



INTRODUCTION TO GRANTS MANAGEMENT



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Hello. My name is Kelli Oster from the Grants Management Office of the National Institute of Nursing Research ,and I will be discussing the application process from a grants management perspective.

Discussion Topics

- Features of a modular application
- Developing a modular budget
- Features of a categorical application
- Developing a categorical budget

I'll start by discussing:

- Features of a Modular Application
- Developing a Modular Budget
- Features of a Categorical Application
- Developing a Categorical Budget

Modular vs. Categorical Budgets

Two options:

- PHS398 Modular Budget Component
- Research and Related Budget Component (Categorical)

NIH research grant applications utilize one of two application formats: either the modular or categorical application. Depending on the dollar threshold of the grant and the relevant FOA, you, as the applicant, can determine which format applies to your application.

Modular Budget: Features

- Applicable only to certain (R) mechanisms
- Up to \$250,000 direct costs per year (not including consortium Facilities and Administrative costs)
- Modules of \$25,000 direct costs
- Narrative budget justification required
- Summary Statement recommendations in module increments

- Research grant applications requesting up to \$250,000 direct costs per year (not including consortium F&A costs) must use the Modular format . This is applicable to only to the R01, R03, some R15's, R21 and R34 mechanisms.
- Applicants request total direct costs in modules of \$25,000. No future year escalations should be built in.
- A narrative budget justification is required, especially when there is a variation in the number of modules requested per year.
- An Any Initial Review Group (IRG) recommends or adjustments to the budget with come in \$25,000 increments, as opposed to individual items.

Developing a Modular Budget

Creating a Modular Budget

- Start with an itemized budget
- Consortia costs may be rounded to nearest \$1,000
- Create out-year budgets

So how do you create a modular budget?

1. You start with an itemized budget, just as if you were developing a categorical budget
2. Any Consortia costs should be rounded to nearest \$1,000
3. And you would do the same thing for any out-year budgets

It is important to make sure you have an understanding of all of the costs that will be associated with your application in all years to make sure you request the correct amount.

Developing a Modular Budget

Creating a Modular Budget

- Divide the total amount being requested by the number of years of the project
- Round each year up to the nearest \$25,000 increment
- Request same number of modules each year (unless justified)

4. You then divide the total amount being requested by the number of years of the project
5. Round each year up to the nearest \$25,000 increment
6. And make sure you request the same number of modules each year unless there is an exception such as a for a piece of equipment that may need to be purchased in year 3)

Developing a Modular Budget

Add it all up:

- Calculate the direct costs for the first year:
 - (for example, Year 1 budget = \$179,000)
- Calculate the direct costs for subsequent years taking into account salary increases and any changes in funds requested:
 - Year 2 = \$164,800
 - Year 3 = \$165,744
 - Year 4 = \$171,836
 - Year 5 = \$173,081

So, in this example,

Year 1 budget = \$179,000

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 = \$165,744

Year 4 = \$171,836

Year 5 = \$173,081

Developing a Modular Budget

Do I need to submit a modular budget?

- Calculate the total direct costs for all years
 - Total direct costs for 5 years = \$854,461
- Divide total by the number of years requested
 - Average direct costs = \$170,892/yr
- Investigator-initiated R01s up to \$250,000/yr must use modular format

Once you've added up the costs for all years, divide the total by the number of years requested. If the amount per year is less than \$250,000 direct costs, you know the modular format applies.

Developing a Modular Budget

Convert Your Average Direct Costs to the Modular Format

- Round up to the next module (number divisible by \$25,000)
 - In the example, \$170,892/yr rounds up to \$175,000/yr
- No yearly increases for inflation

So, in our example, the average direct cost per year comes to \$170,892. Rounding this number up to the next \$25,000 increment, you would request \$175,000 per year – this equates to 7 modules.

No yearly increases for inflation are permitted; however, you can request additional modules for one-time expenses like equipment. Make sure you provide an appropriate explanation for this variation in the budget justification.

PHS 398 Modular Budget, Periods 1 and 2

OMB Number: 0971-0001
Expiration Date: 9/30/2007

Budget Period: 1
Reset Entries Start Date: End Date:

A. Direct Costs * Funds Requested (\$):
* Direct Cost Less Consortium F&A
Consortium F&A
* Total Direct Costs

B. Indirect Costs

	Indirect Cost Type	Indirect Cost Rate (%)	Indirect Cost Base (\$)	* Funds Requested (\$)
1.	Modified Total D.C.	50		87,500
2.				
3.				
4.				

Consortium Agency (Agency Name, POC Name and Phone Number)

Indirect Cost Rate Agreement Date Total Indirect Costs

C. Total Direct and Indirect Costs (A + B) * Funds Requested (\$):

Budget Period: 2
Reset Entries Start Date: End Date:

A. Direct Costs * Funds Requested (\$):
* Direct Cost Less Consortium F&A
Consortium F&A
* Total Direct Costs

B. Indirect Costs

	Indirect Cost Type	Indirect Cost Rate (%)	Indirect Cost Base (\$)	* Funds Requested (\$)
1.				
2.				
3.				
4.				

Consortium Agency (Agency Name, POC Name and Phone Number)

Indirect Cost Rate Agreement Date Total Indirect Costs

C. Total Direct and Indirect Costs (A + B) * Funds Requested (\$):

This is the PHS 398 Modular Budget page which you will complete if submitting a modular application. Section A is where you enter the direct costs, Section B, the indirect costs, or F&A costs, and Section C is the total costs requested for the budget period.

You will need to submit a budget justification, which lists all personnel, including names, number of months devoted to the project and the roles on the project, consortium costs rounded to the nearest \$1,000, as well as the justification if there is a variation in the number of modules requested per year.

Categorical Budget: Features

- Applies to research grant applications requesting greater than \$250,000 direct costs per year (not including consortium F&A) and mechanisms not included in the modular initiative
- Applies to all competing foreign grantees and all costs must be requested in U.S. dollars

The other budget format is the categorical budget.

This applies to grant applications requesting greater than \$250,000 direct costs per year and those mechanisms not included in the modular initiative.

It also applies to all competing foreign grantees and the budgets for these applications must be submitted in U.S. dollars.

RESEARCH & RELATED BUDGET - SECTION C, D, & E, BUDGET PERIOD 1

* ORGANIZATIONAL DATA:

Budget Type: Project Subaward/Consortium

Enter name of Organization: _____

* Start Date: _____ * End Date: _____ Budget Period 1

C. Equipment Description
List items and dollar amount for each item exceeding \$5,000

Equipment Item	Funds Requested (\$)
1. Time Machine	10,000
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____
6. _____	_____
7. _____	_____
8. _____	_____
9. _____	_____
10. _____	_____
11. Total funds requested for all equipment listed in the attached file	_____
Total Equipment	10,000

Additional Equipment: _____

D. Travel

	Funds Requested (\$)
1. Domestic Travel Costs (incl. Canada, Mexico and U.S. Possessions)	5,000
2. Foreign Travel Costs	_____
Total Travel Cost	5,000

E. Participant/Trainee Support Costs Only complete this section if requested to do so in the FOA.

	Funds Requested (\$)
1. Tuition/Fees/Health Insurance	_____
2. Stipends	_____
3. Travel	_____
4. Subsistence	_____
5. Other _____	_____
<input type="text"/> Number of Participants/Trainees	<input type="text"/> Total Participant/Trainee Support Costs

The next page of the categorical budget is where you request equipment, travel and if applicable, participant/trainee costs.

Section C is for equipment requests. If you are requesting more than 10 pieces of equipment, there is a place to upload an additional file with the remaining equipment and the funds requested in the attachment.

Section D is for travel.

Section E is for participant/trainee costs. Only use this section if instructed to do so in the FOA.

RESEARCH & RELATED BUDGET - SECTION F-K, BUDGET PERIOD

* ORGANIZATIONAL ID:

* Budget Type: Project Subaward/Consortium

Enter name of Organization:

* Start Date: * End Date: Budget Period 1

F. Other Direct Costs

	Funds Requested (\$)
1. Materials and Supplies	<input type="text"/>
2. Publication Costs	<input type="text"/>
3. Consultant Services	<input type="text"/>
4. ADP/Computer Services	<input type="text"/>
5. Subaward/Consortium/Contractual Costs	<input type="text"/>
6. Equipment or Facility Rental/Lease Fees	<input type="text"/>
7. Allocations and Reimburses	<input type="text"/>
8. Unallocable Reimburses + Yellows	<input type="text"/>
9.	<input type="text"/>
10.	<input type="text"/>
Total Other Direct Costs	5,000

G. Direct Costs

Total Direct Costs (A thru F) **317,500**

H. Indirect Costs

Indirect Cost Type	Indirect Cost Rate (%)	Indirect Cost Base (\$)	* Funds Requested (\$)
1.	50		158,750
2.			
3.			
4.			
Total Indirect Costs			158,750

Caplight Federal Agency:
 Agency Name, POC Name, and POC Phone Number:

I. Total Direct and Indirect Costs

Total Direct and Indirect Institutional Costs (G + H) **476,250**

J. Fee

Funds Requested (\$):

K. * Budget Justification

(Only attach one file.)

Next Period button will appear after all fields in the budget period that are tracked (including the Budget Justification) are completed.

Subaward/Consortium/Contractual Costs not auto-populated. Include both Direct and Indirect costs.

This page is for other direct costs and indirect costs, as itemized on the screen.

NOTE: If there is a subcontract on the grant, you will need to enter the total costs, both direct and indirect costs – it is NOT automatically populated from the subcontract budget pages.

Section G provides the total direct costs and Section H is the Indirect Cost section where you provide the indirect cost type, rate, base and funds requested. Section I which reflects the total funds requested.

Section J is used for SBIR/STTR grants. And Section K is where you would upload your budget justification.

RESEARCH & RELATED BUDGET - Cumulative Budget	
	Totals (\$)
Section A, Section Key Person	
Section B, Other Personnel	
Total Number Other Personnel	
Total Salary, Wages and Fringe Benefits (A+B)	
Section C, Equipment	
Section D, Travel	
1. Domestic	
2. Foreign	
Section E, Participants/Trainee Support Costs	
1. Tuition/Fees/Health Insurance	
2. Stipends	
3. Travel	
4. Subistence	
5. Other	
6. Number of Participants/Trainees	
Section F, Other Direct Costs	
1. Materials and Supplies	
2. Publication Costs	
3. Consultant Services	
4. ADP/Computer Services	
5. Subawards/Consortium/Contractual Costs	
6. Equipment or Facility Rental/User Fees	
7. Allowances and Reimbursements	
8. Other 1	
9. Other 2	
10. Other 3	
Section G, Direct Costs (A thru F)	
Section H, Indirect Costs	
Section I, Total Direct and Indirect Costs (G + H)	467,250
Section J, Fee	

This is the cumulative budget page, which is system-generated and provides totals based on costs requested in each budget period. I suggest you review these numbers for accuracy.

Categorical Budgets

- Ask for a budget that is adequate to conduct the research
- Justify the budget
- Ask for allowable costs only

http://grants.nih.gov/grants/policy/nihgps_2013/nihgps_ch7.htm#costs_activities_allowability

If you are developing a categorical budget, keep in mind the following points:

- Ask for a budget that is adequate to conduct the research, but that is reasonable; for example, don't ask for \$30,000 in travel unless there is a very compelling justification.
- A budget justification is required for each component of each category for every year. In other words, we need to be able to read your budget justification and duplicate the calculation of every cost component requested. Categories in amounts less than \$1,000 do not have to be itemized.
- Make sure the costs you've requested are allowable per NIH Grants Policy. Here's the URL for NIH policy on allowable costs.

This concludes our Introduction to Grants Management. If you have any questions please contact the NINR Office of Grants Management at WWW.NINR.NIH.GOV