

NCURA Region VI
Education and Professional Development Committee
presents


Pre-Award Basics

July 2023

Heather Kubinec, MBA, CRA
Principal Grant & Contract Officer, Cedars-Sinai Medical Center

Matt Michener
Associate Director, Washington State University

1



Content Contributed by

Carrie Chesbro, Stanford University
Matt Michener, Washington State University
Vanessa Quiroz Hotz, Attain Partners
Kim Small, Washington State University

2

Program Description & Objectives

Introduce research institutes' pre-award activities to individuals new to research administration.

3

Workshop Assumptions

- Generic
- Non-specific
- Federal
- Grant (vs. Contract vs. Investigator-Initiated)
- Non-system based

4

The Beginning

5

Definitions/Terminology

Federal terms vs. Sponsor terms vs. Institutional terms

Funding Announcement (FOA/NOFO/PA/PAR)

Sponsor

Principal Investigator (PI)

Direct Costs (DC)

Indirect Costs (IDC) or Facilities and Administrative Costs (F&A)

6

What is a Sponsored Project?

Externally-funded (sponsored) research, instruction, training, testing, service, or other scholarly activities

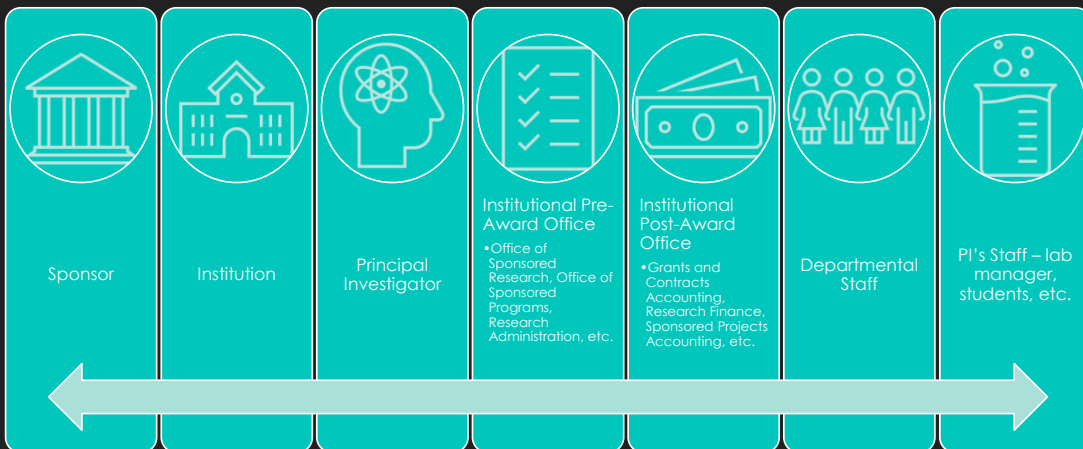
Project may be designed to solve a problem or for the good of the people/public

Sponsors may be the federal government, state government, local government, nonprofit organization, private industry, foreign governments, etc.

A sponsored project is not a "gift." Gifts are typically managed by Corporate and Foundation Relations, Advancement, etc.

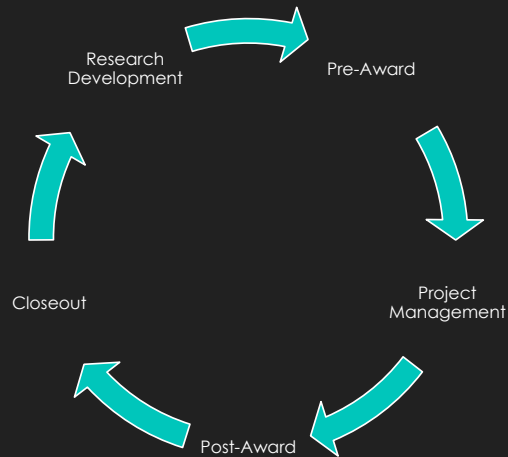
7

The Players



8

Life Cycle of an Award



9

The Process – How Does It Start?

- It starts with an idea!
 - Typically, a problem the PI wants to solve.
- Seek out funding opportunities
 - Research Development
 - Federal, State, Local , Non-Profit Organization, Private Sector, etc.
 - Grant, Cooperative Agreement, Contract, etc.
- Submit your proposal ...



10

Sponsor Types

- Federal
- State
- Local
- Non-Profit Organization (NPO)
- Private Sector
- Foreign

11

Funding Mechanisms

Grant

- A flexible instrument/mechanism designed to provide funding support for a public purpose. Typically concept/idea conceived by the PI with a proposal submitted to the sponsor. This funding mechanism is the least restrictive and is governed by the terms and conditions of the award as well as , federal/state regulations, etc.

Cooperative Agreement

- Similar to a grant, the cooperative agreement is used to fund a project that will provide a public service. The sponsor typically has a level of involvement and substantial participation in the project. The terms and conditions are detailed in the agreement.

Contract

- The most restrictive of the three, this is a legally binding agreement between a funding agency and an institute to provide goods and/or services in return for a compensation. The terms and condition are very restrictive and may include additional regulations, expectations, deliverable timelines, submission rules, etc. If deviation occurs or milestones are not met, payment may not be received.

12

Questions to Ask ... First

- Are we eligible?
- Do we have system access/set up/credentials, etc.?
- Do we have the infrastructure/facilities?
- Can we meet the deadline?
- Can we agree to the terms and conditions, if awarded?

13

Read the RFP ...



... and then read it again!

- Download the application package
- Highlight specific items
- Create checklists
- Review terms and conditions
- Develop submission timeline
- Meet with all parties

14

Proposal Package Elements

- Narrative
- Abstract
- Other Support
- Biosketch
- Budget and Justification
- Animal Subjects Form and Information
- Human Subjects Form and Information
- Biological Materials Form and Information
- Additional Sponsor Forms

Determine who is responsible for each item prior, set deadlines and meet-ups/check-ins

15

The Budget

16

The Budget

- Things to know – READ the RFP/FOA/NOFO, etc. Just read it!
- Uniform Guidance
 - Cost Principles – allowable, allocable, reasonable, consistently applied
- Institutional Guidelines and Regulations
- Cost Accounting Standards
- Allowable Direct Costs
- Indirect Costs or Facilities & Administrative Costs (F&A). Nonprofit organizations may use Overhead Costs (universities may use this term differently). Is it allowed per the sponsor?



17

Type of Budget

- Detailed (ex. Federal R&R)
 - Itemized categories with line-item detail
 - Justification includes breakdown of each line item
- Basic (ex. Federal Modular)
 - General or simply total dollar amount requested
 - Justification may include broad explanation of categories
- The RFP will tell you what template/format to use.
- Institutional budgets /line-items are often different from sponsor budgets/line-items



18

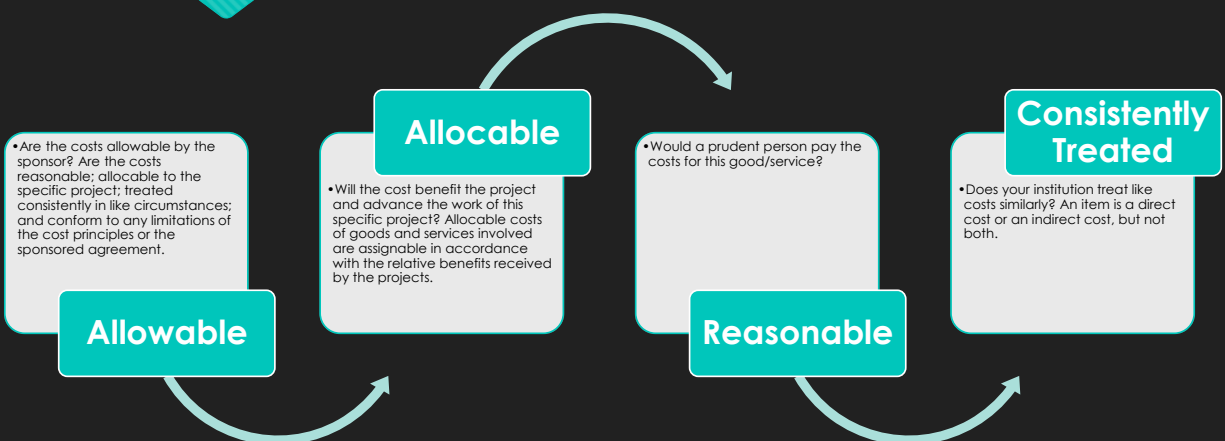
Getting Started ...



- Read the RFP for sponsor rules and expectations.
 - What is the maximum allowable funding request?
 - Is full IDC recovery allowed? Does your institution have a waiver?
 - What budget categories are allowable versus unallowable?
 - Is there a salary cap?
 - What is excluded from indirect costs?
- Meet with the PI
 - Identify personnel, travel needs, supplies, equipment, subawards, etc.
- Make sure the budget covers all costs for the project, but **do not** pad the budget.

19

Always remember the cost principles



2 CFR 200, Subpart E, Cost Principles

20

General (Direct) Budget Categories

- Salaries and Wages
- Benefits
- Personal Service Contracts
- Contractual Services, Goods and Services, etc.
- Materials and Supplies, etc.
- Travel (domestic, foreign)
- Capital Equipment and Non-Capital Equipment
- Subawards
- Stipends, Subsidies, Participant Support Costs

21

Salaries and Wages

- Typically largest spend category (unless you have large animal subjects)
- Principal Investigator/Project Director/Co-Investigator
 - IBC, Salary Cap, etc.
- Lab Manager
- Research Associate
- Students (undergraduate and graduate)
- Administrative Staff* ([CFR 200.413](#))

Salaries and Wages may change at fiscal year, calendar year or other time of year.



22

Fringe Benefits

- Often automatic, typically based on the type of employee:
 - Faculty
 - Professional Staff, permanent & Professional Staff, temporary
 - Classified Staff, permanent & Classified Staff, temporary
 - Graduate Student, hourly versus stipend
 - Rate may vary by school, college, etc.
 - Undergraduate Student, hourly versus stipend

23

Calculating Salaries & Fringe

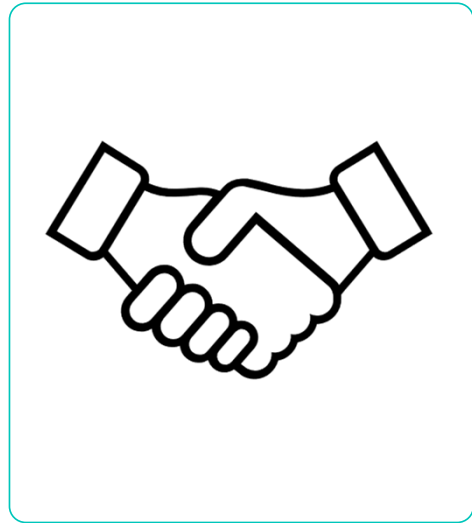
Category	Wages	Benefits	Total Salaries & Wages
PI	2,521.76	100.00	2,621.76
Co-PI	2,521.76	100.00	2,621.76
Post-Doc/Research Assoc.	2,521.76	100.00	2,621.76
Classified Staff	2,521.76	100.00	2,621.76
PhD Student	2,521.76	100.00	2,621.76
MBA Student	2,521.76	100.00	2,621.76
Non-Student Temporary	2,521.76	100.00	2,621.76
Student	2,521.76	100.00	2,621.76
TOTAL BENEFITS			

- Salaries inflated 2-4% per year, use University Finance information
- Tuition inflated X% based on historical information
- Fringe Benefit rates based on NICRA
- All other costs should be inflated at 4% per year

24

Personal Services Contracts

- Consultants: specific scope of work needs that cannot be completed by personnel within the institution, if allowable by the agency/organization's RFP
- Service Agreements



25

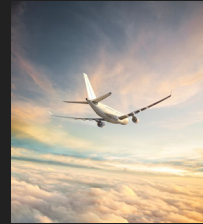
Contractual Services, Goods, Services

- Animal subject costs
 - housing/per diem
 - food (sales tax)
- Human subject costs
 - survey incentives
 - travel costs
- Lab supplies/Research supplies

26

Travel

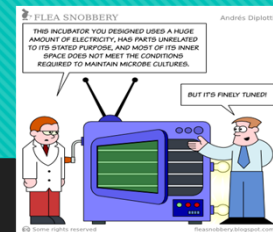
- Airfare* (Fly America Act)
- Ground Transportation* (car rental, taxi, shuttle, Lyft, Uber, etc.)
- Per Diem/Meals (while in travel status, plus X hours before and Y hours after)
- Hotel*
- Conference Registration
- Baggage Fees
- Parking
- Mileage Reimbursement



Travel must be directly related to the project, best practice to use government contract rates for airfare, hotels, auto rentals, etc. See GSA site for rates.

27

Equipment (capital)



- Capital equipment:
 - single purchased item, with a cost of \$5,000 or more, with a life of more than one year; or
 - may be fabricated equipment requiring the purchase of multiple items separately at less than \$5,000, but once combined meets the threshold of the \$5,000 value.
- Identity does not change with use.
- Must be tracked and added to the inventory list.
- Uniform Guidance requires screen shots of three vendors.
- Most institutions require reporting to an institutional, central office for inventory.

28

“Equipment” (non-capital)

- Tangible property (excluding land, buildings, etc.) with a cost of less than \$5,000 (not inventoried)
- Blinds, shades, carpeting
- Software, not purchased with hardware
- Books, art supplies, etc.
- Cubical walls, shelving, lockers

29


Subawards

- Per 2 CFR 200.92, “Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. In practice, subawards may be under a Federal or non-federal award.
- The subrecipient performs substantive programmatic efforts (may include publication rights).
- Subrecipient will provide a budget for direct and indirect costs to complete their portion of the research project and/or program.
- Ensure all appropriate materials are received from the subrecipient:
 - Scope of Work, Budget, Justification, Biosketches, forms, etc. including their appropriate institutional F&A rate; Letter of Support or Intent, etc.
- Term date for subaward is prior to prime term date.
- Distinguishing between a subaward and a consultant.
- If institutional indirect cost agreement is MTDC, institution will include indirect costs on the subawards first \$25,000 only.

30

Suspicious Items/Avoid These

- General Office Supplies
- Lunch for lab meeting, colleagues, etc.
- Gifts
- First Class Airfare
- Personal Professional Association Memberships*



31

Cost Share

- Cost Share/Matching is a portion of project or program costs not borne by the sponsor.
- Federal research proposals, typically do not require voluntary committed cost sharing; if they do, it is specifically spelled out in the RFP.
- Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency;
- Values for non-Federal entity contributions of services and property must be established in accordance with the cost principles.

2CFR200.306 Cost sharing or matching

32

Required Cost Share

1. Verifiable from the entity's records;
2. Necessary and reasonable for accomplishment of project or program objectives;
3. All allowable costs;
4. If for a Federal award, are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs (with permission and as allowable by law);
5. In the approved budget when required by the awarding agency;
6. Conform to other provisions, as applicable.

33

Indirect Costs

- Indirect costs
 - Real costs borne by the institution,
 - Indirectly associated with doing research, but not specific to any one research project.
 - Salaries & Wages (S&W) vs. Modified Total Direct Costs (MTDC) vs. Total Direct Costs (TDC)
- Charge the institution's federally negotiated indirect cost rate to the proposal budget, unless the sponsor states otherwise in the RFP.
- Indirect cost rate may vary for research, other sponsored activity, on-campus vs. off-campus, etc.
- Exceptions to using the federal negotiated rate often require institutional waivers.

34

Indirect Cost Basis

Indirect cost calculations may be attributed to different pools of costs. These pools are referred to as the **indirect cost basis**. Below are three common basis types.

- Salaries & Wages – per the federally negotiated indirect cost agreement, indirect costs can only be applied to salaries and wages charged to the award.
- Modified Total Direct Costs – per the federally negotiated indirect cost agreement, indirect costs are applied to all direct costs except ...
- Total Direct Costs – includes indirect costs on all direct costs without exclusion.

35

Indirect Cost Options

Negotiated Federal Rate	Sponsor-Limited Rate	De Minimus Rate	Not Applicable
<ul style="list-style-type: none"> • The approved rate your institution has negotiated with the federal government 	<ul style="list-style-type: none"> • The sponsor has limited indirect cost recovery to a rate lower than your negotiated rate 	<ul style="list-style-type: none"> • If an institution does not have a rate, you may apply 10% MTDC 	<ul style="list-style-type: none"> • No indirect costs will be charged on the award

36

Indirect Costs: Total Costs

- Total costs [TC or total award (TA)] : F&A is calculated on the sum of total direct costs and F&A together.
- How to convert TC to TDC: $TDC = TC / (1 - TC)$
 - TC rate is 30%: $.30/.70 = 42.857\%$
 - TC rate is 10%: $.10/.90 = 11.11\%$
 - \$150,000 awarded, what are directs and indirect at 15% TC?
 - - $.15/.85 = 17.647\%$ for TDC
 - - $150,000 / 1.17647 = \$127,500$ - $127,500 * .17647 = 22,500$
 - - Check it: $150,000 * .15 = 22,500$
- Keeping F&A in mind for your subawards.

37

The Application

38

Complete the Application

View Burden Statement

OMB Number: 4040-0001
Expiration Date: 10/31/2019

APPLICATION FOR FEDERAL ASSISTANCE
SF 424 (R&R)

3. DATE RECEIVED BY STATE: [] State Application Identifier: []

1. TYPE OF SUBMISSION
 Pre-application Application Changed/Corrected Application

2. DATE SUBMITTED: [] Applicant Identifier: []

4. a. Federal Identifier: []
 b. Agency Routing Identifier: []
 c. Previous Grants.gov Tracking ID: []

5. APPLICANT INFORMATION

Organizational DUNS: []

Legal Name: []
 Department: [] Division: []
 Street1: []
 Street2: []
 City: [] County / Parish: []
 State: [] Province: []
 Country: [USA: UNITED STATES] ZIP / Postal Code: []

Person to be contacted on matters involving this application
 Prefix: [] First Name: [] Middle Name: []
 Last Name: [] Suffix: []
 Position/Title: []
 Street1: []
 Street2: []

- Complete the application
- Include all the necessary attachments

39

Proposal Roles & Responsibilities



Principal Investigator

Scientific Lead, selects funding opportunity, develops technical content for proposal, identifies anticipated costs for project, etc.



Departmental Administration

Reviews RFP, assists with preparation of budget and justification, review documents for compliance with sponsor requirements, etc.




Central Administration

Provide training and oversight on proposals, serve as institutional official on proposal submissions, review proposals for compliance, provide support, etc.



40



Compliance Check Prior to Submission

41

Compliance Check Prior to Submission

Eligibility and Internal Routing Checks!

1. Have you received the RFP?
2. Have they provided at least 3/5/10 business days to review (based on institution)?
3. Internal Approvals/Completed Routing Form?
4. Is this New or Non-Competitive Renewal?
5. Is the PI/Institution eligible per Sponsor?
6. Is the PI eligible per Institutional policy?
7. Who submits? PI or Central Office?
8. If this is to a private sponsor, has Foundation approved?
9. Limited Submission – who reviews/approves the limited submission application process?
10. Did the PI sign and certify? Does the routing form have all the appropriate signatures?

42

Compliance Check Prior to Submission

Package Checks!

1. Have we used the correct forms?
2. Proposal is in "Ready to Submit" phase by the PI.
3. Sponsor / Programmatic Requirements / Forms (Special Letters of Recommendation, Indirect Cost Rate Agreement, Intellectual Property Plan, Small Business Plan, Data Management Plan/Resource Sharing Plan, etc.) have been reviewed/accounted for.
4. Additional Forms have been reviewed and accounted for:

<ol style="list-style-type: none"> a. Project Summary b. Table of Contents c. Research Strategy d. Abstract e. Project Description f. Current and Pending Support 	<ol style="list-style-type: none"> g. References Cited h. Key Personnel i. Biosketches j. Appendices k. Pages, margins, fonts, spacing, etc. l. File names/labels of attachments
---	--

43

Compliance Check Prior to Submission

Budgetary Checks!

1. Is the salary/fringe correct for all involved (FTE matches the ask)?
2. Is salary cap accounted for?
3. Is the correct IDC rate applied? If not, is there justification for different IDC rate?
4. Does the budget include everything required by the solicitation/announcement?
5. Is cost share required and accounted for? Is there a cost share certification? Approved by department/school/college?
6. Are all outgoing subawards accounted for? Including LOCs. Do we have subrecipient Institutional Approval and certifications?
 - a. If prime sponsor is federal, do all subrecipients have a federally negotiated rate?
 - b. Are the compliant to federal COI policy?
7. Are we using the appropriate templates/budget forms?
8. Does the justification match the budget form.
9. Is cost share "hidden" in the application?

44

Compliance Check Prior to Submission

T&C or Certification Check!

1. Review T&C of award and application, note for acceptance ...
 - o Publication Restriction
 - o Ownership of Data / IP
2. Any "off the wall" certifications required?
 - a. Do Certifications require a separate submission?
3. Are there strange reporting requirements (progress and invoicing)?
4. Are we under the dollar amount maximum?
5. Is the PI's effort accounted for?
6. If this is a subaward, are we recovering our full F&A? Is there an IDC waiver, if not? Is the direct sponsor limiting our F&A recovery??

45

Compliance Check Prior to Submission

Regulatory Checks!

1. Are there human subjects?
2. Are there animal subjects?
3. Are there biologicals?
4. Environmental Health and Safety checks?
5. Radiation?
6. Are there co-PIs from different departments/centers/colleges?
7. Is there SFI? COI? FCOI? Has Compliance been informed?
8. Will additional new space or renovated space be required?
9. Will the project require additional software, servers, mobile devices, data storage, etc?
10. Is there involvement of Foreign Nationals
11. Will foreign travel be included, need for Export Control review?

46

Who Needs to “Sign Off” Prior to Submission

- PI
- Department Chair/Dean, etc.
- Co-PI Department Chair/Dean, etc.
- Other Personnel Department Chair/Dean, etc.
- IBC
- IACUC
- IRB
- AOR

How much time do you need to route?

47

The Award

48

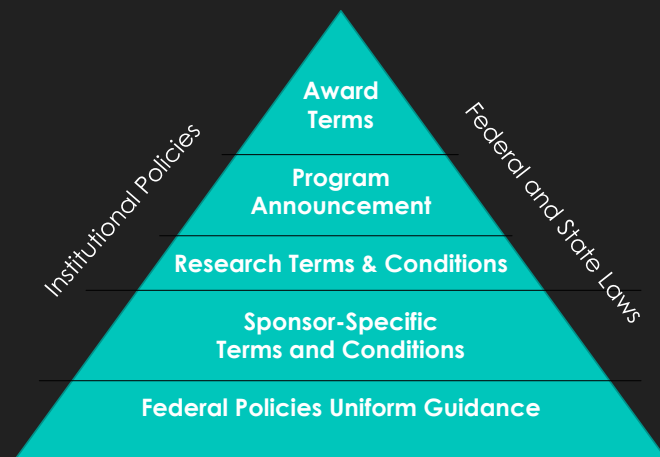
Award Review, Negotiation & Acceptance

- Added scope/objectives;
- Budget revisions;
- Terms and conditions;
- Award restrictions;
- Requesting regulatory reviews/approvals – human subjects, animal subjects, foreign entities, etc.

49

Regulation Hierarchy (*Need to Know!)

- Uniform Guidance



50

The “Hand-Off” to Post-Award

- ... in a perfect world ...

51

The End

see our website for additional information
www.ncuraregionvi.org

52