This session will *not* be recorded, but this PowerPoint can found
https://medschool.ucla.edu/research/researcher-resources/administrative-support/department-medicine-office-research-administration/fund-management-training

BINGO Ice-Breaker/Terms Review

https://bingobaker.com#7dcb5beda6acc844

This link will also be copied to the chat for easy access when most attendees are logged in

Proposal Budget Preparation
with strong emphasis on NIH

UCLA DEPARTMENT OF MEDICINE
OFFICE OF RESEARCH ADMINISTRATION
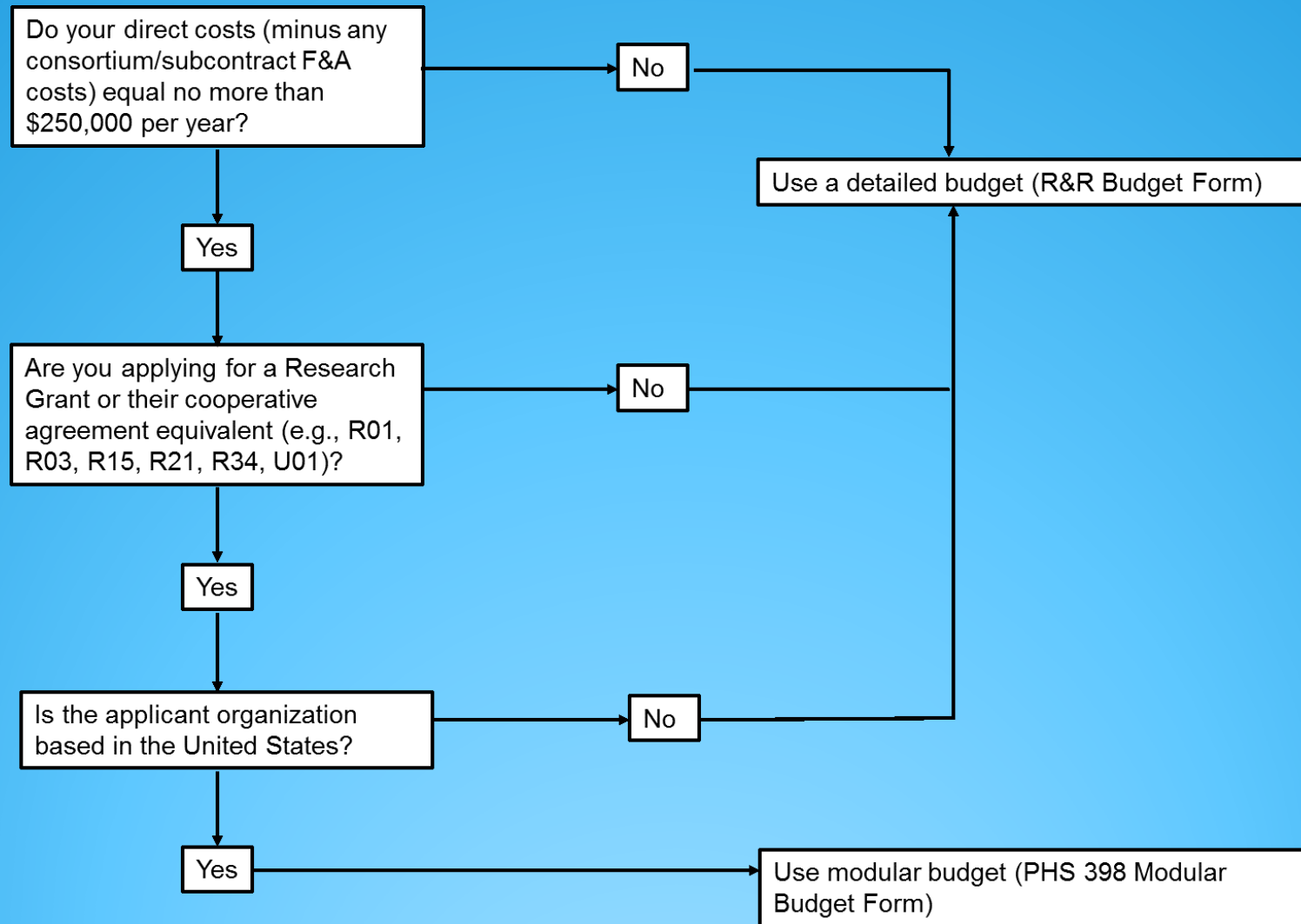ZOOM TRAINING

Proposal Budgets

Topics Covered

- Types of budgets – detailed budget for modular grants

- Budget limitations – TC vs. TDC

- Allowable & unallowable items - start pg 163 of 417

- NIH salary cap

- To-be-named (TBN/TBD) personnel

- Composite Benefit Rates(CBR) – use most updated rates!

- Mandatory expenses - i.e. GSR fees, TIF, insurance (non-NIH), etc.

- Facilities & Administrative (F&A) Costs

  - On-campus vs. Off-campus

  - Modified Total Direct Costs (MTDC) vs. Total Direct Cost (TDC)

- Cost Sharing

- Use Budget Excel Templates

NIH Modular vs. Detailed Budgets

- **Modular** - A simplified type of grant application in which support is requested in $25,000 modular increments without the need for detailed supporting information related to separate budget categories. Justification only required for personnel expenses and an additional narrative, as needed – i.e. F&A exclusions & requesting different modules per year. **Max module is $250,000 direct cost/year.**

  - Personnel Justification: Only required to justify personnel expense

  - Additional Narrative Justification: F&A exclusions, variation in modules (Except for R21s), and any work being conducted off-site, especially if it involves a foreign site or an off-site F&A rate.

- **Detailed (aka R&R Budget)** – Grant application budgets that require detailed cost breakdown and justification. Any budget request over $250,000 direct cost/year

Modular vs. Detailed Budget Flow Chart

Do your direct costs (minus any consortium/subcontract F&A costs) equal no more than $250,000 per year? → **No** → Use a detailed budget (R&R Budget Form)

↓ **Yes**

Are you applying for a Research Grant or their cooperative agreement equivalent (e.g., R01, R03, R15, R21, R34, U01)? → **No**

↓ **Yes**

Is the applicant organization based in the United States? → **No**

↓ **Yes** → Use modular budget (PHS 398 Modular Budget Form)

NIH Direct Cost Limitations (aka Ceiling)

UCLA's **Total DC** = UCLA's DC + Consortium DC + Consortium F&A

WHICH IS NOT TO BE CONFUSED WITH:

NIH **DC Ceiling** = UCLA's DC + Consortium DC (only)

- **NIH POLICY** regarding FOAs that include a limitation on direct costs, aka NIH's direct cost ceiling.

  - When determining FOA Direct Cost Limits, consortium F&A is excluded!

- **Why:** NIH recognizes increased need for support of interdisciplinary research

  - Including consortium F&A from DC limitations would create a disincentive to establish consortiums

NIH Direct Cost Limitations (aka Ceiling)

UCLA Signature Authority is based on

UCLA's Total Direct Cost

(UCLA's DC + Consortium DC + Consortium F&A).

DRA's Signature Authority is for proposals with up to $500,000 Total DC in any given budget year.

See Section G. Direct Costs of SF424 RR Budget

G. Direct Costs	Funds Requested ($)
Total Direct Costs (A thru F)	609,941

NIH Budgets Exceeding $500k DC/YR

- **NIH Notice NOT-OD-02-004** : An applicant planning to submit an investigator-initiated, new, competing continuation, competing supplement, or any amended/revised version of the original application requesting $500,000 or more in direct costs for any year, MUST contact Institute or Center program staff BEFORE submitting the application.

  - Approval from the Institute/Center must be requested at least 6 weeks prior to the anticipated submission.

  - The PI must include a cover letter with the application, identifying the program staff member and Institute/Center that has agreed to accept assignment of the application. If you have any approval letter, attached it to the cover letter.

  - Applications received without indicating Institute/Center approval will be returned to the applicant without review.

  - This policy does not apply to RFAs, or FOAs that include specific budgetary limits.

Budget Categories

Salaries (Section A & B)

- Salaries must be based on currently approved rates available in UCPath.

  - If you use a rate other than the current rate, you should have something in writing (from a source authorized to approve increases) stating an increase will be approved.

  - List all UCLA personnel even if they are without salary (except for OSCs)

- Do not list non-UCLA personnel in this section.

  - If subaward: list personnel in the subaward's budget.

  - Non-UCLA Collaborators: Can list in the Budget Justification to explain role.

- Listing To Be Named (TBN)

  - UCLA Staff Title & Pay Plan

  - Postdocs - Use Salary Scale Table 23

  - Grad Students - Use Salary Scale Table 22

  - Faculty - Use Salary Scale for appointment type

  - Undergraduate Students (non-Work Study)

Salaries (Section A & B)

- Using <u>NIH Cap</u> rate versus Total Negotiated Salary (TNS)

  - If you use the TNS: At the time of award, NIH will reduce the salary amount provided to the current NIH Cap rate.

  - If you use the NIH Cap: The NIH will not provide an increase to the total budget if the salary cap goes up.

    - You are still allowed to charge the new higher capped rate. You will just have to rebudget from another person or category.

    - Include a statement in the Justification that the NIH Cap was used, and the PI's actual salary is over the NIH Cap.

Effort Percent to Calendar Months Conversion

- Percent Effort x 12 (months) = Calendar Months
  - Example: 15% effort = 1.80 Calendar Months
    - Calculation: 0.15 x 12 = 1.80 Calendar Months

Percent Effort to Calendar Months

Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months	Percent Effort	Calendar Months
1%	0.12	21%	2.52	41%	4.92	61%	7.32	81%	9.72
2%	0.24	22%	2.64	42%	5.04	62%	7.44	82%	9.84
3%	0.36	23%	2.76	43%	5.16	63%	7.56	83%	9.96
4%	0.48	24%	2.88	44%	5.28	64%	7.68	84%	10.08
5%	0.60	25%	3.00	45%	5.40	65%	7.80	85%	10.20
6%	0.72	26%	3.12	46%	5.52	66%	7.92	86%	10.32
7%	0.84	27%	3.24	47%	5.64	67%	8.04	87%	10.44
8%	0.96	28%	3.36	48%	5.76	68%	8.16	88%	10.56
9%	1.08	29%	3.48	49%	5.88	69%	8.28	89%	10.68
10%	1.20	30%	3.60	50%	6.00	70%	8.40	90%	10.80
11%	1.32	31%	3.72	51%	6.12	71%	8.52	91%	10.92
12%	1.44	32%	3.84	52%	6.24	72%	8.64	92%	11.04
13%	1.56	33%	3.96	53%	6.36	73%	8.76	93%	11.16
14%	1.68	34%	4.08	54%	6.48	74%	8.88	94%	11.28
15%	1.80	35%	4.20	55%	6.60	75%	9.00	95%	11.40
16%	1.92	36%	4.32	56%	6.72	76%	9.12	96%	11.52
17%	2.04	37%	4.44	57%	6.84	77%	9.24	97%	11.64
18%	2.16	38%	4.56	58%	6.96	78%	9.36	98%	11.76
19%	2.28	39%	4.68	59%	7.08	79%	9.48	99%	11.88
20%	2.40	40%	4.80	60%	7.20	80%	9.60	100%	12.00

Fringe Benefits (Section A & B)

- UCLA Composite Benefit Rates (CBRs)

  - What are CBRs?

  - CBRs are in effect as of Sept. 1, 2018.

  - You must know the employee's payroll title in order to determine the correct CBR to use.

  - [Link to UCLA Corporate Finance's CBR website](#)

  - As per OCGA, do not escalate the CBRs.

  - Do you include VAC?

Equipment (Section C)

- Equipment is defined as an item of property that has an acquisition cost of $5,000 or more, and an expected service life of more than one year.

- General purpose equipment, such as desktop computers and laptops, that will be used on multiple projects should not be listed as a direct cost, but should come out of the F&A costs, unless primarily or exclusively used in the actual conduct of the proposed scientific research.

- While the application does not require you to have a price quote (general NIH policy), including price quotes in your budget justification can aid in the evaluation of the equipment cost to support the project.

- Equipment is excluded from the F&A base (MTDC base)

Travel (Section D)

- In the budget justification, include the destination, number of people traveling, and dates or duration of your stay.

- Clearly state how the travel is directly related to your proposed research. Examples:
  - Allowable: Attend a conference to present your research
  - Unallowable: Attend a conference to stay current in my field

- Check the FOA! Often times travel to a particular meeting is required.

Trainee Costs (Section E)

- This section is generally only applicable to Ts and Fs.

- Leave this section blank unless otherwise stated in the FOA.

- Reminder: Graduate student tuition remission should be entered in section F.

Other Direct Costs (Section F)

- Material and Supplies (F.1.)

  - In the Justification, indicate categories such as glassware, chemicals, animal costs, including an amount for each category.

  - Categories that include costs less than $1,000 do not have to be itemized.

  - Animal Costs: It is often helpful to include more specific details about how you developed your estimate for animal costs. Details are especially helpful if your animal care costs are unusually large or small. Include the following information in the Justification:

    - The number of animals you expect to use.

    - The purchase price for the animals.

    - Your animal facility's per diem care rate.

Other Direct Costs (Section F)

- Publication Costs (F.2.)

  - You may include costs associated with helping disseminate research findings from the proposed research.

  - If this is a new application, you may want to delay publication costs until the later budget periods, once you have actually obtained data to share.

Other Direct Costs (Section F)

- Consultant Services (F.3.)
  - Consultants differ from Consortiums in that they may provide advice, but should not be making decisions for the direction of the research.
  - Typically, consultants will charge a fixed rate for their services.
  - UC employees cannot be consultants on a UCLA proposal.
  - Include the following information in the Budget Justification:
    - Name of consultant, services performed, total # of days, travel costs, and total estimated costs.
    - Names and organizational affiliations of all consultants.
    - Persons confirmed to serve on external monitoring boards or advisory committee to the project.

Other Direct Costs (Section F)

- ADP/Computer Services (F.4.)

  - Research specific computer services, such as reserving computing time on supercomputers or getting specialized software to help run your statistics.

- Equipment or Facility Rental/User Fees (F.6.)

  - If a PI's performance site is located off-campus, they can budget rent at a justifiable and consistently calculated rate.

  - Off-campus F&A rate must be used.

  - Rent is excluded from the F&A base (MTDC base).

- Alterations and Renovations (F.7)

  - A&R can be used for projects such as altering a room to make space for a new grant-related piece of equipment.

Other Direct Costs (Section F)

- Blank Spaces (F.8-10)
  - Other Expenses that do not fit into any of the other categories
    - Technology Infrastructure Fee (TIF)
    - Services (e.g. campus recharge service centers)
    - Graduation Student Fee Remissions
      - Remember to exclude from MTDC base
    - Research Patient Care Costs
      - Remember to exclude from MTDC base

Technology Infrastructure Fee (TIF)

- [TIF FAQs](#) – Current rate is $43.96/FTE

- TIF is used to cover the campus network, backbone, internet connection, hardware, wireless services, etc., and is a per-FTE based charge.

- Do NOT calculate TIF on effort without salary.

- Do NOT calculate TIF on to Summer Salaries.

- TIF Budget Justification:

  - The Technology Infrastructure Fee (TIF) is a consistently-applied direct charge that is assessed to each and every campus activity unit, regardless of funding source, including units identified as individual grant and contract awards. The TIF pays for campus communication services on the basis of a monthly accounting of actual usage data. These costs are charged as direct costs and are not recovered as indirect costs.

- TIF is automatically assessed to all University funds.

  - Be Aware: Some federal and non-federal sponsors do not allow TIF! TIF redirect and/or Npear must be processed to remove expenses from unallowable funding sources.

Graduate Fee Remissions

- Who qualifies for Fee Remissions?
  - Must be a full-time Graduate Student Researcher-GSR (12 units or more)
  - Must have at least a 25% appointment in UC Path
  - Must maintain at least a 3.0 GPA

- How much should I budget for Fee Remissions?
  - If the above conditions are met, Fee Remissions cover the following:
    - Continuing Graduate Students (In Year 2+ of Graduate Program)
      - California Residents 25% time or more: Total mandatory fees for "Residents"
      - Non-Residents 25-44% time: Same benefits as California Residents above
      - Non-Residents 45% time or more: Include cost for NRST *(Nonresident Supplemental Tuition)*
    - New Graduate Students (1st Year of Graduate Program Only)
      - Follow same logic as above but add the document fee to the 1st enrolled Quarter

- Graduate Student Fee Remissions are excluded from F&A base (MTDC base).

Research Patient Care Costs

- Few budget contain patient care expenses. If inpatient and/or outpatient costs are requested, provide the following information:
  - Name of any hospitals and/or clinics and the amounts requested for each.
  - Provide cost breakdown, # of days, # of patients, costs of tests/treatments.
  - Justify the costs associated with standard care or research care.

- Patient Care Costs are excluded from the F&A base (MTDC base)

Foreign Subawards

- If the subaward is a foreign institution or international organization, F&A for the foreign subaward is limited to 8%.

Indirect Costs (Section H)

- On Campus: 57.5% (effective 07/01/24 onward)

- Off Campus: 26%

- Federal Training: 8%
  - Generally used for Ts, Fs and Ks

- Be sure to check the FOA for any F&A rate limitations!

Full List of Items Excluded from MTDC Base

- Equipment

- Alterations and Renovations

- Patient Care

- Student Tuition Remission

- Space Rental Costs

- Scholarships and Fellowships

- Non-UC Subawards in excess of $25K

- Subawards issued to another UC Campus

Indirect Costs (Section H)

- Can I Split the F&A rate between On & Off Campus rates?

  - If a project involves work at both on and off campus sites, a single rate should generally be applied, consistent with the location where a majority of the salary costs are expended.

  - Use of split rates for a given project MAY be justified only if the following criteria are met:
    - Salaries paid to UCLA employees under the project exceed $250,000, AND
    - At least 25% or more of the Total Costs can be clearly identified with each rate.

  - If you plan to use a split rate, obtain OCGA's approval BEFORE moving forward.

Other Budget Considerations

To Escalate or Not to Escalate?

- NIH Policy?

  - NIH does not have a policy on salary escalation. NIH advises to request actual costs needed for the budget period and to request cost escalations ONLY if the escalation is consistent with institutional (UCLA) policy.

- UCLA Policy?

  - In general, UCLA does not have a policy regarding escalation
    - Some categories of salary may have approved rates for out-years, e.g. post-docs.

- So, Should Out-Years be Escalated?

  - Are you hitting the Direct Cost Ceiling in year 01?

  - Check with PI

  - Be CONSISTENT

Budget Justification Considerations

- To provide additional information requested in each budget category identified, and any other information the applicant wishes to submit to support the budget request.

  - Quotes may be included here.

  - Also include a justification for any significant increases or decreases from the initial budget period.

  - Explain any exclusions applied to the F&A base calculation.

- Review the Justification against the Budget to assure all information matches.

  - Names, Roles, Effort, Amounts, Categories, Subcategories, etc.

- Double check calculations and breakdown of expenses.

- LIST ITEMS IN THE SAME ORDER THEY APPEAR IN THE BUDGET!!!

What about General Liability (GL) Costs?

- What is [General Liability](#)?
  - The Regents maintain a General Liability self-insurance program to provide coverage for certain tort responsibilities of the University arising from its operations. GL covers:
    - General Liability
    - Property & Automobile Liability
    - Employment Practices Liability
- General Liability costs are not allowable on Federal grants (e.g. NIH, DOD, NSF, etc.).
  - Campus does not charge GL to Federal funds
- Be Aware: As with TIF, some non-federal sponsors also do not allow GL expense, but campus automatically charges based on payroll.
  - PI or Dept/Div will have to cover on an unrestricted fund at closing via [Benefit Cost Transfer (BCT)](#).
- [Campus Insurance Rates and Premiums](#) | [DGSOM Rates](#)

Using an Excel Budget Template

- There are numerous Excel budget template available (access requires Box login & download):

  - Simple – All Years

  - PHS 398 budget (year by year)

  - Multi-Project budget

- Pros:

  - Allows you to easily share the budget with your PI

  - Many templates include auto-calculations

  - Allows you to easily make changes to the budget

  - Allows you to assure you have a final budget prior to data entry into the online budget form

  - Double checks the S2S/Cayuse budget inputs

Pre-Award Audits by Sponsors

- We can be asked by the Sponsor, to provide back up documentation for:

  - Salary rates

  - Benefit rates

  - Quotes for supplies and equipment

  - Travel: airfare, registration, hotel, per diem rates

*DOD usually requests all of this information

- NIH Just-in-Time requirements

Cost Sharing

NIH Cost Sharing/Matching

- **Definition:** The value of third-party <u>in-kind contributions</u> and the portion of the costs of a federally assisted project of program not borne by the Federal Government. Matching or cost sharing may be required by law, regulation, or administrative decision of an NIH Institute or Center. Costs used to satisfy matching or cost sharing requirements are subject to the same policies governing allowability as other costs under the approved budget.

- There are 3 main types of cost sharing.

Mandatory Cost Sharing

- Contributions to projects that are <u>required by the sponsor</u> as a condition of eligibility and/or are a review criterion. Mandatory cost sharing <u>must be tracked and reported</u> to sponsors and cost shared effort must be added to the individual's Effort Report during the effort certification process.

Voluntary Committed Cost Sharing

- Contributions to the project that are <u>not required by the sponsor but are offered in the proposal</u> (either in the budget or justification). Voluntary committed cost sharing must be tracked and may need to be reported to sponsors, and cost shared effort must be added to the individual's Effort Report during the effort certification process.

- Example: Effort without salary listed in the budget

Voluntary Uncommitted Cost Sharing

- Incidental or unanticipated <u>contributions</u> to sponsored projects that were <u>not pledged in the proposal</u>, are not an obligation of the award, and do not have to be tracked or reported to the sponsor.

- Example: Investigator or staff effort or supplies over and above that for which support was budgeted/approved.

Budget Exercise

Questions to Ask Before you Start

- What type of budget will be used: Modular or Detailed?

- How many years will the project period be?

- Who are the UCLA personnel, and what is their effort?

- Is there a Sponsor budget ceiling?

  - If so, is it a Direct Cost ceiling, or a Total Cost Ceiling?

- Does the PI have a Direct Cost goal?

- Will there be any subawards?

  - If so, how much Direct Cost will be allocated to each subaward?

- Does the PI want to escalate, or change the out year budgets (i.e. years 02-05)?

  - The subs should follow the same escalation plan.

- Will there be any items that are excluded from F&A?

- Are there any special budget instructions in the FOA?

Survey Link
http://goo.gl/forms/C3gdjsL5y1

We appreciate if you would take a few moments to complete a short 7 question anonymous survey to help us improve your training experience. Thank you!