

## Feinberg School of Medicine Research Administration Services Checklist

### Things to Remember

- Important to solidify the major aspects of the research plan first – or the budgeting process will become confusing as more versions are generated to review.
- It's easier to produce a bigger budget than a smaller one – smaller budgets make it harder to allow for changes than naturally occur when a research project is implemented.
- It's important to think through the barriers that are likely to occur in implementing the research project and account for them in the budgeting process (delays in getting started can reduce costs).
- It's also important to realistically plan for how much time a person will really spend on a project (will it really take 2.5% effort to accomplish that deliverable?)
- If you are collaborating with colleagues, give them target budgets to meet.
- Always provide the information requested in the budget forms provided in the grant application – you can use excel worksheets to generate your draft budgets, but your final application will be on the grant application budget forms.
- Start as early as possible – there are indirect calculations to consider, subcontract preparations, and they are more complex when collaborating with other institutions.
- Go to <http://www.research.northwestern.edu/osr/budget.html> - for all sorts of helpful information.
- Ask for help from your OSR and research administration staff, that's why we're here.

### To Do: Budget for NU Faculty and Staff

Individuals who work for Northwestern University and are eligible to be listed on a research grant application should be reported as personnel on the grant. This requires that they have a title on the research project, and that their base salary (NU+NMFF) be listed, and their requested person months, requested salary and fringe and total salary be presented in this section.

Occasionally, a PI will want to list a faculty member in his/her department or a department he or she collaborates with on a regular basis as a consultant. Generally, this is not permissible. A faculty member is usually permitted to consult on an NU research grant under limited conditions, usually when the requesting department is outside of the consulting faculty member's school, and the research grant is outside the scope of the consulting faculty member's usual area of research. Also, please note that it is uncommon to list administrative personnel on a federal grant as a staffing expense. This expense is included as part of the F&A calculation for the University.

Steps for budgeting NU Faculty and Staff as Personnel on a Grant:

- Assemble a list of all faculty and staff named as key personnel on the grant, their current academic titles, and their title/role on the grant.
- Verify their current salaries with their research or department administrator. (Faculty will often tell you their salaries, and this information is often incorrect.)
- Verify the start and end dates of the grant, and project the year 1 – year X salary expenses for the grant in your spreadsheet.
- Utilize the current fringe benefit rate sheet for budgeting the benefit rate for faculty and staff (note that if you have graduate students, there is a separate fringe rate.)
  - Note that if you are budgeting across two fiscal years you will need to apply the one FY rate to the project months that apply in that year, and the second FY rate that applies in the rest of the project year. See the budget page on fringe benefit calculations on how to do this.
- In your budget justification, use the OSR template language for benefit rates, as rates in outyears are estimated by DHHS after 2012.
- Expect that your draft budget estimates for faculty and staff effort will change, so using an excel spreadsheet with formulas is helpful.
- When budgeting for NMFF/NU personnel, use budget justification language found on OSR website.
- When budgeting for NU/VA personnel use budget justification language found on OSR website.

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### To Do: Budgeting Subcontractors on Your Grant

Most funders are encouraging scientific collaboration in order to stretch the impact of their grant dollars. Your contact will be the PI at the subcontracting institution, and if it is a University, their grants/contracts office, or if it is a private organization, their accounting or grants office. You will create a budget for the entire scope of work for their aspect of the project, and obtain additional documentation that if funded, they have the capacity, and will perform the work they have specified they will perform. This budget will be a separate page or pages in the grant application.

Steps to create a subcontract to a federal grant (follow any additional steps for private funders):

- Budget
  - Create a personnel budget for all key personnel at the project site, as you would for NU personnel (above).
  - Ask PI what budgeted personnel effort should be for each project member.
  - Obtain fringe benefit rate for organization
  - Request DHHS notice of negotiated F&A rate (if they have one)
  - Provide detailed budget of allowable expenses
  - Completed budget will include organization's negotiated F&A rate
  - Detailed budget justification
- Request detailed scope of work from subcontracting organization, as well as biosketches from key personnel.
- Request letter from CFO, Key Signatory Official in grants and contracts office, outlining subcontractors ability and willingness to participate in project if funded.
- NIH Checklist page
- NIH Face Page with signoff by institutional official

These steps will be completed for each subcontractor on the grant.

### To Do: Budgeting Consultants on Your Grant

Many grants utilize the services of individuals for short periods of time to provide specialized services during part of the project. These individuals have special skills for training, education or knowledge that help to expand the capacity of investigators to perform the research, or evaluate their research outcomes. Consultants usually do not work for other organizations, are not paid a salary with benefits, and provide specific expertise that can be justified to a funder. Their work output is not supervised by a PI, and they do not use University resources to perform their work (they do not require supplies, an office, etc).

On most grant application forms, there is a space to budget consultants separately from personnel. (For the NIH, it is on the same page as NU personnel and project expenses.) They charge a fee per hour or day, which includes reimbursement for their expenses.

Budgeting Consultants:

- Contact information (Name, address, e-mail, SSN#)
- Detailed Statement of Work
- Statement of Qualifications for the project (an objective statement of their qualifications that separates them from their relationship to the PI)
- A letter specifying their fee per hour/day, their performance period (total compensation including travel and other costs).
- In the proposal itself, the budget is a line item specifying the name of the consultant, their detailed rate and their role.

These steps will be completed for each consultant on the grant.

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### To Do: Budget Travel

- Confirm travel is an allowable expense on the grant, determine what (if any) restrictions apply
  - Federal grants tend to limit trips to conferences at \$1500 per person; refer to NU travel policy for additional travel restrictions
- Provide detail on conference travel (if international travel, specify flight on an American carrier)
- Provide detail on local travel
  - Mileage to meetings – confirm mileage rate, specify what type of meetings, mileage rate applies to meeting but not on return trip to campus

### To Do: Budget Equipment

Equipment that is directly allocable to the project, is worth \$5000 or more and is permitted by the grant would be budgeted in this section. (Note that it may be possible in certain cases, but it is not regular practice to allocate equipment purchases across more than one grant. Careful budget justification and depreciation accounting would be necessary to document this practice.) Research to determine reasonable costs for the items proposed would be required and working with Purchasing Resource Services to obtain bids through preferred vendors is a first step. If there is a not a preferred vendor for an item, it is possible to obtain bids, but recommended to work through Purchasing and the Office of General Counsel, especially when obtaining very expensive items.

- Obtain and document competitive bids for allowable equipment for the grant budget.
- It is highly recommended that bids, especially if they contain terms and conditions of sale are reviewed by purchasing and the Office of General Counsel.
- Use recommended bids for grant budget.

### To Do: Budget Supplies/Services

Supplies are consumable items that are used specifically for the grant project and have a life of less than one year. They must be specifically identified and used for the grant project and have no other possible use. Laptop computers are a good example of an item that may seem allocable to a grant, but in fact, are considered an F&A expense. It is not possible to measure the time that a laptop is used for a grant project versus e-mail or internet surfing. They are regarded as an institutional expense. Office supplies are regarded as an institutional expense for the same reason. Lab supplies have to be carefully monitored and labeled for project use in order to justify their expense on a grant, or they can be regarded as F&A (if a lab technologist were to use pipettes for research project A for research project B, grant funds for those research projects would essentially be co-mingled). Assigning copier codes for grant expenses can allow grants to receive charges for photocopies, because only copies for one grant are assigned to a single code.

Careful budgeting and management of supplies, can allow for the maximum budgeting (and award) of supplies on a federal grant.

- Review the allowable costs for supplies on the grant.
- Obtain and document the costs for supplies allowed on the grant.
- Provide a detailed listing of supplies, calculating costs per month/project task, etc
- Routine research and other services can be budgeted here, such as animal research costs, but consultants should be budgeted above.

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While it is possible and permissible to budget supplies and services for hazardous materials and substances, or clinical research care here, it is best to provide further detail about these costs under “other costs”.

### To Do: Budget Other Costs

Use this section to provide detail about costs that don’t fit under the sections above, or to provide more detailed information about costs that require more regulatory scrutiny.

Include these types of costs in this section, providing detailed information:

- Agents, gels and materials for laboratory use, specifying services to maintain safety standards
- Charges for animals, animal use and care, animal procedures
- Use of the clinical research unit and/or facilities costs for clinical research
- Charges related to clinical research-related medical care for patients participating in studies (inpatient, outpatient)
- Medications and procedure charges
- Fees for facilities (NMH, CMH RIC), applications to regulatory and review boards at NU (IRB, IACUC, etc).
- Patient Participation Costs

Note: The IRB will review the budget for patient participation costs carefully. Do not label this item an “incentive” as the cost cannot act as an incentive for a patient to participate – if the amount is too high, it is seen as coercive and will not be allowed. The patient participation cost has to be carefully justified as providing a reimbursement for reasonable costs that the patient would incur if he or she participated in the study (consider the time involved in the visit, missing work or childcare responsibilities, cost of parking or transportation, and what the patient is being asked to do.)

### To Do: Calculate F&A – From the OSR Website

F&A Rates for Federal Projects						
Funded Activity	FY 2011 9/1/10- /8/31/11	<b>FY 2012</b> <b>9/1/11- /8/31/12</b>	FY 2013 9/1/12- 8/31/13	FY 2014 9/1/13- 8/31/14	FY 2015 9/1/14- 8/31/15	FY 2016 Beginning 9/1/15- 8/31/16 & Thereafter (Projected)
Organized Research On Campus	52.5% <a href="#">MTDC</a>	<b>54.5%<a href="#">MTDC</a></b>	54.5% <a href="#">MTDC</a>	54.5% <a href="#">MTDC</a>	54.5% <a href="#">MTDC</a>	54.5% <a href="#">MTDC</a>
Organized Research On Campus <i>* Department of Defense Contracts*</i>	53.5% <a href="#">MTDC</a>	<b>55.5%<a href="#">MTDC</a></b>	55.5% <a href="#">MTDC</a>	55.5% <a href="#">MTDC</a>	55.5% <a href="#">MTDC</a>	55.5% <a href="#">MTDC</a>
Instruction/Sponsored Training On Campus	51.0% <a href="#">MTDC</a>	<b>51.0%<a href="#">MTDC</a></b>	51.0% <a href="#">MTDC</a>	51.0% <a href="#">MTDC</a>	51.0% <a href="#">MTDC</a>	51.0% <a href="#">MTDC</a>
Other Sponsored Activity On Campus	36.0% <a href="#">MTDC</a>	<b>36.0%<a href="#">MTDC</a></b>	36.0% <a href="#">MTDC</a>	36.0% <a href="#">MTDC</a>	36.0% <a href="#">MTDC</a>	36.0% <a href="#">MTDC</a>
All Off Campus Activity	26.0% <a href="#">MTDC</a>	<b>26.0%<a href="#">MTDC</a></b>	26.0% <a href="#">MTDC</a>	26.0% <a href="#">MTDC</a>	26.0% <a href="#">MTDC</a>	26.0% <a href="#">MTDC</a>

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### F&A Rates for Nonfederal Projects

On-Campus Organized Research	64.4% <a href="#">MTDC</a>
Off-Campus Organized Research	31.3% <a href="#">MTDC</a>
On-Campus Sponsored Instruction/Training	78.3% <a href="#">MTDC</a>
Off-Campus Sponsored Instruction/Training	51.9% <a href="#">MTDC</a>
On-Campus Other Sponsored Activity	42.8% <a href="#">MTDC</a>
Off-Campus Other Sponsored Activity	31.8% <a href="#">MTDC</a>
Industry-Sponsored Clinical Trials	30.0% <a href="#">TDC</a>

### F&A Rates by Activity Type

Research	Federal funding or federal flow-through funds	On-Campus	54.5% <a href="#">MTDC</a> (55.5% - DoD contracts)
Off-Campus	26.0% <a href="#">MTDC</a>		
Research	Non-federal funding	On-Campus	64.4% <a href="#">MTDC</a>
Off-Campus	31.3% <a href="#">MTDC</a>		
Instruction	Federal funding or federal flow-through	On-Campus	51.0% <a href="#">MTDC</a>
Off-Campus	26.0% <a href="#">MTDC</a>		
Instruction	Non-federal funding	On-Campus	78.3% <a href="#">MTDC</a>
Off-Campus	51.9% <a href="#">MTDC</a>		
Clinical Trials	Industry funded only (federally-funded trials use federal research rate)	All	30.0% <a href="#">TDC</a>
Other Sponsored Activity	Federal funding or federal flow-through funds	On-Campus	36.0% <a href="#">MTDC</a>
		Off-Campus	26.0% <a href="#">MTDC</a>
Other Sponsored Activity	Non-federal funding	On-Campus	42.8% <a href="#">MTDC</a>
		Off-Campus	31.8% <a href="#">MTDC</a>

\*All rates shown above are Modified Total Direct Cost (MTDC) unless specifically listed as Total Direct Costs (TDC). Modified Total Direct Cost (MTDC) is defined as all proposed direct costs minus the following expenditure accounts:

- 5335: Fabricated Equipment (fabrication cost of \$5,000 or more and a useful life of at least one year)
- 5490: Space Rental
- 5720: Hospital Medical Expenses

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- 6910-6960: Telecommunication Expenses
- 7510-7599: Capital Equipment (acquisition cost of \$5,000 or more and a useful life of at least one year)
- 8010-8080: Tuition and Stipends
- 8510: Amortization
- 8650: Subcontracts in Excess of the First \$25,000

Total Direct Cost (TDC) is defined as all proposed direct costs, minus expenditures on object 8661 (IRB Fee). This object is only used on industry-funded clinical trials.

For non-profit sponsors, such as voluntary health organizations, which publish and reimburse at F&A rates that are lower than Northwestern's established rates, the TDC base should be used unless an MDTC base or specific individual cost exclusions are listed in the Sponsor's published rate.

## PROPOSAL INSTRUCTIONS

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### F&A RATE AGREEMENT CITATION

If asked to cite Northwestern's federally-negotiated F&A rate agreement (i.e. NIH Checklist page), always list our current rate agreement date (DHHS, 10/1/11).

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### HOW TO CALCULATE F&A:

1. Determine start date of project (e.g., January 1, 2006). Note the increased significance of establishing a definitive start date on federal projects - if you change the start date, the F&A will need to be adjusted accordingly. When start date is in doubt, use the latest possible start date to ensure sufficient funding for F&A.
2. Identify the number of months in the budget period that will be assessed at each FY F&A rate (e.g. 8 months at the FY 06 rate and 4 months at the FY 07 rate).
3. Divide the total modified direct cost amount of the project by the number of months in the budget period (e.g. \$200,000 / 12 = \$16,666).
4. Multiply the number of months at the first F&A rate by the monthly modified direct cost amount and the number of months at the second F&A rate by the monthly modified direct cost amount. (e.g. [ $\$16,666 \times 8 \times 49.5\%$ ] + [ $\$16,666 \times 4 \times 51.0\%$ ] = \$33,999 + \$65,997 = \$99,996)
5. Repeat for remaining budget periods.

**NOTE:** For ease of calculation, you may wish to use the blended rate "[F&A Rate Tables](#)" to calculate the F&A for various budget period start dates. **Do not, however, list the blended rates (e.g. 50.38%) on your budget page as though they are Northwestern's actual F&A rate. Instead, use the budget justification statement shown below.**

### BUDGET JUSTIFICATION STATEMENT FOR PROPOSAL BUDGETS:

Add the following statement to all new and competitive renewal proposal budget justifications on federal projects (except NIH modular grants):

F&A has been calculated based on the following DHHS approved rates:

- 54.5% MTDC 10/1/11 - 8/31/12 - Predetermined
- 54.5% MTDC 9/1/12 - 8/31/13 - Predetermined
- 54.5% MTDC 9/1/13 - 8/31/14 - Predetermined
- 54.5% MTDC 9/1/14 - 8/31/15 – Predetermined
- 54.5% MTDC Beginning 9/1/15- 8/31/16 - Projected

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Special Instructions for NIH New and Renewal Applications

In Sections 3.a. through 3.e. of the checklist page, list only the first F&A rate that will be used during that budget period in the field marked "Rate applied" but enter the correct (blended) amount of F&A costs in the \$ field. Also check the box below labeled "Off-site, other special rate, or **more than one rate involved**" and list the budget justification statement shown above.

### To Do: Develop Budget Justification

Write budget justification after entire budget has been developed; provide extensive detail to justify cost of each budget item. The budget justification permits the reviewers to grant the full amount of the award, and to understand how the project will be implemented. Providing as much detail as possible is crucial to the success of the proposal.

- Personnel: Provide name, degrees, title, institutional affiliation and appointment (9 months, 11 months, 12 months) and level of effort on the project. Why are they the best person to work on this project? What specific work will they perform and why is this level of effort adequate?
- Subcontractors/Consultants (Provide similar justification to personnel)
- Travel: Provide details on specific number of people traveling, purpose of travel, estimated costs for air, hotel and per diem.
- Equipment: Detailed justification for the purpose of the equipment is required (including text describing bids from multiple sources preferred).
- Supplies and services: Describe supplies and services that are specific to the work on the grant – provide calculations and sources of bids regarding supplies and services.
- Other costs: Describe other costs that are specific to the work on the grant – provide calculations and sources of bids regarding other costs.
- Template language (on OSR website)
  - NU/NMFF faculty statement
  - Faculty with joint VA appointment
  - Over the salary cap language for NIH budgets