


# Budget Basics for Investigators

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# Budget Basics for Investigators



- Types of Applications
- Types of Budgets
- Budget Components
- Federal Requirements
- Pre-Award Policy Issues
- Other Considerations

# Types of Competing Applications

- SF424 Research and Research Related (R&R) - A guide for preparing and submitting applications via Grants.gov
- PHS 398 Public Health Service Grant (including Research Career Development Awards and Institutional National Research Service Awards)
- PHS 416-1 Application for Public Health Service Individual National Research Service Award (Fellowship)

entire SF424R&R, comparing it to the PHS398:

[http://era.nih.gov/ElectronicReceipt/files/Mapping\\_398\\_Data\\_to\\_SF424.pdf](http://era.nih.gov/ElectronicReceipt/files/Mapping_398_Data_to_SF424.pdf)

# Types of Budgets

- Modular vs. Itemized
- Multi-Project/Consortium
- SBIR/STTR
- Clinical Trials
- Fellowships
- Institutional Training Grants
- Research Career Awards

# Application Guide

- PHS SF424 Research & Related Budget
  - **4.7 R&R Budget Component**
    - 4.7.1 Section A and B
    - 4.7.2 Sections C through E
    - 4.7.3 Sections F through K
  - **5.4 Modular Component**
    - 5.4.1 Periods 1 through 4

# R&R Budget Components (1)

## ➤ 4.7.1 A. Senior/Key Person

- All Persons who are involved on the project at applicant institution who meet the senior/key person definition
- Faculty (academic vs. summer; person months, Institutional Base Salary; Legislative Cap)
- Collaborating Investigators
- Postdoctoral Associates
- Other Professionals



# Budget Components

- **Key personnel** – Individuals who contribute to the scientific development or execution of the project in a substantive, measurable way, whether or not salaries are requested.
  - Requires a level of effort devoted to the project.
- **Other significant contributors.** Individuals who have committed to contribute to the scientific development or execution of the project, but are not committing any specified measurable effort to the project.

See Part III. Definitions:

[http://grants1.nih.gov/grants/funding/424/SF424\\_RR\\_Guide\\_General\\_Ver2.doc#\\_Toc144091341](http://grants1.nih.gov/grants/funding/424/SF424_RR_Guide_General_Ver2.doc#_Toc144091341)

# R&R Budget Components (2)

## ➤ 4.7.1.B. Other Personnel

- Post Doctoral Associates
- Graduate Students
  - Pay for salaries as compensation for services.
  - Do not pay stipends; support for studies or research training.





# Graduate Student Compensation

- Ties compensation on research grants to the zero level NRSA postdoc stipend in effect at the time of award
- Compensation continues to include “salary or wages, fringe benefits and tuition remission”
- No adjustments will be made to noncompeting award levels or future years
- Grantees may rebudget to accommodate the higher level
- This policy was effective with awards issued on or after 12/10/2001

See NIH Guide, 12/10/2001

<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-02-017.html>

# R&R Budget Components <sup>(3)</sup>

## ➤ 4.7.1. B. Other Personnel (cont'd)

- Undergraduate Students
- Secretarial/Clerical (only under certain circumstances)

Also includes.....

- Technicians, including programmers
- Interviewers and evaluators
- Administrators (only under certain circumstances)



# R&R Budget Components (4)

## ➤ 4.7.1. Sections A and B

**Some Other Personnel budget components include:**

- Base Salary
- Calendar months
- Academic Months
- Summer Months
- Requested Salary
- Fringe Benefits

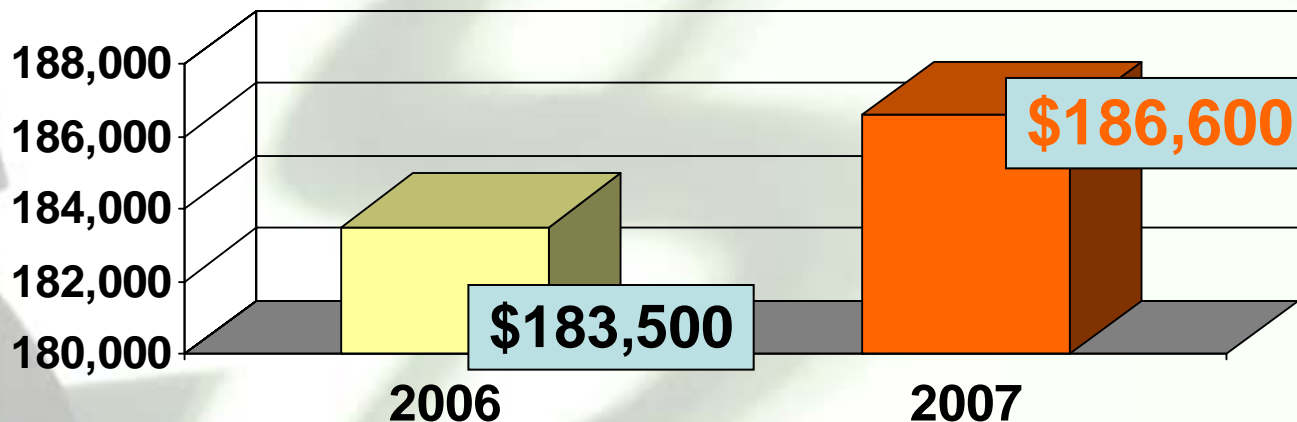


Additional information on person months:

[http://grants.nih.gov/grants/policy/person\\_months\\_faqs.htm](http://grants.nih.gov/grants/policy/person_months_faqs.htm)

# Salary Cap

- Restricts the amount of **direct salary** under a grant or contract to Executive Level I of the Federal Executive Pay Scale
- Executive Level I increase effective January 1, 2007



February 22, 2007 NIH Guide Notice

<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-07-051.html>

# R&R Budget Components (5)

## ➤ 4.7.2 Sections C through E

- C. Equipment and Description (exceeding \$5,000)
- D. Travel
  - Domestic Travel Costs (incl. Canada, Mexico and U.S. Possessions)
  - Foreign Travel Costs
- E. Participant/Trainee Support Costs
  - Tuition/Fees/Health Insurance
  - Stipends
  - Travel
  - Subsistence
  - Other



# R&R Budget Components (6)

## ➤ 4.7.3 Sections F through K

### – F. Other Direct Costs

- Materials and supplies (glassware, chemicals, lab supplies)
- Publication Costs (documenting, preparing, publishing, etc.)
- Consultant Services (incl. fee and travel costs)
- ADP/Computer Services (retrieval of information)
- Subawards/Consortium/Contractual Costs
- Equipment or Facility Rental/User Fees
- Alterations and Renovations
- Other



# R&R Budget Components (7)

- G. Total Direct Costs
- H. Indirect Costs
- I. Total Direct and Indirect Institutional Costs (G + H)
- J. Fee
- K. Budget Justification



# Budget Components

- Facilities & Administrative (F&A) (Indirect Costs)
  - NIH generally provides full F&A costs at negotiated rates with several notable exceptions:
    - Federal grantees – no F&A
    - Foreign grantees (and consortium) 8% of Total Direct Costs less equipment
    - Training (Ts) and Career (Ks) 8%
    - Fellowships – no F&A (but get other allowances)
    - Conference and Construction – no F&A

# Budget Components

## ➤ Cost Sharing

- Mandatory – required by legislation, program or regulation.
  - Legislative Salary Cap
  - Cost Sharing Match (rare at NIH)
- Voluntary – offered in application
  - Investigator effort at no-cost (voluntary uncommitted becomes voluntary committed when accepted in awarded budget).

# R&R Budget Components

## Modular Applications <sup>(8)</sup>

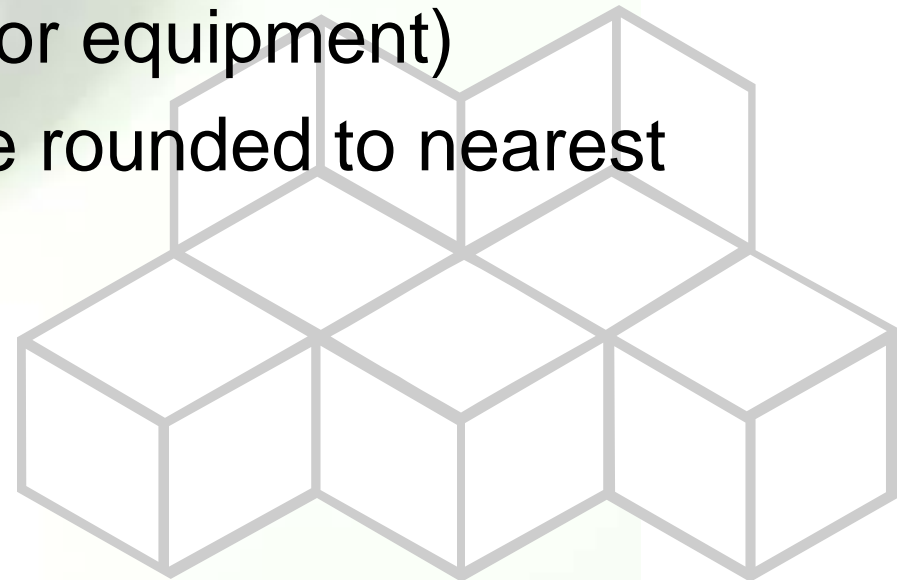
### 5.4 Modular Component

- No categorical budget accepted at time of application
- No categorical budget required at time of award
- No difference in allowable costs
- No difference in post-award financial management requirements



# Creating a Modular Budget

1. Start with an itemized budget (R&R budget component 4.7.1)
2. Create out-year budgets
3. Divide total of all years by \$25,000
4. Request same number of modules each year (there is an exception for equipment)
5. Consortia costs may be rounded to nearest \$1,000

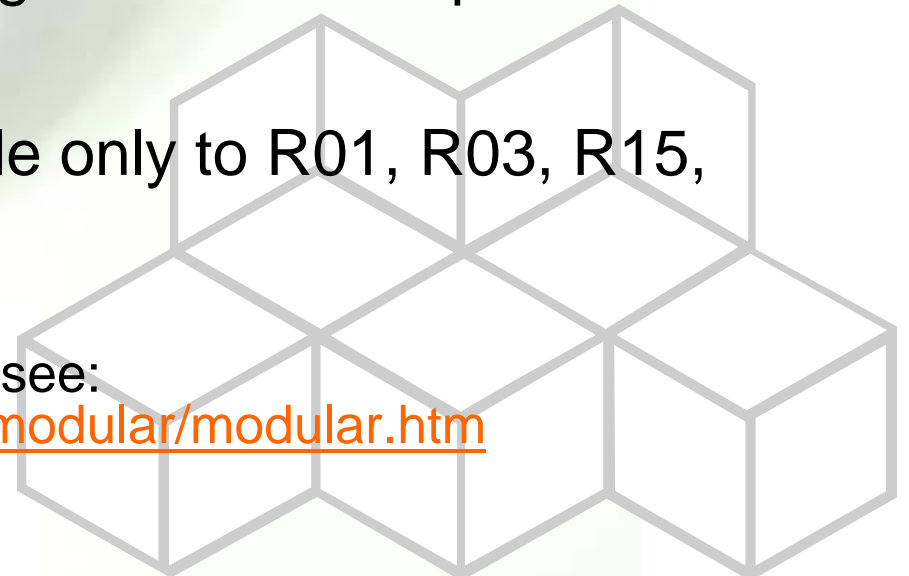


# More on Modulars

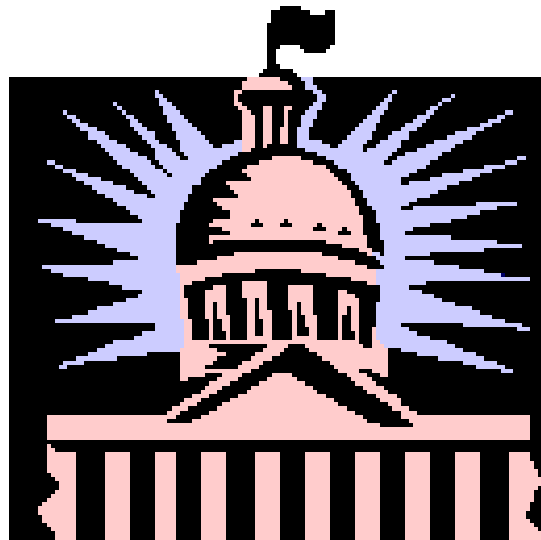
- List all personnel at applicant organization, including names, number of months devoted to project and roles on the project
- Consortia total costs are calculated separately and rounded to nearest \$1,000. List personnel, number of months devoted to project and roles on the project.
- NIH may request detailed budget to address specific issues
- Modular budgets are applicable only to R01, R03, R15, R21 and R34 applications.

For additional information on modulars see:

<http://grants.nih.gov/grants/funding/modular/modular.htm>



# Federal Requirements





# Cost Principles


- **OMB Circular A-21** - Educational Institutions
- **OMB Circular A-122** – Non-Profits
- **OMB Circular A-87** – State/Local Governments
- **45 CFR Part 74, Appendix E** - (hospitals)
- **48 CFR Subpart 31.2 (FAR)** – (for-profits)
  - Must budget in accord with these rules
  - Must expend grant funds per these rules

<http://www.whitehouse.gov/omb/circulars/>

<http://www.gpoaccess.gov/cfr/index.html>



# OMB Circular A-21/A-122

- 
- Establishes principles for determining costs applicable to grants, contracts, and other agreements
    - Direct costs
    - F&A/indirect costs
    - Selected items of cost
      - allowable/unallowable costs
      - **time and effort reporting**



# Administrative Standards

- **OMB Circular A-110** - Uniform Administrative Requirements for Grants and Agreements with Universities, Hospitals and Other Non-Profit Organizations

# OMB Circular A-110



Prescribes:

- Pre-award requirements
- Post-award requirements

Also requirements for:

- Payment
- Cost sharing or matching
- Accounting for program income
- Revision of budget and program plans
- Non-Federal audits
- Allowable costs
- Property standards
- Procurement standards
- Reports and records



# Pre-Award Policy Issues

# Legislative Mandates

1. Acknowledgment of Federal Funding (Section 506)
2. Anti-Lobbying (Section 503)
3. Continued Salary Limitation (Section 204)
4. Ban on Funding of Human Embryo Research (Section 509)
5. Limitation on Use of Funds for Promotion of Legalization of Controlled Substances (Section 510)
6. Restriction on Distribution of Sterile Needles (Section 505)
7. Restriction on Abortions (Section 507)

NIH Guide Notice dated February 22, 2007

<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-07-050.html>

# Pre-award Costs

At grantee's own risk and expense

- Up to 90 days prior to the start date of a competing award if costs:
  - Are necessary to conduct the project, **and**
  - Would be allowable under a potential award without prior approval
- Greater than 90 days requires prior approval; retroactive approval may be granted
- No time limit for noncompeting awards. Costs need to be allowable and carefully managed

# Cost Sharing

- Not required as a condition of applying for/receiving unsolicited NIH awards
- Only a few NIH solicited programs that require it
- Nonetheless, mandatory cost sharing for salary in excess of current salary cap
- Be sure you intend to commit to cost sharing when you propose an item at no cost to the government.

# Award Restrictions

- Only applied to a particular grant for cause
- Shown on the NGA after Section III
- Restricted funds must be tracked by grantee to ensure compliance
- Example: restricted equipment funds pending receipt of current price quote or prohibiting human subjects research pending IRB review

# Read the Notice of Grant Award

- Special Terms and Conditions
- Other Terms of Award
  - 45 CFR Part 74 or 92 - HHS rules and requirements that govern the administration of grants
  - NIH Grants Policy Statement - compendium of several regulatory requirements applicable to grants and cooperative agreements
  - Program and appropriation legislation
  - Program regulations
    - 42 CFR Part 52 - Grants for Research Projects

# Who is Responsible for Financial Management?

- The Principal Investigator
- The Departmental Administrator
- The Department Chair
- The Institution

# Other Considerations

- Consistent with institution policies and practice
- Request reasonable amounts based on current conditions and need.
- Don't request contingencies or uncommitted promotions
- Keep it reasonable
- Justify the unusual and large ticket items
- Ideally the science drives the budget and justification

# Preparing Realistic Grant Budgets

## Perspectives from Experience

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# Developing Grant Budgets

How to get what you need –  
**You** won't get what you  
want

# Shouldn't I just Request the Modular Maximum?

R01: \$250,000 DC per year for 5 years

R21: \$275,000 DC in total split over 2  
years

# How is the budget used by reviewers and program officials?

- Budgets are not used to assess scientific merit
- The Budget is reviewed after the scientific merit is assessed
- Budgets reveal how the applicant understands what it takes to accomplish their science
- A lean budget will not rescue a low impact or mediocre project

**RULE 1: Develop a Realistic Budget!**

**RULE 2: Justify Your Needs!**

# Let's Develop A Research Project Grant Budget

## Research Project Grant Costs

- R21 application
- R01 application

# What do you need to accomplish your objectives?

- People – labor, intellectual effort
- Equipment/Instrumentation
- Access to:
  - biological models
  - subjects/patients
  - data
  - resources
  - consumables
- Travel

# Sections A&B: Personnel

- Determine the amount of time (effort) that you will spend on this project.
  - Calendar, Academic, or Summer Months
- Determine the number, qualifications and amount of time needed for other personnel
  - Technicians
  - Postdoctoral Fellows
  - Graduate Students
  - Undergraduate Students

# Personnel (continued)

- There are no magical numbers regarding the qualifications and/or number of individuals needed for each aim.
- Be realistic about what each individual can accomplish, and the time necessary to complete the work.

## Section C: Do you need new equipment?

- If you need additional equipment, this is the time to consider it.
- **Equipment should be project specific – be sure to include a written justification.**
- Most equipment is requested during the first year of the grant.
- **If you use a modular budget format, you may ask for extra module(s) to cover equipment.**

## Section D: Travel funds

- This amount is usually small:
  - \$1,000 - 2,000 per meeting per individual per year
- Generally supports one meeting per year for 2-3 individuals

## Section E: Participant/Trainee Support Costs

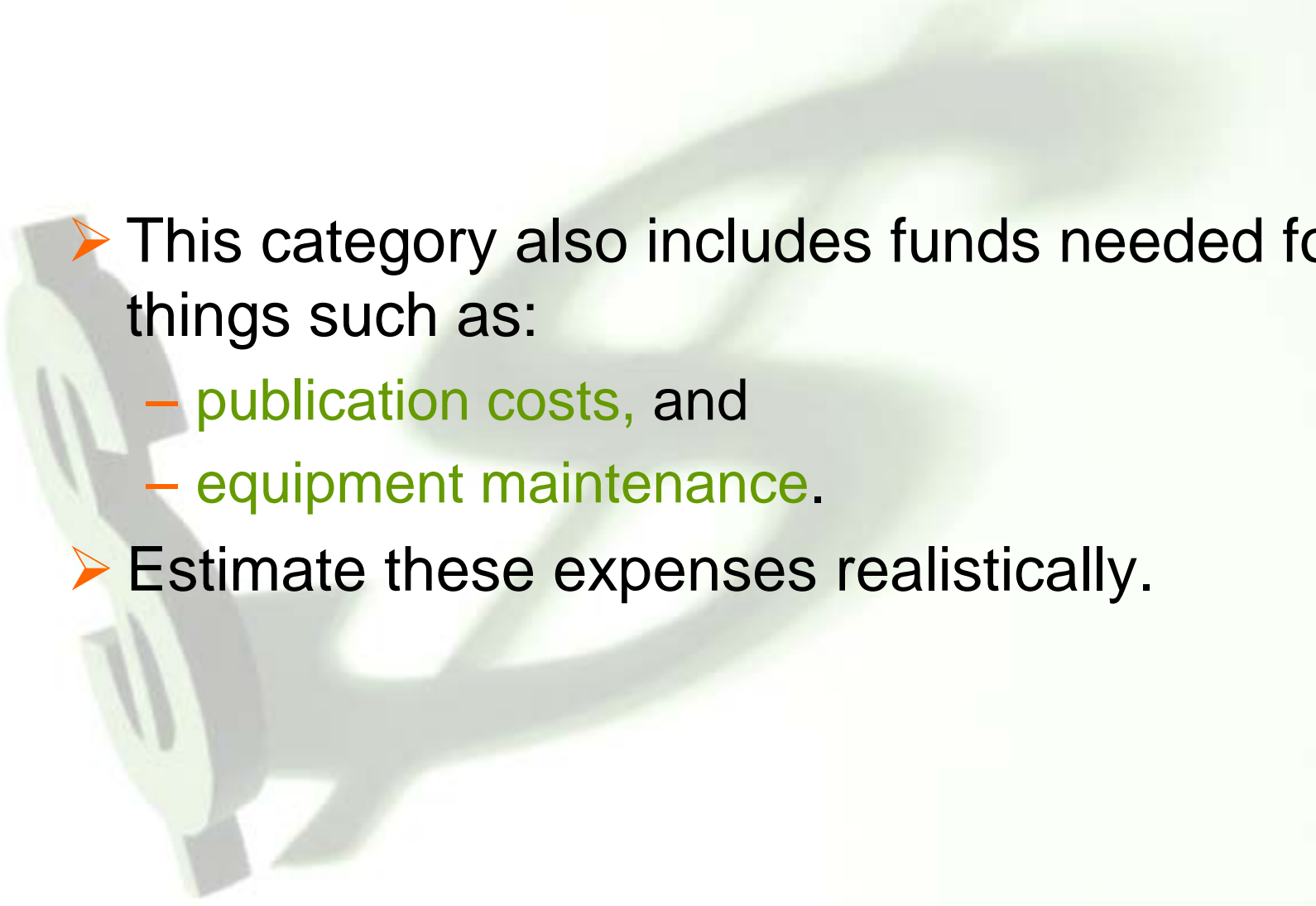
- Unless stated in the FOA, this section should be left blank for NIH applications
  - Include tuition remission under Section F: Other Direct Costs

# Section F: Other Direct Costs

Estimate the **materials and supplies** needed for the personnel involved

- It may be reasonable to estimate a supply budget of ~\$10,000–15,000/year for each FTE
- This number will vary depending on the nature of the research proposed.
  - Animal intensive studies and studies involving human subjects tend to be more costly.
  - *In silico* studies tend to be less costly for supplies.
- Consider stage of career of personnel involved

# Section F: Other Direct Costs

- 
- This category also includes funds needed for things such as:
    - publication costs, and
    - equipment maintenance.
  - Estimate these expenses realistically.

# Example #1: A R21 Budget

Remember:

- All budget requests to NIH for R21 applications use the modular format.
- The direct cost budget is limited to \$275,000, excluding consortium F&A, split over 2 years
  - Typically split \$150,000 (yr 1) and \$125,000 (yr 2)

# Add it all up

## BUDGET - R21

	<b>Base Salary</b>	<b>Cal. Months</b>	<b>Requested Salary</b>	<b>Fringe Benefits</b>	<b>Funds Requested</b>
<b>A Senior/Key Person PI</b>	78,000	3	19,500	5,460	24,960
<b>B Other Personnel</b>					
<b>Post Doctoral Associates</b>		12	38,976	10,913	49,889
<b>Research Technician</b>		6	25,000	7,000	32,000
<b>C Equipment microscope</b>					19,000
<b>D Travel (to 1 meeting)</b>					1,500
<b>E Participant/Trainee Support Costs</b>					usually left blank
<b>F Other Direct Costs</b>					
<b>Materials and Supplies</b>					18,000
<b>Publication Costs</b>					1,500
<b>Subawards/Consortium/Contractual Costs</b>					-
<b>tuition remission</b>					-
<b>G Total Direct Costs</b>					<b>146,849</b>

Convert to modular

# R21 Modular Budget Total Costs

## Total Direct Costs

Modular R21 = \$150,000

## Indirect Costs

Base = DC – equip = \$131,000

Your F&A (66%) = \$ 86,460

Total Costs = \$236,460 (year 1)

# Example #2: A R01 Budget

Remember:

- All budget requests to NIH for R01 applications use:
  - the **modular format** when requesting direct costs of \$250,000 or less each year
  - the **non-modular format** when requesting direct costs greater than \$250,000 each year
- Consortium F&A costs are not factored into the direct cost limit
- There is no limit to the requested direct costs, but applications requesting  $\geq$  **\$500,000 DC** in any single year **must contact NIH** prior to submitting application

# Add it all up

## MODULAR BUDGET - R01

	Base Salary	Cal. Months	Requested Salary	Fringe Benefits	Funds Requested
<b>A Senior/Key Person</b>					
<b>PI</b>	92,000	2	15,333	4,293	19,626
<b>Assistant Res. Sci.</b>	58,000	6	29,000	8,120	37,120
<b>B Other Personnel</b>					
<b>Post Doctoral Associates</b>		12	38,976	10,913	49,889
<b>Graduate Students</b>		12	20,772	5,816	26,588
<b>C Equipment</b>					
<b>microscope</b>					19,000
<b>D Travel</b>					
<b>Travel to 3 meetings</b>					6,000
<b>E Participant/Trainee Support Costs</b>					usually left blank
<b>F Other Direct Costs</b>					
<b>Materials and Supplies</b>					32,000
<b>Publication Costs</b>					1,500
<b>Subawards/Consortium/Contractual Costs</b>					-
<b>tuition remission</b>					7,000
<b>G Total Direct Costs</b>					<b>198,724</b>

Request as modular

# How to Submit a Modular Budget

- Calculate the direct costs (minus equip) for the first year.
  - (in the example, Year 1 budget = \$179,724)
- Calculate the direct costs for subsequent years taking into account salary increases and changes in funds requested for equipment.
  - Year 2 = \$184,370
  - Year 3 = \$189,901
  - Year 4 = \$195,598
  - Year 5 = \$201,466

# Submitting a Modular Budget

- Calculate the total direct costs for all years
  - **Total direct costs for 5 years = \$951,059**
- Divide total by the number of years requested
  - **Average direct costs = \$190,212/yr**
- **Investigator-initiated R01 budgets up to \$250,000 direct costs each year must use modular format**

# Convert Your Average Direct Costs to the Modular Format

- Round up to the next module (number divisible by \$25,000)
  - **In the example, \$190,212/yr rounds up to \$200,000/yr**
- No yearly increases for inflation
- Variations in the number of modules requested requires justification
  - e.g., add that one-time expense for equipment (1 module) for Year 1

# Submitting a Modular Budget

➤ You would request a R01 modular budget of:

- Year 1 = \$225,000 direct costs
- Year 2 = \$200,000
- Year 3 = \$200,000
- Year 4 = \$200,000
- Year 5 = \$200,000

# R01 Modular Budget

## Total Costs

Total Direct Costs

Modular R01 = \$225,000

Indirect Costs

Base = DC – equip – tuition = \$199,000

Your F&A (66%) = \$131,340

Total Costs = \$356,340 (year 1)

# Example #3: Modular vs Non-modular Budget

Remember:

- All budget requests to NIH for R01 applications use:
  - the **modular format** when requesting direct costs of \$250,000 or less each year, excluding consortium F&A costs
  - the **non-modular format** when requesting direct costs greater than \$250,000 each year

# Add it all up

## NON-MODULAR BUDGET - R01

	<b>Base Salary</b>	<b>Cal. Months</b>	<b>Requested Salary</b>	<b>Fringe Benefits</b>	<b>Funds Requested</b>
<b>A Senior/Key Person</b>					
PI	92,000	2	15,333	4,293	19,626
co-PI	78,000	3	19,500	5,460	24,960
Assistant Res. Sci.	58,000	6	29,000	8,120	37,120
<b>B Other Personnel</b>					
Post Doctoral Associates		12	38,976	10,913	49,889
Graduate Students		12	20,772	5,816	26,588
Research Technician		12	45,000	12,600	57,600
<b>C Equipment</b>					
microscope					19,000
<b>D Travel</b>					
3 meetings					6,000
<b>E Participant/Trainee Support Costs</b>					usually left blank
<b>F Other Direct Costs</b>					
Materials and Supplies					42,000
Publication Costs					1,500
Subawards/Consortium/Contractual Costs					-
tuition remission					7,000
<b>G Total Direct Costs</b>					<b>291,284</b>

Should be non-modular

# R01 Non-Modular Budget Total Costs

Total Direct Costs

non-Modular R01 = \$291,284

Indirect Costs

Base = DC – equip – tuition = \$265,284

Your F&A (66%) = \$175,087

Total Costs = \$466,371 (year 1)



# **Let's Develop A Research Project Grant Budget**

## **Research Project Grant with Consortium Costs**

# What do you need to accomplish your objectives?

- 1) Follow Guidance for Preparing a **Research Grant Budget**
- 2) Determine **Consortium Costs**

# Example #4: A R01 Budget with Consortium Costs – Take 1

Consortium Costs include:

- Personnel – salary and benefits
- Travel – professional or investigator meeting
- Other Direct Costs
  - Materials and Supplies

**Total Direct Costs = \$38,300**

# Add it all up

## BUDGET - Consortium

	Base Salary	Cal. Months	Requested Salary	Fringe Benefits	Funds Requested
<b>A Senior/Key Person</b>					
<b>PI</b>	92,000	2	0	0	0
<b>B Other Personnel</b>					
<b>Lab technician</b>		6	22,500	6,300	28,800
<b>C Equipment</b>					-
<b>D Travel</b>					
<b>Travel to 1 meeting</b>					1,500
<b>E Participant/Trainee Support Costs</b>					usually left blank
<b>F Other Direct Costs</b>					
<b>Materials and Supplies</b>					8,000
<b>Publication Costs</b>					-
<b>Subawards/Consortium/Contractual Costs</b>					-
<b>tuition remission</b>					-
<b>G Total Direct Costs</b>					<b>38,300</b>
<b>H Indirect Costs</b>					
<b>rate = 50%</b>					<b>19,150</b>
<b>I Total Direct &amp; Indirect Costs</b>					<b>57,450</b>

# Total Consortium Costs

- Consortium Direct Costs = \$38,300
- Consortium F&A
  - consortium institution (at 50%) = \$19,150

**Consortium Total Costs = \$57,450**

Remember you may round to the nearest \$1,000

# A R01 Budget with Consortium Costs

Remember:

- All budget requests to NIH for R01 applications use:
  - the **modular format** when requesting direct costs of \$250,000 or less each year, excluding consortium F&A costs
  - the **non-modular format** when requesting direct costs greater than \$250,000 each year

# Add it all up

## BUDGET - R01 with Consortium

	<u>Base Salary</u>	<u>Cal. Month</u>	<u>Requested Salary</u>	<u>Fringe Benefits</u>	<u>Funds Requested</u>
<b>A Senior/Key Person</b>					
<b>PI</b>	92,000	2	15,333	4,293	19,626
<b>Assistant Res. Sci.</b>	58,000	6	29,000	8,120	37,120
<b>B Other Personnel</b>					
<b>Post Doctoral Associates</b>		12	38,976	10,913	49,889
<b>Graduate Students</b>		12	20,772	5,816	26,588
<b>C Equipment</b>					
<b>microscope</b>					19,000
<b>D Travel</b>					
<b>Travel to 3 meetings</b>					6,000
<b>E Participant/Trainee Support Costs</b>					usually left blank
<b>F Other Direct Costs</b>					
<b>Materials and Supplies</b>					32,000
<b>Publication Costs</b>					1,500
<b>Subawards/Consortium/Contractual Costs</b>					57,450
<b>tuition remission</b>					7,000
<b>G Total Direct Costs</b>					<b>256,174</b>

Should you request a modular budget?

# **R01 Grant with Consortium Budget**

**Submit as a modular budget  
when requesting Direct Costs at or  
below \$250,000 per year...**

**... excluding Consortium F&A costs.**

# Modular Grant with Consortium Budget

Thus in this example,

- Total Direct Costs = \$256,124
- less Consortium F&A = \$ 19,150

Total Project Direct Costs = \$236,974

**\*request as modular budget =  
\$250,000**

# Total Direct Costs: Modular Budget with Consortium

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Modular Total Project DC = \$250,000

Plus Consortium F&A = \$ 19,150

Total Direct Costs = \$269,150  
(Modular Budget)

# Your Indirect Costs for year 1

## Modified Total Direct Cost (MTDC) Base:

- Total Project DC [includes Consortium F&A],
- Less Consortium TC in excess of \$25,000
- Less equipment (\$19,000) and tuition costs (\$,7000)

### Example:

$$\begin{aligned} & \$269,150 - \$32,450 - \$19,000 - \$7,000 \\ & = \$210,700 \text{ MTDC} \end{aligned}$$

— Your institution F&A rate = 66%

**Total F&A = \$139,062**

# Total Costs: Modular Budget with Consortium

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Modular Total Project DC = \$250,000

Plus Consortium F&A = \$ 19,150

Total Direct Costs = \$269,150

Plus Your F&A (66%) = \$139,062

Direct + F&A (Indirect) Costs = \$402,212

# A R01 Budget with Consortium Costs – Take 2

Remember:

- All budget requests to NIH for R01 applications use:
  - the **modular format** when requesting direct costs of \$250,000 or less each year, excluding consortium F&A costs
  - the **non-modular format** when requesting direct costs greater than \$250,000 each year

# Add it all up

## BUDGET - R01 with Consortium

	Base Salary	Cal. Months	Requested Salary	Fringe Benefits	Funds Requested
A Senior/Key Person					
PI	92,000	2	15,333	4,293	19,626
co-PI	78,000	3	19,500	5,460	24,960
Assistant Res. Sci.	58,000	6	29,000	8,120	37,120
B Other Personnel					
Post Doctoral Associates		12	38,976	10,913	49,889
Graduate Students		12	20,772	5,816	26,588
Research Technician		12	45,000	12,600	57,600
C Equipment					
microscope					19,000
D Travel 3 meetings					6,000
E Participant/Trainee Support Costs					usually left blank
F Other Direct Costs					
Materials and Supplies					42,000
Publication Costs					1,500
Subawards/Consortium/Contractual Costs					57,450
tuition remission					7,000
G Total Direct Costs					<b>348,734</b>

Should you request  
a modular budget?

# R01 Grant with Consortium Budget – Take 2

Thus, in this example,

- Total Direct Costs = \$348,734
- less Consortium F&A = \$ 19,150

Total Project Direct Costs = \$329,584

**\*request as non-modular budget**

# Total Costs: Non-Modular Budget with Consortium

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Total Project DC = \$348,374

Less Consortium Costs > \$25,000 = \$ 32,450

Less equipment and tuition costs = \$ 26,000

MTDC Base = \$289,924

Your F&A (66%) = \$191,350

Total Costs = \$539,724

# Where to get help

- SF424 R&R instructions
  - [http://grants1.nih.gov/grants/funding/424/SF424\\_RR\\_Guide\\_General\\_Ver2.doc](http://grants1.nih.gov/grants/funding/424/SF424_RR_Guide_General_Ver2.doc)
  - [http://era.nih.gov/ElectronicReceipt/faq\\_sf424.htm#1](http://era.nih.gov/ElectronicReceipt/faq_sf424.htm#1)
- PHS 398 instructions
  - <http://grants.nih.gov/grants/funding/phs398/phs398.html>
- For additional information on modular budgets see:
  - <http://grants.nih.gov/grants/funding/modular/modular.htm>
- Your sponsored programs office
- NIH program and grants management staff
- Experienced PI

# How a Reviewer Might Evaluate a Modular Budget

## Personnel

PI (6 mos) = 2 modules (0-4)

co-PI (3 mos) = 1 module (0-4)

post-doc (12 mos) = 2 modules

technician (12 mos) = 2 modules

Equipment = 1 module (0-1)

Supplies/Travel/Other = 1 module (1-2)

Total modules = 9 @ \$25,000 = \$225,000

## **But I asked for what I needed?**

So, if NIH funds your grant, will you get the funds you requested?

Why not?

# But I asked for what I needed?

- **Study Section** may recommend reductions
  - In costs (reduce 1-2 modules)
  - In time (reduce 1 year)
  - You may be asked to provide information to funding institute to appeal IRG recommended reductions

# But I asked for what I needed?

- **Funding Institute Policies\*** may reduce budget further and cut years
  - Across-the-Board cuts
  - Stratified cuts
  - New Investigator
  - Number of current grants to PI
- Not appealable
- Discuss with Program officer if causes hardship

\*Such policies allow more grants/investigators to be funded

# But I asked for what I needed?

- **NIH Policies** may reduce budget further and cut years
  - **NOT-OD-07-030: NIH Fiscal Policy for Grant Awards – FY 2007.** Inflationary adjustments for existing non-competing renewal awards will not be made in FY2007. [<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-07-030.html>]
  - **NOT-OD-07-004: Non-Competing Grant Awards Under the Current Continuing Resolution.** Until the final FY 2007 appropriation is enacted, NIH will issue non-competing research grant awards at a level below that indicated on the most recent Notice of Award (generally up to 80% of the previously committed level). [<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-07-004.html> **New Investigator**]
  - **NOT-OD-06-025: NIH Financial Policy for Grant Awards – FY 2006.** Non-competing awards for every RPG will be awarded at a level of 97.65% of the amount indicated for the FY2006 budget period [<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-06-025.html>]

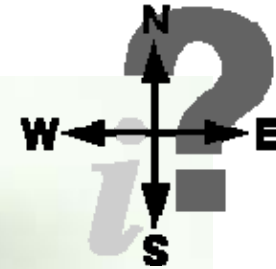
# Take the Money and Run

- Base your laboratory budget on the dollars and years that are indicated on the [Notice of Grant Award](#).
- Remember, [modular grants](#) are not adjusted for inflation.
- Hire necessary personnel.
- Prioritize your work and get it started.

# Final Thoughts on \$\$

- We are all taxpayers and the \$1-2M you have just been awarded is a lot of money so spend wisely.
- If you have a problem, contact NIH. There may be a solution.

# Questions?



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