May 4, 1999

MEMORANDUM

To: Selected Deans, Department Chairs, NIH Investigators and Administrators

From: Mark S. Coburn
                Director

Re: NIH Modular Grants

Beginning for the June 1, 1999 receipt date, NIH is expanding its use of the modular grant application and award to all competing individual research project grants (R01), small grants (R03), academic research enhancement awards (R15) and exploratory/developmental grants (R21).   The modular grant initiative applies to applications of up to $250,000 in total direct costs per year. RFA's soliciting applications of $250,000 total direct costs or less will also follow the modular grant process. Key features of the modular grants program are outlined in the enclosed document.

Streamlined Procedures

NIH developed the modular grant program to streamline procedures and to place focus on scientific review rather than financial details. Investigators will provide limited budget information in a narrative format and will not submit other research support information until requested by NIH. The University, however, is still obligated to allocate and account for costs related to modular awards in accordance with NIH and federal policy.

University's Implementation and Guidance

In order to take advantage of the streamlining opportunity, ORPA will no longer require that detailed budgets be submitted to our office with the modular grant application. ORPA will require summary budgets to determine salary costs and indirect (F&A) cost exclusions. Departments may request that investigators prepare internal budget worksheets for planning purposes (most departments we have spoken with will still require some form of budgetary planning). This will enable you to accurately estimate the salaries for the personnel effort you have proposed as well as to plan and budget for the other resources you will need to perform the project.   The University's implementation and guidance for NIH modular grants program is described more fully in the enclosed document.

Training and Assistance

Should you have any questions concerning modular grants, please contact your ORPA Research Administrator. ORPA will be conducting training session on the NIH modular grant application and award; dates and locations will be announced in the near future.

Enclosure

University of Rochester
Implementation of NIH Modular Grants

Key Features of the Modular Grant Program

Beginning for the June 1, 1999 receipt date, NIH is expanding its use of the modular grant application and award to all competing individual research project grants (R01), small grants (R03), academic research enhancement awards (R15), exploratory/developmental grants (R21) and RFA's. While investigators and administrators should consult the specific program announcement and NIH modular grant web site referenced below, a summary of the key features of the modular grant program follows:

- The modular grant initiative applies to applications of up to $250,000 total direct costs per year. Standard NIH policies apply for applications and awards over this amount;

- Direct costs are requested in $25,000 modules. There are typically the same number of modules requested each year; however, additional costs may be requested when justified (e.g., equipment for the first year);

- No routine escalation is requested or provided for future years. In essence, you should calculate the total direct costs you will need over the years, and then divide by the number of years;

- Detailed categorical budget information will not be provided to NIH and budget form pages are not required. However, narrative information (including stated percentage of effort) must be presented for personnel and, when necessary, consortium/contractual costs;

- The NIH modular application requests total direct cost dollars for each year and the checklist page requires that exclusions from indirect (F&A) costs be stated. Modular awards will be issued without categorical breakdowns and approval for significant rebudgeting is not required.

- Other support pages of the PHS 398 will not be submitted with the application, but will be requested by NIH for applications being considered for award.

University's Implementation and Guidance

The University's implementation and guidance for the NIH modular grants program are summarized below:

- Summary budgets should be provided to ORPA for all years of the project at the time of proposal routing. Because it is necessary to determine salary costs and indirect (F&A) cost exclusions for the modular grant application, preparation of a summary budget should be relatively straightforward. A recommended sample summary budget form is attached to this guidance;

- Departments may request that investigators prepare internal budget worksheets for planning purposes. This will enable investigators and departments to accurately estimate the salaries for the personnel effort, as well as to plan and budget for the other resources needed to perform the project;

- If stated percentage of effort exceeds dollars requested, a cost sharing form must be completed and routed with the application in accordance with the University's cost sharing policy. The types of awards applicable to the modular grant program typically do not have cost sharing;

- Awards will be set up in the University's financial system in accordance with the summary budget that was provided unless the investigator and Department notify ORPA of any significant changes at time of award;

- Administration of modular awards should adhere to the same programmatic and accounting principles required for all sponsored federal programs. For instance, NIH approval is still required for any action that indicates a change in the scope of work. Expenditures must be categorized in appropriate subcodes and we must adhere to University policies with respect to unallowable costs. Please note that administrative costs are not normally charged to federal awards. Any exceptions made to this policy must be in accordance with OMB Circular A-21 and must be fully documented at the departmental level.

Please Check the Requirements

All investigators are advised to check specific program announcements for modular grant requirements and modifications made to the standard PHS application instructions. Complete and detailed information on modular grants, with sample forms and frequently asked questions, can be found at:

http://www.nih.gov/grants/funding/modular/modular.htm

If you are preparing a modular grant proposal and have questions or would like assistance, please contact your ORPA Research Administrator.

Attachment: Sample ORPA Budget for Modular Grants