Winning NIH Budgets: A Step-by-Step Guide

Developing a compelling and well-justified budget

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NIH Budget Review

Budgets are reviewed for compliance with the governing cost principles, requirements and policies applicable to the recipient and the award.

Today, we are going to cover:

- Importance of being thoughtful with budgets
- Budget types and cost types
- ‘Buckets’ or Categories
- Budget justifications

*budgets are not scorable but they matter

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Budgets: Where to start?

- Carefully review the funding opportunity's (FOA or NOFO) budget criteria for restrictions on types (e.g., no construction), expense caps (e.g., X travel limit), and total funding limits.
- Know your limits! (e.g., OHSU capital requests)
- Ensure all the necessary and reasonable costs to complete the work described in your proposal
- Round numbers, U.S. $ only (InfoEd, Research.gov, etc)
- Reviewer look at aims, budget and justification to ensure they are tied toward accomplishing your proposed research

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Why do we need budgets?

- The OHSU Cost coverage policy, 04-40-020, states that all sponsored project applications and proposals…must be accompanied by a detailed budget of direct and indirect costs, including salary…to recover full research costs.

- OHSU does not allow cost-sharing unless the FOA states it is mandatory. If the award does not entirely cover project costs, the department must approve it.

- The budget must be directly tied to benefit the project with ‘enough’ effort of PI, researchers with experience that are consistent with aims.

Budget types

Modular budget Typical research grants, R01, R21	Detailed (categorical) budget T, K, F and collaborative grants like P or U
A **simplified** approach (only personnel and subcontracts) with no specific dollars listed in justification.	A more **specific breakdown** with itemized expenses and detailed justifications
Use for budgets **up to $250K** direct costs/year.	Required for all budgets requesting >**250K** direct costs/ year
Budget is presented/approved in $25K **'modules'** (e.g. $200K, $225K, $250K).	Must use when instructed in FOA
Use **PHS 398** Modular Budget Form.	Note that budgets of over $500K direct costs per year **require approval** from the program officer prior to submission
Please note: A detailed budget is required in InfoEd so that it can be reviewed for cost allowability.	Use **R&R budget forms**

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Split budgets: When to use them

- Shared F&A among two or more separate OHSU departments
- The award has multiple F&A rates
- The award is shared amongst 2+ PIs
- Award will have an on and off-campus component
- Department wants to track task separately
- A portion of the award is restricted to specific usage
- Parts of the award must be reported on separately to the sponsor

- Use the OPAM budget template (follow the steps) for best results.
- The split budget must be attached in the InfoEd documents section at time of proposal routing.
- If awarded, the total budget will be split into separate OGA projects.
- If the budget is within 25% of what was originally requested, OPAM will load the budget based on the original percentage split. If the awarded budget is over 25% different from the requested amount, a new split budget will be requested from the department.

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Costs

Direct	Indirect (IDCs or F&As)
Direct Costs that can be explicitly identified with a particular project, instructional activity, or any other institutional activity that can be directly assigned easily with a high degree of accuracy.	Necessary costs incurred by a recipient for a shared or joint purpose benefitting more than one cost objective. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of F&A (indirect) costs.
Must cover the actual costs of the research being proposed.	F&A costs are determined by applying your organization's negotiated F&A rate to your direct cost base.

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Budget ‘buckets’ or categories

- Personnel – typically the largest bucket so calculations need to be accurate and justified
- Non-personnel direct costs like consumables, equipment, travel, and other directly related project expenses
- F&A or IDCs (Indirect costs) are associated with institutional overhead, such as utilities and maintenance (current chart)
- Sub-awards/sub-contracts can be funneled through to another University or sub-award within OHSU

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Personnel details

- **Inclusions**: Merits, increases, post-docs, trainees
- **Exclusions**: Consultant pay (separate category)

Consultants	Effort	Salary	Salary Cap	Fringe/OPE (Other Payroll Expenses)
OHSU employees (past or present) cannot be consultants (may be Other Significant Contributors - OSCs). Common OSC types: • CEOs (leadership only, no direct research contribution). • K awardee mentors (advice/guidance only, no project work).	Report in person months (not percentage). Minimum: 1% effort (0.12 calendar months) for PI. Individual's total effort across all awards **cannot exceed** 100% IBS. Faculty must have at least 0.05 FTE supported from an unrestricted account (GL). Calculate **calendar months**: FTE % * 12 / 100 (use conversion chart).	Use Institutional Base Salary (IBS). Find IBS via HR Data Warehouse, departmental fiscal manager, or GCC.	Some funders (e.g., all DHHS agencies) have salary caps. Over-the-cap costs must be on GL/unrestricted funds. Verify current cap (NIH Salary Cap Summary).	Use cheat sheet/OHSU OPE Rate Chart (by FY) from OPAM's website.

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Non-personnel direct costs

Consumables	Equipment	Subject or Patient care costs	Travel
• Chemicals, reagents, lab supplies, and other materials used in the research.	• Purchase or rental of specialized instruments and tools necessary for the project. • CAPTIAL Equipment of at least $5,000 for moveable and other fixed equipment (per base unit). least $25,000 for a building improvement - this threshold also covers all building component assets that operate as an integral part of the building (i.e. HVAV). • Useful life of more than ONE year.	• Part of the routine and ancillary services provided by hospitals/clinics to individuals participating in research studies. • Patient can be different than subject costs	• Expenses associated with attending conferences, visiting collaborators, or conducting field research.

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Travel

Travel costs must comply with OHSU's Travel Policy and directly benefit the project.

Employees	Research participants
The lowest reasonable commercial airfares must be used	Participant travel costs are allowed if patient care is an approved grant activity.
Conference costs are direct costs if the conference (1) directly relates to the award's purpose, (2) involves presenting award-funded research, or (3) is hosted by the award.	Itemize travel requests: purpose, destination, number of people, and justification.
	Budget for potential travel cost increases.

Always follow OPAM and OHSU guidance.

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Research rates for research subjects

- Compensate research participants for their time which helps with participant recruitment and retention.
- See OCTRI Research Forum on Research Participant Compensation for best practices and policies for participant compensation. Navigate to Past Seminar drop-down to find links.

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Patient care costs

- Research-related clinical procedures (beyond routine care) **are budgetable** in grants.
- Routine care means the same service would be performed at the same time intervals for non-study patients. Examples:
  - Extra blood draws
  - Additional safety tests for research interventions (drugs/devices/biologics)
  - Extended hospitalization due to research requirement
- Check with the Clinical Research Billing Office *before* submitting your grant if you have questions about usual care.
- OHSU clinical services are discounted for research. Use the OHSU Research Rates webpage to determine the discounted cost for your grant budget.
- Federal grants cannot be charged more than this discounted rate.
- For clinical service cost estimates, contact OCTRI and AIRC at **least two weeks in advance.**

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Budget Justification Best Practices

1

- Follow the order of ‘buckets’ in the detailed budget when building the budget justification and ensure that it conforms to the sponsor's requirements
- Future tense in justification, let the BioSketch talk for itself, clarity and concise

2

- Describe any large year-to-year variance
- Detail costs that are generally ‘unallowable’ or unusual
- Help reviewers read through, follow the logic

3

- Link people to aims by describing how they benefit the plan
- Personnel costs justifications are the same regardless of budget type
- Subaward budget justifications separate and include all costs (including IDCs, rate, agreement)

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Thank You