Budgeting for a randomized evaluation

This guide offers advice on how to create a budget for research project applications with a focus on applying for J-PAL initiative funding, including proposal development grants, pilots, and full randomized evaluations (RCTs). Additionally, the guide includes some helpful tips to keep in mind when budgeting.

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Cost classifications

Two types of costs are incurred when implementing and evaluating a program or intervention. The first group of costs is related to delivering the intervention or program, known as implementation costs, and the second group of costs is related to the evaluation of the intervention or program, known as research costs.

Implementation costs are costs directly associated with the delivery of the intervention. For example, the cost of materials distributed to participants, salaries of staff who deliver the program, and the costs related to the creation and maintenance of the resources developed for the intervention are all considered implementation costs.

Research costs are costs directly associated with research activities involved in evaluating the program. These include data collection costs, training of enumerators, research staff salaries, travel costs, participant incentives costs, and IRB fees.

Costs that cannot be covered by J-PAL

Before preparing a budget for a funding proposal, it is important to understand what costs are allowed by the funder you are applying to. This will vary by funding organization so we recommend reviewing allowable costs closely before drafting your budget. This information can be found in budget instruction guides linked on the respective initiatives' call for proposals page.

In J-PAL's case, funding typically cannot be used to cover implementation costs related to the regular operations of a program. The expectation is that these costs will be covered by implementing partners. However, certain costs that fall within implementation may be covered by J-PAL if those activities are taking place for the *sole* purpose of the evaluation and are a key component of the evaluation. For example, if you are working with an NGO that provides unemployed youth with an online soft skills training course and you want to test the impact of sending SMS reminders to youth to remind them to complete the soft skills course, the cost of the SMS could be covered by J-PAL funds if the SMS is only being sent for the purpose of the evaluation and would not otherwise be part of the program.

Additionally, funding cannot be used to cover capacity-building costs, such as graduate studies or other courses, for principal investigators (PIs) or other members of the research team.

Costs that can be covered by J-PAL

The costs below are all examples of research costs and can, therefore, be covered by J-PAL.

Research personnel costs

When compiling your budget, it is important to ask yourself what staff you will need on your research team and how much of their time you would require. Below is a list of typical roles (this may vary by project needs and finances).

Research teams typically consist of the following roles:
- Research Assistant (RA) who is responsible for:
  - Building survey questionnaires
  - Data cleaning, analysis, and quality monitoring
  - Literature reviews
  - Hiring and supervising field staff
  - IRB applications
- Research Manager who is responsible for:
  - Monitoring data collection
  - Ethics compliance
  - Supervising the RA and providing necessary support
  - Managing communication with PIs/partners
- Grant Manager:
  - Financial management of the project

Research assistants typically work full-time on research projects whereas research and grant managers typically work part-time on a given project. These time commitments may vary by project.

Principal Investigator time

J-PAL funding can be used to compensate PIs who are based in low-and-middle-income countries (LMICs) with the following limits:

- Full RCTs: Up to US$20,000 per year across all PI and co-PIs with a limit of US$8,000 per year per PI.
- Pilots: Up to US$8,000 per PI/co-PI over the duration of the project. However, the total amount budgeted for PI time must not exceed 25% of the total budget.
- Proposal development grants (PDGs): Up to US$3,750 per grant.

The budgeted amount for PI time needs to be included in the budget cap. For example, J-PAL's PDGs are capped at US$10,000 where the allowable US$3,750 for PI time would be included in the US$10,000 cap. In exceptional circumstances, you can provide a motivation to deviate from these thresholds if you are applying for full RCT or pilot funding.

Travel costs

Costs associated with the travel of PIs, RMs, and RAs for domestic and international travel as part of partnership development, setting up the project, data collection monitoring, and findings dissemination can be covered by J-PAL funding.

Eligible costs include:
- Flights
- Local transport (taxi and/or bus)
- Food allowances
- Car rental and petrol costs
- Accommodation
- Visa fees

When considering flights, you should budget for the cost of the most inexpensive direct flight available.

Field costs

Field costs can be broken down into two groups: training costs and data collection costs.

Training costs: costs associated with training enumerators (which is a prerequisite for a successful project), including:

- Renting a venue to conduct the training
- Enumerator allowance/salary during training
- Food stipend for enumerators
- Training supplies (printing, paper, and pens)

Data collection costs: costs associated with collecting data, including:

- Tablet or phone purchase/hire
- Survey software (e.g. SurveyCTO license)
- Airtime
- Enumerator salaries
- Transport of field staff
- Participant incentives

Typically we expect research teams to rent tablets, headsets, and phones. However, if rental isn't possible or data collection will take so long that it would be cheaper to buy the equipment, you can purchase these items. If you plan on purchasing these items, this would need to be justified in the budget narrative.

A general rule of thumb is that participant incentives should be in line with the hourly minimum wage in the country you are working in. Incentives must also cover any costs that participants might incur in taking part in the study, such as transportation costs to get to the survey venue. At the same time, they should not be so high that they unduly affect participant behavior and decision to take part in the study.

Important considerations when budgeting for data collection

Questions to ask yourself when budgeting for data collection

Listed below are a few important questions that you need to ask yourself when budgeting for data collection.

1. What is your required sample size?

     a. For RCTs, this will depend on power calculations. For more information on power calculations, please refer to the following [resource](#).

2. What is the length of your survey?
3. How many surveys can be completed in a day?
     a. It is advisable to build buffers to accommodate breaks for enumerators and travel time to survey areas.

4a. How long will data collection take (in days)?
     a. You should also include buffers here to account for potential events that may result in delays in data collection, such as weather events, protests, or potential participant recruitment failures. However, this should be informed by experiences running surveys in the same area in the past and you should be careful not to overestimate the amount of time needed for data collection.

4b. Is there a strict deadline before which all data collection activities should be concluded, or an event that might delay or stop data collection?
     a. For example, events such as elections, religious holidays, or agricultural seasons are important to account for when planning for data collection.

Answering the above questions will allow you to determine how many enumerators you will need to hire.

Practical example

Question 1: What sample size do you need to achieve power or what is your desired sample size for more descriptive work?
Answer: 2,500 participants

Question 2: How long does your survey take:
Answer: 1 hour

Question 3: How many hours do you have in a day to conduct surveys, taking into consideration travel time, lunch breaks, and other breaks? Assume an 8-hour work day, a 1-hour lunch break, a 15-minute break between surveys, and a 1-hour travel time.
Answer: 5 hours to conduct surveys

Therefore, you will be able to do a **maximum of 5 surveys a day per enumerator.**

Question 4: Is there a strict deadline that data collection needs to be concluded by?

Answer: 2 months (40 working days)

2500 surveys / 40 days / 5 surveys per day = 12.5
You will need **13 enumerators.**

Additional considerations

- Do you want to train extra enumerators in case someone quits or does not show up to work?
    - Hiring and training enumerators requires time and money. It is usually advisable to train additional field offers rather than having to repeat this process later on which may result in delayed fieldwork and additional costs.
- Will enumerators need to work outside of standard working hours?
    - For example, surveyors may need to work outside of standard working hours in order to survey employed participants. In this scenario, you could have multiple teams of enumerators that work over different hours or you could adjust your enumerator teams' working hours accordingly.
- Can you save money by having a larger enumerator team?
    - This will help you save on variable costs incurred while running surveys. For example, you can save on the number of days you need to hire a venue, RA time required, and support staff time.

Please see J-PAL's resource on <u>Surveyor hiring and training</u> for more information.

Remote surveys

Phone surveys are usually less expensive than in-person surveys and may be less time-consuming. Phone surveys work well if you have reliable administrative data on participants and if your sample population typically has access to mobile phones. However, they may not be appropriate depending on the recruitment strategy or type of survey. For example, phone surveys won't work if your survey asks sensitive questions that require enumerators to monitor participants while they answer or if you are randomly recruiting participants in public areas. For more guidance on phone surveys, please see this J-PAL resource on <u>conducting remote surveys</u>.

Costs that should be included for phone surveys:
- Headsets purchase or rental
- Printing costs
- Sim-cards and airtime/data
- Phone/tablet purchase or rental
- Hiring a venue to conduct surveys

Other costs related to data collection

It is crucial to include data quality checks in your plans and budget. One common method is to conduct backchecks, where independent auditors visit a subset of participants to verify the accuracy of the data collected. This should be done by a separate group of enumerators from those who conducted the original data collection.

It is necessary to account for survey printing and storage in cases where data collection is done on paper. It is generally advisable to collect data electronically using software such as SurveyCTO as it increases data security and decreases your chances of losing data that has been collected, but this may not be feasible in all contexts.

You may also want to budget for translation costs associated with translating your survey tools into other languages. This includes both translation and back translation. Back translation is when a text is translated back to its original language and then compared to the source text to identify discrepancies. Back translations help to ensure the accuracy of the translation.

Policy and dissemination costs

These are costs that enable researchers to disseminate their findings to both policy and/or research audiences.
- Costs for attending a conference can include: conference fees, travel costs, and accommodation costs.
- Costs for hosting a dissemination event can include venue hire, food and drinks, printing, audio-visual equipment hire, and travel and accommodation costs for personnel and participants.

IRB fees and overheads

IRB fees

J-PAL requires that all funded projects which involve data collection (including administrative data, qualitative data, focus groups, and surveys) obtain IRB approval. J-PAL further requires that the IRB has IORG status which means that it is registered with the Office for Human Research Protections ([OHRP](#)). If your host institution does not have IORG status, you will need to obtain IRB approval through a commercial IRB which does have this status. Commercial IRBs usually cost between US$2,000-5,000 depending on the complexity of the project, and this cost should be included in your budget. Commercial IRBs that we recommend working with are [Heartland](#) and [Solutions](#).

In the case that your host institution has IORG status and you do not need to use a commercial IRB, J-PAL requires that the institution to receive the award (ITRA) is the same institution that granted the IRB approval.

In the case of proposal development grants where the research team does not intend to conduct human subjects research, J-PAL is able to transfer funds to the personal bank account of a principal investigator to save on overhead costs.

Overheads

J-PAL funding allows grantees to include a maximum of 15% overhead (other funders may have different overhead caps). It is important to note that overhead costs need to be included in the budget caps for the particular grant you are applying for. For example, if you are applying for a proposal development grant that is capped at US$10,000, the overhead cost needs to be included in the US$10,000 and cannot be added on top of it.

There may be certain costs that are not covered by institutional overhead costs. These costs would need to be budgeted for as direct costs. For example, the salary of an administrative assistant or other management tasks that are not fully covered by overhead costs at your institution.

Practical tips for budgeting

Budget narrative

Do not overlook the importance of a well-written and detailed budget narrative. The budget narrative should explain the purpose of each budgeted item clearly. It is good practice to include the unit cost, the number required, and a justification for each line item. It is crucial to provide enough information so that it is clear how the totals were calculated. For example, in the case of enumerator wages, include information on the daily rate, the number of enumerators, and number of days they will work.

A detailed budget increases the probability of a successful application and speeds up the grant-making process by decreasing the number of clarification questions from the review board. These clarifications can be time-consuming and cause delays in starting the research project.

Common mistakes

It is important to remember that budgets that do not look well thought out, are too high level, or appear to include unnecessary expenses are likely to have a negative impact on the review board's opinion of the proposal and make it more likely to be rejected. Applicants should make it easy for reviewers to understand what they are budgeting for and that the budget has been compiled in good faith. Common mistakes include:

- Including PI and co-PI time that exceeds the allowable amounts.
- Including graduate student tuition fees.
- Using the incorrect institution overhead rates – make sure to check these before submitting.
- Merging too many expenditures into one line item without a clear explanation. The more disaggregated the budget is, and the more detail provided, the better.

Cost estimation tips

- As mentioned above, include reasonable time and cost buffers for field activities where necessary, as unforeseen costs are inevitable. Buffers help to account for unforeseen events

such as protests or flooding that may cause a pause in field work. However, this should not be used as a way to unnecessarily inflate your budget.
- Make sure to account for inflation when estimating the costs of future activities.
    - Staff salaries: Check that staff salaries have been adjusted for expected inflation and that they align with your institution's pay scales where applicable.
    - Account for changes in costs between baseline and endline surveys. This is especially important for studies that will take place over multiple years.

How to work with exchange rates

Budgets typically need to use the currency of the donor. In J-PAL's case, budgets need to be in USD. For reliable exchange rates, we recommend using Google finance or Oanda.

Be conservative in estimating foreign exchange rates. Instead of using the current exchange rate, rather use a long-term (6-month) average. Depending on how volatile your currency is, it is usually advisable to use an exchange rate that is US$1-2 stronger than the current rate. For example, if the current exchange rate in South Africa is ±R18.50:$1, in the proposal you might use a rate of R17:$1. This will protect you if your currency strengthens against the US dollar over the duration of the project.

Other practical tips

- The budget should reflect what is described in the scope of work and the proposal.
- The first version of your budget should be very detailed. This helps you budget accurately and ensures that you are including all costs. You can then collapse categories according to different donor budget templates.
- Construct your budget in a way that is simple to edit and includes checks in order to minimize the risk of human error.
- Make sure that the institution that will be receiving the funds has reviewed and approved your budget.