

Budgeting for Research Grants and Contracts

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You ask for less \$

You get less \$

All Research Money is
Not the Same

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Government, Non-Profit and Industry Sponsors

Competitive Awards

or

Negotiated Agreements

Grants

Contracts

Subcontracts

Gifts

Other Agreements

Grants vs. Contracts

RFP = Request for Proposal = Government Contract

- Procurement of specific goods or services -- deliverables
- Governed by Federal Acquisition Regulation (FAR)
- Requires certified cost and pricing data -- pre-award audit

Grants vs. Contracts

RFA = Request for Application

PA = Program Announcement = Government Grant

- Financial assistance for approved project
- Governed by PHS Grants Policy Statement
- Consistency in estimating

Modular Research Grant Proposal

- Applies to research grant applications requesting up to \$250,000 direct costs per year
- Request total direct costs in modules of \$25,000, reflecting appropriate support for project.
- Typical modular grant application requests the same number of modules in each year
- Escalation costs should be built in before identifying number of modules

Modular Research Grant Proposal

- Provide budget narrative describing personnel by position, role, and level of effort
- Include a total cost estimate for any Consortium/ Contractual arrangements
- Additional narrative budget justification allowed only if there is a variation in the number of modules requested

Creating a Modular Budget

- Prepare a detailed line item budget for the first year of the project period
- Escalate first year costs at 3% per year for out years
- Add additional known out-year costs (e.g., changes in personnel level of effort)
- Divide the total project period direct costs by number of years in the project period
- Round annual costs up to the next module
- Add large equipment purchases to the year in which they will be requested

Modular Research Grant Award

- Request additional “just-in-time” budget justification only in exceptional circumstances
- Make noncategorical, total direct cost awards
- Eliminate the 25% rebudgeting requirement
- Institutional compliance with administrative principles -- cost principles and CAS apply -- costs must be allowable, allocable, reasonable, and consistently treated -- institution monitored on basis of administration and financial systems

NIH Grant Budget Essentials

- Estimate and charge costs consistently
- Use established institutional rates
 - Fringe benefits
 - Animal care
 - Core fees for services
 - Patient care costs
 - Facilities & Administrative Costs (Indirect Costs)
- Justify non-routine requests
- Include only allowable costs (NIH GPS Page 88)
- Support Modular Grants!

Indirect Costs

- Established by agreement with the DHHS
- Consistently applied to all sponsors of research
- Industry sponsors always pay full rate
- Rates established by policy of non-profit sponsors and foundations are accepted
- Gifts include 15% sundry by hospital policy

Grants and Contracts Contacts

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Questions?

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