings in time or money.</p> | |
| <input type="checkbox"/> Use of subcontract | Will you be issuing a subcontract as a part of the evaluation effort? |
| <input type="checkbox"/> Service or product required | What is the service or product for which you will be subcontracting? |
| <input type="checkbox"/> Cost of subcontract | What is the expected cost or budgetary limits of planned subcontract(s)? |
| <input type="checkbox"/> Status of indirect cost on subcontract | Will the subcontract(s) be subject to indirect or overhead costs? |
| <p>XI. <u>In-Kind or Cost Sharing.</u> Some evaluations may require cost sharing or in-kind contributions as a condition of the proposal. On the other hand, an entity may voluntarily offer an in-kind contribution as a part of the proposal, which may increase the attractiveness of the offer to perform the required services. Normally, in-kind contributions are more commonly a part of evaluations supported by grants, as opposed to contracts. When an in-kind contribution, whether a part of personnel time, use of services or equipment, etc., is included as a part of a budget, the institution/agency is as accountable for these costs as for other costs that may be supported by external sources. In some cases, cost sharing is required and/or voluntarily included in a proposal. In effect, cost sharing is a form of an in-kind contribution.</p> | |
| <input type="checkbox"/> Required contribution | Is an in-kind or cost-sharing contribution required? |
| <input type="checkbox"/> Basis of value of contribution | What is the basis for calculating and the computed value of the services or personnel offered as an in-kind or cost-sharing contribution? |

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| <p>XII. Indirect/Overhead. Institutional administration, use of facilities, accounting services, and other costs that are not or cannot be reasonably listed as line item costs are referred to as indirect costs. Basically, they are the costs that the institution incurs for the conduct of the evaluation on the campus or in the organization over and above those specified in the budget. Institutions that have experience with externally funded projects will likely have a federally negotiated indirect rate for several types of projects, i.e., on-campus research, off-campus research, on-campus instruction, etc. Most evaluations of educational programs will fall into the off-campus research category. Usually, the indirect rate is a percentage of the total direct costs and a percentage of all salaries and wages with the possible exclusion of such costs as equipment or subcontracts.</p> | |
| <input type="checkbox"/> Federally negotiated audit | Does your organization have a federally negotiated indirect cost rate based on an official audit by a cognizant federal agency or department? |
| <input type="checkbox"/> Basis of indirect computation | What is the basis for the computed indirect rate, i.e., total direct costs, modified to salaries and wages, etc.? |
| <input type="checkbox"/> Indirect category | What is the appropriate indirect category for this evaluation? |
| <input type="checkbox"/> Allowable indirect | Does the funding agency/organization specify a condition for an indirect rate, i.e., maximum rate, basis for calculation, etc.? |

1. The Joint Committee on Standards for Education Evaluation. (1994). *The program evaluation standards*, 2nd Edition. Thousand Oaks, CA: Sage.

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