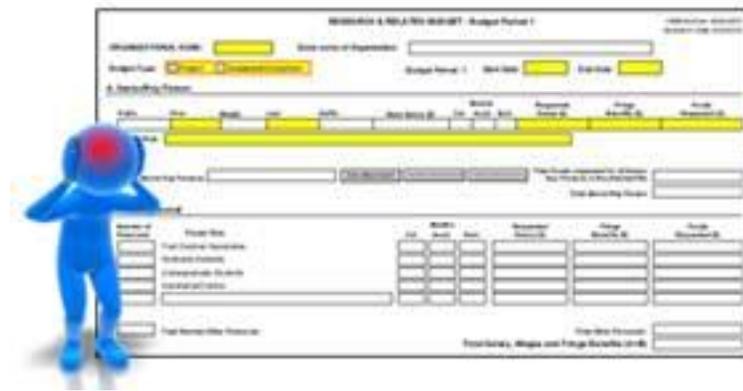


Budgets Make My Brain Hurt



I have budget phobia. There I said it. It is a bit embarrassing to admit – I work with *grants* after all, but it’s true. I’m actually pretty good at math, I like money and I know quite a bit electronic grant application submission - but there is something about the mix that makes my brain hurt. I think it’s the lingo – F&A rates, direct costs, modified total direct costs, fringe benefits, cost principles – yikes!

When we were building ASSIST, I knew that our help desk would get more content and policy questions about application preparation, some of which would find their way to my desk. What I wasn’t prepared for was how many of those questions would be related to budgets. Thankfully, NIH employs lots of grants management and policy professionals that not only know the budget lingo and what all those crazy terms mean (without looking them up like I do), they actually *like* to talk about budgets – go figure.

I know ASSIST and how eRA systems process multi-project applications. They know budgets. Together we’ve prepared the following ASSIST Budget FAQs that we hope you will find useful.

Q: What is the best way to structure my multi-project application from a budget perspective?

A: NIH has provided a basic framework for multi-project applications. However, there is some flexibility within that framework regarding how to put together an application. Some applicants decide to structure their applications with the applicant organization leading every component within the application. Other

applicants have collaborating organizations lead a subset of components within their applications.

Many factors can influence how you decide to structure your application. An application's budget is important, but it should not be the primary consideration in your decision. Funding Opportunity Announcement guidelines, NIH policy, your own organization's policies, the role any collaborating organizations will play in the proposed research, where the research will be carried out, and other factors should also be considered. ***In the end, your multi-project application should be structured to reflect the scientific and administrative needs of the proposed research.***

Once you decide how you are going to structure your application, filling out the component forms (including budgets) is fairly straightforward. Treat each component like it is a standalone application. If the applicant organization is leading a component, then all the forms in that component should be completed from the perspective of the applicant organization. If a collaborating organization is leading a component, then all the forms in that component should be completed from the perspective of the collaborating organization.

Q: When a collaborating organization leads an entire component, is it still considered a subaward/consortium to the applicant organization?

A: Yes. The R&R Cover form within each component is used to identify which organization is leading the component. Having a DUNS on the component R&R Cover that is different than the DUNS provided on the Overall R&R Cover form informs NIH systems that the budget information included in the component should be considered subaward/consortium costs to the applicant organization. Even when a collaborating organization leads a component, the applicant organization is still ultimately responsible for the entire application.

Q: When a collaborating organization leads an entire component, should the Budget Type on the R&R Budget form be set to 'Project' or 'Subaward/Consortium'?

A: ASSIST automatically marks the Budget Type field on the R&R budget form to 'Project'. The 'Project' designation simply indicates it is the main budget for the component. NIH systems use the DUNS number and not the Budget Type field to determine if the budget form is completed from the perspective of the applicant organization or a collaborating organization.

Q: Why doesn't the Overall component include a budget form?

A: Electronic multi-project applications are made up of an Overall component that describes the entire application and some number of additional components where the work is actually carried out. Although the SF424 R&R Cover form includes an estimated Project Funding section that must be completed, the Overall component doesn't have a dedicated budget form that applicants can fill out. Instead, applicants fill out an R&R Budget form for each of the additional components and any related subaward budget forms. NIH systems present a summary of the budget information with the Overall component.

Q: How are the system-generated summaries that are displayed with the Overall component calculated?

A: Assembled application images include three budget summaries: a Composite Application Budget Summary, a Component Budget Summary and a Categories Budget Summary. A resource that describes the different parts of a multi-project assembled application image (including the various system-generated summaries) can be found at: http://grants.nih.gov/grants/ElectronicReceipt/files/Electronic_Multi-project_Application_Image_Assembly.pdf.

Q: Why don't budgets marked Subaward/Consortium show in the Component Budget Summary?

A: The summaries provide a roll-up of the activity across the components of the application. The Component Budget Summary is just that - a summary of the main budgets for each component. It is not meant to be a listing of the cumulative budget pages of every budget form included in the application. The detailed budget forms supporting the summaries are included in the application image within their components.

Q: How do you change the DUNS and Organization information displayed on a component budget form?

A: In ASSIST, the DUNS and Organization Name fields from the R&R Cover automatically populate the DUNS and Organization Name fields on the R&R Budget form. Although the fields on the budget form are not editable, edits to the R&R Cover form are reflected on the R&R Budget form.

Q: Why is the R&R Budget form tab missing from my component?

A: You may not have the authority to view or edit budget data for the component. Have a Signing Official (SO) or someone with the Access Maintainer role check your privileges using the Manage Access action in ASSIST.

Q: How do you add subaward budget forms to a component in ASSIST?

A: Use the Add Optional Form action available while on the component Summary tab to add additional budget forms for subawards. ASSIST automatically marks the Budget Type field of each subaward budget form to Subaward/Consortium. Carefully enter the DUNS number of the subaward organization. eRA systems use the DUNS information when doing summary roll-ups.

Q: Does ASSIST automatically add up the costs of subawards within a component to populate line F5 – Other direct Costs Subaward/Consortium/Contractual Costs on the main budget form?

A: No. Remember, F5 - Other Direct Costs Subaward/Consortium/Contractual Costs can include contractual costs in addition to the Subaward/Consortium costs found on the subaward budget forms; auto calculating this field would limit the ability to add those additional costs. The total direct and indirect costs for all subaward/consortium budgets within a component (along with appropriate contractual costs) must be manually entered on line F5 of the component's main budget (the one with Budget Type Project).

Q: How can I tell if my application falls within the direct cost limit designated in an FOA?

A: NIH continues to support the policy established in 2004 regarding applications that involve consortium/contractual F&A costs (see [NOT-OD-05-004](#)). This policy allows applicants to exclude consortium/contractual F&A costs when determining if an application falls at or beneath any applicable direct cost limit.

Although the Composite Application Budget Summary found in the assembled application image does not include a line item specific to this calculation, you can take the Direct Costs line item from the summary and manually subtract the F&A amounts of all direct consortiums to the applicant organizations.

Q: How do I complete the R&R Budget form for a component or subaward that is not active for all periods of the entire application?

A: Simply fill out the minimal required information for the inactive budget periods and complete all information for the active periods.

For example, let's say Project-004 of your multi-project application does not start until budget period 2. In the Project-004 R&R Budget form for period 1 you would:

- Select the appropriate Budget Type (the selection of Project or Subaward/Consortium is already made for you in ASSIST)

- Provide the Budget Period 1 Start and End Dates (the Start Date is already pre-populated for you in ASSIST)
- In Section A - Senior/Key Person, include the project lead specifying their role, .01 effort under Calendar months, \$0 for Requested Salary and \$0 for Fringe Benefits
- Attach your Budget Justification including an explanation for the delayed start

Complete the remaining budget periods following standard instructions.

Q: Our organization's F&A rate uses a modified total direct cost base which excludes sub-recipient charges after the first \$25,000. How do I account for the first \$25,000 in my multi-project budget?

A: Many negotiated F&A rate agreements use a modified total direct cost (MTDC) base rate and include the following language:

“Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.”

Section H - Indirect Costs on the R&R Budget forms allow you to specify an Indirect Cost Type, Rate and Base and multiple entries in this section are allowed. The first \$25,000 of the Total Direct and Indirect Costs of each Subaward/ Consortium organization for which you have an agreement can be included in the Indirect Cost Base. This is pretty straight forward and works well for single project applications. However, it is a bit more complicated with multi-project applications. Let's look at a few scenarios.

Scenario 1: *Organization A is the applicant organization on a P01 and has structured their application such that they lead all the components of the application. Organization B is a subaward on Project-001 with a total cost of \$50,000 and a subaward on Project-002 with a total cost of \$25,000.*

Although A has listed B under two projects, generally A can only apply the first \$25,000 of organization B's total costs to the Indirect Cost Base.

Scenario 2: Organization A is the applicant organization on a P01 and has structured their application such that they lead all but two components of the application. Organization B leads the remaining two components with total costs of \$50,000 and \$25,000. None of the components have subawards.

In this scenario, Organization B is actually a subaward to organization A and the Overall budget (calculated by eRA systems and presented as the Composite Budget Summary) should allow for the first \$25,000 of organization B's costs to be applied to the Indirect Cost Base. However, **an issue has been identified with the system-generated Composite Budget Summary. When an application includes components that are for organizations that have different DUNS than the Applicant Organization DUNS, the Indirect Cost calculation may appear less than expected since the first \$25,000 of those organization costs are not applied to the applicant budget. No action is required from the applicant, although applicants always have the option to document any concerns over system-calculated information in the budget justification of any component. The application review is not affected by this issue and NIH will correct the budget calculations administratively.**

Q: Based on internal organization rules, we do not allow collaborating organizations to lead components within our multi-project applications. For components where the project lead and all incurred costs are actually at a collaborating organization, how do I fill out the budget form? ASSIST does not allow the R&R Cover of a component and the main R&R Budget form to have different DUNS.

A: If you feel strongly about retaining leadership of all components, then you will need to fill out the Project budget for the component using the information from the applicant organization with the minimum required information and fully complete the subaward budget for the collaborating **organization**.

Q: Should a budget phobic person ever talk to more than one grants management person at a time?

A: No. When you ask a question, you will get what sounds like a reasonable answer and then the 'except whens' start flowing...my institute does it this way...mine allows this but not that unless it's a leap year... and they don't notice you are now cowering in the corner rubbing your temples. Of course, I'm just kidding...they did, in fact, notice my cowering and temple rubbing. They also said something that made me feel surprisingly better.

“There really isn't such a thing as a 'perfect' application budget. Instruct applicants to follow the general NIH guidelines and any FOA-specific instructions. The budget needs to be reasonably close and must convince reviewers and staff that they have a good sense of the actual costs. Rarely is an application awarded exactly as it is presented in the application budget. Once a funding decision is made, grants management folks get busy with their spreadsheets and rule books and make necessary adjustments.”

With that, I took a deep breath and my brain didn't hurt quite so much.

For Frequently Asked Questions related to ASSIST and multi-project applications (that aren't all about the numbers), see:

http://grants.nih.gov/grants/ElectronicReceipt/faq_full.htm#assist.

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