



Date: February 20, 2008
To: Deans, Directors, and Department Heads
From: James E. Peterson, Ph.D., Associate Vice Chancellor for Research
Re: Simplified Budgets for Modular Applications

NIH has set the broad goal of reducing the length of time between application receipt and grant award. One of the tools used in meeting this goal is the Modular Grant Application and Award (see <http://grants.nih.gov/grants/funding/modular/modular.htm>) which allows investigators, their respective institutions, peer reviewers, and NIH staff to focus on the science that NIH supports, rather than on the details of budgets.

Modular applications and awards do not require detailed, itemized, categorical budgets. Instead, budgets are evaluated on the basis of a general, expert estimate of the total effort and resources needed to carry out the proposed research. In a sense, because there are no categorical line items costs there is no final "approved budget" against which project expenditures can be compared. However, accepting a modular award does not relieve the grantee institution from its normal financial management obligations (i.e. OMB Circular A-21 and its Cost Accounting Standards) and requires that all project charges be allowable, allocable, reasonable, and consistently treated.

The Office of Sponsored Research (OSR) and the Sponsored Programs Office (SPO) in the School of Medicine both recognize the need to streamline their reviews of modular proposals and, in particular, the budgets that accompany them. Effective immediately, we are introducing new, standardized modular budget templates for on- and off-campus research with an accompanying budget justification page to be used solely with modular applications:

Budget Justification- <http://research.unc.edu/osr/documents/modjustification.doc>
On-Campus Modular template- <http://research.unc.edu/osr/documents/modbudgetoncamp.xls>
Off-Campus Modular template- <http://research.unc.edu/osr/documents/modbudgetoffcamp.xls>
Off-Campus (within 10 miles) - <http://research.unc.edu/osr/documents/modbudget10.xls>

These templates will allow us to quickly confirm the general reasonableness and allowability of the costs being proposed. They are not intended to replace any detailed, internal budget that you or your administering department may prefer to continue using. OSR/SPO are simply offering a choice as to which instrument may best meet your needs. Whether you use the template or your internal budget spreadsheet, please attach it to your proposal in RAMSeS. These templates should only be used for modular applications.

The new templates ask for slightly more specific information (but less than we're accustomed to seeing in a detailed, internal budget) compared to that entered on the Grants.gov PHS 398 modular budget pages. The reason for this is the templates' auto-calculating features are mainly intended to assure that direct and F&A costs have been correctly presented in your proposal. We will over the next few months try to incorporate these into a more web based format in RAMSeS.

As you review the templates you'll note that they are broken down into four categories.

Category A is a simple listing of all costs that are fully exempt from any F&A calculation.

Category B allows you to list up to three separate subcontractors for which F&A calculations will be made on the first \$25,000 of each. Note that both direct and indirect subcontractor costs must be entered in this Category.

Category C summarizes all other direct costs that are subject to F&A. Individual cost line items for salaries, fringes, travel, consultants, etc. may be listed here but are not required by OSR/SPO. Consequently, this shifts the critical responsibility for certifying the accuracy of these costs and their allowability in accordance with NIH Guidelines and OMB Circular A-21 to the administrative award department. Also keep in mind that as the eIPF is routed in RAMSeS, other authorizing departments will no longer be able to confirm the accuracy of these costs for their collaborating faculty and staff.

Category D sums all the costs with comment tabs showing where they should be entered on each of the Grants.gov PHS 398 Modular Budget pages.

We hope you'll find these templates helpful and, please, do not hesitate to contact any of the following should you have any questions:

Hamilton Brown at 3-0874 or hlbrown@email.unc

Carolyn Marlow at 2-3950 or carolyn_marlow@med.unc.edu

Jim Peterson at 6-2542 or jim_peterson@unc.edu