


**YOUR COMPETITIVE ADVANTAGE
SUCCESSFUL PROPOSAL DEVELOPMENT
WORKSHOP**

**APPLICATION BUDGETS
AND
POST AWARD ISSUES**

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**SUCCESSFUL PROPOSAL DEVELOPMENT
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**APPLICATION BUDGETS AND POST AWARD
ISSUES**
Award Mechanisms

- ◆ Research Project Grants
 - + Traditional – R01
 - + Small and Exploratory/Development Grants – R03/R21/R33/R34
 - + Program Project – P01
 - + Research Center Grants – P41, P50
 - + Small Business – R41, R42, R43, R44
 - + Area Grant – R15
- ◆ Cooperative Agreements
 - + Specialize mechanism with substantial NIH (i.e. program officer) involvement
 - + NIH initiated
 - + Visit: <http://odoerdb2-2.od.nih.gov/oer/programs/coop/>






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**APPLICATION BUDGETS AND POST AWARD
ISSUES**
Budget Preparation


- ◆ MODULAR
- ◆ RESEARCH and RELATED (R & R)



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**APPLICATION BUDGETS AND POST AWARD
ISSUES**
PHS 398 Modular Budget


- ◆ Alternative to the R&R Budget
- ◆ Reduce burden by eliminating the need for specific budget numbers
- ◆ No detailed categorical information
- ◆ Research project grant mechanisms (R01, R03, R15, R21, R41, & R43) and RFAs not over \$250,000 direct costs/year.
- ◆ Request total direct costs in “modules” of \$25,000



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**APPLICATION BUDGETS AND POST AWARD
ISSUES**
PHS 398 Modular Budget (cont.)


- ◆ Direct costs separate from consortium F&A costs; not in the \$250K limit
- ◆ Budget justification PDF text attachments for Personnel, Consortium and Other
- ◆ Provide names, roles of applicant organization personnel and number of months devoted to project
- ◆ No future year escalations in the traditional sense
- ◆ Cumulative Budget is system-generated



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**APPLICATION BUDGETS AND POST AWARD
ISSUES**
PHS 398 Modular Budget (cont.)

- ◆ NIH may request detailed budget to address specific issues
- ◆ Adjustments may be applied to individual grant awards based on IC financial policies
 - + Caps on certain types of costs specific to that funding opportunity
 - + Limits on overall grant funding due to NIH budget constraints
- ◆ <http://grants.nih.gov/grants/funding/modular/modular.htm>




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APPLICATION BUDGETS AND POST AWARD ISSUES
Budget Development Outline

◆ **To Modular or NOT To Modular?**


1. Start with an itemized budget (R&R budget component 4.7.1)
2. Create out-year budgets
3. Calculate the direct costs for the first year.
 - ▶ For example, Year 1 budget = \$179,000
4. Calculate the direct costs for subsequent years taking into account salary increases and changes in funds requested for equipment
 - ▶ Year 2 = \$164,800
 - ▶ Year 3 = \$169,744
 - ▶ Year 4 = \$174,836
 - ▶ Year 5 = \$180,081



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APPLICATION BUDGETS AND POST AWARD ISSUES
Budget Development Outline (cont.)

5. Calculate the total direct costs for all years
 - ▶ Total direct costs for 5 years = \$868,461
6. Divide total by the number of years requested
 - ▶ Average direct costs = \$173,692/yr
7. Since Investigator-initiated R01s up to \$250,000/yr must use a modular format budget you will
 - ▶ **GO MODULAR !**




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APPLICATION BUDGETS AND POST AWARD ISSUES
Budget Development Outline (cont.)

◆ **Convert Average Direct Costs to Modular Format**


- + Round up to the next module (number divisible by \$25,000)
 - ▶ Example, \$173,692/yr rounds up to \$175,000/yr
- + No yearly increases for inflation
- + First year may include additional modules for one-time expenses like equipment
 - ▶ Example, add one additional module to year 1 = \$200,000



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APPLICATION BUDGETS AND POST AWARD ISSUES
Research and Related (R&R) Budgets

- ◆ R&R Budgets do not use a PHS 398 form.
- ◆ See FOA and SF424 (R&R) Instruction Guide for guidance on correct form
- ◆ Provide information only for your organization
- ◆ Sub awardees complete separate but identical forms with their information
- ◆ Applicant prepares a detailed budget for every budget period
- ◆ A detailed Cumulative budget will be system-generated based on the budget period data



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APPLICATION BUDGETS AND POST AWARD ISSUES
R&R Budget - Personnel

◆ **Personnel: 2 sections → A & B**

- + Must be employees of applicant organization

A. Senior/Key Person

- ▶ Allows 8 as separate named individuals
- ▶ Provide info on additional Senior/Key persons in pdf attachment
- ▶ Provide time in "person-months" units, not percent effort
- ▶ Person months based on 40 hours per week
 - ◆ Example: 6 months = 20 hours per week.
- ▶ PD/PI field must be filled-in




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APPLICATION BUDGETS AND POST AWARD ISSUES
R&R Budget - Personnel (cont.)

B. Other Personnel


- ▶ Postdocs, Grad Students, Undergrads: Provide the number of personnel (no specific names or responsibilities)
- ▶ Provide more detail in Budget Justification
- ▶ "Base Salary" can be left blank when applying, but NIH will require the information before the grant is awarded



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APPLICATION BUDGETS AND POST AWARD ISSUES
R&R Budget – Personnel Notes


| R&R Budget Form | Senior/Key Personnel |
|---|--|
| Include only personnel employed by (e.g., receiving salary from) your organization. | Include all personnel considered senior or key, regardless of employer. |
| Consultants are included in Sections A or B, but in Section F, Line 3 (Consultants). | Consultants should be listed the same as all other personnel considered senior or key. |
| If effort is unknown include in Section B (e.g., some consultants or other significant contributors). | Effort commitments not relevant to this section. |



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APPLICATION BUDGETS AND POST AWARD ISSUES
R&R Budget Sections C, D, E


- ◆ **Item C, Equipment** allows itemization of up to 10 pieces of equipment. If more, include total dollars in line 11 and provide details in the attachment.
- ◆ **Item D, Travel** separates Domestic and Foreign travel, but NIH continues to award as a single category.
- ◆ **Item E, Participant/Trainee Support Costs** not used unless requested in FOA.



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APPLICATION BUDGETS AND POST AWARD ISSUES
R&R Budget: Sub Award Attachment Form

- ◆ Detailed budget from all consortium grantees
- ◆ Consortium grantee(s) must have correct software version installed
- ◆ Applicant sends the R&R budget component to the consortium grantee to complete
- ◆ Applicant then attaches it in this component
- ◆ Allows up to 10 separate budget attachments
 - + One budget for each consortium grantee
 - + If more than 10 consortium partners, include details for 11 and above as PDF documents in budget justification



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APPLICATION BUDGETS AND POST AWARD ISSUES
Post Award Topics


- ◆ Assurances in Place
 - + Office of Human Research Protections (humans)
 - + Office of Laboratory Animal Welfare (animals)
- ◆ Financial Status Report (FSR)
 - + SF 269-long form, if applicable
- ◆ Performance Site(s)/Consortium(s) Information
- ◆ Checklist completeness
- ◆ Just-In-Time Information
- ◆ Human Subjects Education
- ◆ Prior Approval



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APPLICATION BUDGETS AND POST AWARD ISSUES
Performance Site(s)/Consortium(s) Information

- ◆ Research and Related (SF424)
 - + Project/Performance Site Primary Location
 - + Organization Name: Shea Therapeutics, Inc.
 - + Street: 511 Main Street
 - + City: Washington
 - + State: D.C.
 - + Country: USA



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APPLICATION BUDGETS AND POST AWARD ISSUES
Performance Site(s)/Consortium(s) Information (cont.)


- ◆ Research and Related (SF424)
 - + Project/Performance Site Location 1
 - + Organization Name: University of Maryland
 - + Street: Route 1
 - + City: College Park
 - + State: Maryland
 - + Country: USA



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APPLICATION BUDGETS AND POST AWARD ISSUES
Checklist Completeness


- ◆ PHS398 Checklist
 1. Application Type
 2. Change of Institution
 3. Inventions and Patents
 4. Program Income
 5. Assurances



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APPLICATION BUDGETS AND POST AWARD ISSUES
Just-In-Time (JIT) Information


- ◆ JIT information is not required to review the application, but is needed to implement the grant
 - + Certification of Education on Human Subjects
 - + Institutional Review Board (IRB) approval
 - ▶ Required within 1 year and before any human subjects research begins
 - + Institutional Animal Care and Use Committee (IACUC) Approval
 - ▶ Required within 3 years and before animal research begins
 - + Information on "Other Support" received by Key Personnel



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APPLICATION BUDGETS AND POST AWARD ISSUES
Human Subject Education


- ◆ If Human Subject research is involved as part of the Just In Time (JIT) request, NIH requests:
 - + Certification of IRB review and approval
 - + Certification that Key Personnel have completed appropriate human subjects research education
 - ▶ NIH Human Subjects Protection Education
<http://phrp.nihtraining.com/users/login.php>



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APPLICATION BUDGETS AND POST AWARD ISSUES
Grants Management Perspective


- ◆ Financial Status Report
- ◆ Carryovers & Offsets
- ◆ Prior Approvals



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APPLICATION BUDGETS AND POST AWARD ISSUES
Who is Responsible for Financial Management?


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



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APPLICATION BUDGETS AND POST AWARD ISSUES
Financial Status Reports

- ◆ Due 90 days after the end of competitive segment for a modular grant
- ◆ Due at the end of EACH budget period for non-modular award, i.e., cooperative agreement
- ◆ Reflect funds expended in a budget period
- ◆ **MUST BE SUBMITTED BEFORE CARRYOVER REQUESTS ARE CONSIDERED**
- ◆ Grant will not be processed if FSR has not submitted AND accepted in to the system



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APPLICATION BUDGETS AND POST AWARD ISSUES
 Prior Approval



- ◆ Certain post-award actions require the prior approval of the NIH Grants Management Officer
- ◆ NIH Grants Policy Statement, Prior Approval Section: http://grants1.nih.gov/grants/policy/nihgps_2003/NIHGPS_Part7.htm



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APPLICATION BUDGETS AND POST AWARD ISSUES
 Prior Approval Rule of Thumb


- ◆ When you contemplate **significant** post award changes and are uncertain about the need for prior approval, consult in **advance** with:
 - + Your Office for Sponsored Research/Projects
 - + NIH awarding component Grants Management Officer / Specialist identified on the Notice of Award (NoA)

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APPLICATION BUDGETS AND POST AWARD ISSUES
 Prior Approval (cont.)


- ◆ All requests for prior approval must be:
 - + Submitted in writing or via email – include complete grant number, PI name and contact information, grantee name
 - + Submitted to the awarding IC's Grants Management Specialist no later than 30 days before the proposed change
 - + Signed by the PI and administrative official
 - + Only responses to prior approval requests signed by the GMO are valid



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APPLICATION BUDGETS AND POST AWARD ISSUES
 Actions Requiring NIH Prior Approval


- ◆ No-Cost Extensions beyond first extension
- ◆ Change in Principal Investigator / Status
- ◆ Change of Grantee Institution
- ◆ Change in Scope
- ◆ Pre Award costs more than 90 days (competing grant)
- ◆ Addition of a foreign component
- ◆ Carryover of restricted funds
- ◆ Undertaking activities disapproved or restricted as a term of award



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APPLICATION BUDGETS AND POST AWARD ISSUES
 Actions Requiring NIH Prior Approval (cont.)

- ◆ Change in Scope
 - + Significant change in aims, methodology, approach, or other aspects of project objectives
 - + Reflects significant change from the project as reviewed and approved
 - + Examples:
 - ▶ Change to a different animal model
 - ▶ Any change from the approved use of animals or human subjects
 - ▶ Shift of research emphasis to a different disease area
- ◆ Final approval of a change in scope requires concurrence of the NIH Program Officer and Grants Management Specialist



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APPLICATION BUDGETS AND POST AWARD ISSUES
 Actions Requiring NIH Prior Approval (cont.)

- ◆ Change of Grantee Institution
 - + Program Officer assesses
 - ▶ Progress to date
 - ▶ Adequacy of new resources and environment
 - ▶ Availability of expertise (key personnel)
 - ▶ Potential problems (e.g., equipment)

Note: Contact NIH Program and Grants Management Staff early!




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APPLICATION BUDGETS AND POST AWARD ISSUES

Actions Requiring NIH Prior Approval (cont.)

- ◆ Change in Status of PI
 - + ≥25% change in PI effort
 - + PI absence of 90 days or more
 - + Replace PI
 - + Request includes:
 - ▶ Justification for the change
 - ▶ Biographical sketch of the individual proposed
 - ▶ Other sources of support
 - ▶ Budget Changes resulting from the change
 - ▶ Human Subject Education Certification (if applicable)

Note: A project cannot be converted from a single PI to a Multiple PI project during a non-competing phase



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APPLICATION BUDGETS AND POST AWARD ISSUES

Internet Resources

- ◆ Office of Extramural Research Grants Home Page: <http://grants.nih.gov/grants/oer.htm>
- ◆ NIH Grants Policy Statement (12/03): http://grants.nih.gov/grants/policy/nihgps_2003/index.htm
- ◆ NIH Guide: <http://grants.nih.gov/grants/guide/index.html>
- ◆ PHS 398 Application (form pgs are PDF-fillable): <http://grants1.nih.gov/grants/funding/phs398/phs398.html>
- ◆ PHS2590 Progress Report (form pgs are PDF-fillable): <http://grants.nih.gov/grants/funding/2590/2590.htm>
- ◆ Handy Reference: Activity Code, Organization Codes and Definitions Used In Extramural Programs: <http://grants.nih.gov/grants/funding/ac.pdf>



YOUR COMPETITIVE ADVANTAGE SUCCESSFUL PROPOSAL DEVELOPMENT WORKSHOP

QUESTIONS ?



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