

NIH Proposal Budgeting Processes

Updated April, 2016

University of Colorado Boulder Proposal Analysts use the following guidelines for all NIH proposal budgets, consistent with NIH policies and to maintain consistency in budgeting practices on sponsored projects, as required by the University's Cost Accounting Standards Board Disclosure Statement (DS-2), required by Public Law 100-679, 41 U.S.C. § 1501-1506.

NIH Budgets – General Information

- Must use modular budget if \$250,000 or less per year in direct costs (unless guidelines state otherwise).
- PI contributed effort may be quantified on budget without being treated internally as cost share. Indicate "NIH Contributed Effort."
- All senior/key personnel MUST have quantified effort on budget, regardless of whether salary is requested.
- Participant Support budget category is only used if specific guidelines allow. Participant support costs are rare for the type of NIH grants CU-Boulder applies for.
- Budget direct costs according to the needs of the project. Total direct costs may vary year to year.
- As a regular practice, apply standard inflation to budget categories (i.e. salaries, travel, tuition) according to the current inflation rates as established annually by CU's Office of Planning, Budget and Analysis. Beginning 12/10/14, PI's have the flexibility to not use the standard inflation rates on some salaries as follows:
 - On all non-key personnel salaries such as Postdocs, Professional Research Associates, Professional Research Assistants, and Undergraduate Research Assistants. This flexibility is possible because personnel in these positions often change during a project and departments/institutes have the flexibility to determine salaries for these positions. Apply inflation to all key personnel (PI's, Co-PI's) and GRA salaries.
 - CU is a subaward on an NIH proposal, and the lead institution requires the CU budget to be budgeted without salary inflation.
 - All other requests for not applying standard inflation (i.e. no inflation on faculty or inflation only in one year) will be evaluated by PAs on a case-by-case basis.
- If standard inflation is not applied per one of the two exceptions above, note on the Excel budget why the standard inflation was not applied, i.e. "Per department/PI request, PRA salary not inflated." or "Per lead institution request, salaries budgeted without inflation."
- Training and fellowship budgets' total direct costs may vary from year to year per NIH budgeting guidelines (i.e. on training grants, in out years, the trainee stipends increase per the NRSA salary schedule and on fellowships, we need to request actual tuition costs with inflation).
- For modular budgets, if the modules differ from year to year, an Additional Narrative Justification must be included in the proposal. The justification for different numbers of modules cannot be attributed to inflation on salaries.
- Project dates – Check earliest start date for application cycle.
- \$499,999 maximum direct costs each year unless approved by NIH (or guidelines state otherwise)
- On the internal budget, include a column after the non-GRA personnel names for "Base Salary," which should be the 12-month salary for non-GRA personnel for the project time period.

NIH Budgets – Personnel (not GRAs) Salary Cap

- Salary cap set at Executive Level II salary, \$185,100 for 12 months or \$138,825 for 9 months beginning 1/10/16.
- This is a law mandated by Congress, not an NIH policy, first implemented in 1989.
- The salary cap may change from year to year, depending on the Federal budget.
- Applies to any individual (except consultants and GRAs, includes subawards) seeking salary funding from the Department of Health and Human Services (NIH, SAMHSA - Substance Abuse and Mental Health Services Administration, AHRQ - Agency for Healthcare Research and Quality).
- This cap does not include fringe benefits, only salary.
- Three ways that different institutions budget at proposal stage with the cap:
 - Budget actual salary, and then NIH will limit the salary in the award
 - Budget at the cap, state Base Salary on R&R budget form as salary cap
 - Budget at the cap, but state Base Salary on the R&R budget form as actual institutional base salary
- If the cap is increased after an award is made at the previous cap level, institutions may rebudget money to increase the PI salary up to the cap, but NIH will not provide additional funding. Institutions may pay the salary difference from other sources.
- If salary is requested above the salary cap, NIH will reduce that line item to the salary cap, resulting in a reduced total award amount.
(http://grants.nih.gov/grants/developing_budget.htm#personnel)

CU Practice: We budget at the cap without inflation, list the cap as the base salary on the R&R budget form and provide “requested salary” according to the cap (example below). We do not budget inflation on salaries budgeted at the salary cap.

The reasoning behind this is that the over-the-cap salary will be cut, reducing the total award amount, and will require a revised budget at award, putting burden on post-award that is not worth the possible additional funding if the cap is raised before award.

It is recommended that PIs with salary above the cap include their actual base salary in the budget justification. This provides for the opportunity to charge more than proposed if the budget cap increases as well as for NIH to provide additional funds if the cap increases and funds become available.

Completing the R&R Budget Form – Senior/Key Personnel

RESEARCH & RELATED BUDGET - Budget Period 1 OMB Number: 4040-0001
Expiration Date: 6/30/2016

ORGANIZATIONAL DUNS: Enter name of Organization:

Budget Type: Project Subaward/Consortium Budget Period: 1 Start Date: End Date:

A. Senior/Key Person

Prefix	First	Middle	Last	Suffix	Base Salary (\$)	Months			Requested Salary (\$)	Fringe Benefits (\$)	Funds Requested (\$)
						Cal.	Acad.	Sum.			
<input checked="" type="checkbox"/> Dr.	Kenneth		Krauter		181,500.00			2.00	30,250.00	8,470.00	38,720.00
Project Role: <input type="text" value="PD/PI"/>											
<input type="button" value="Add Additional Key Person"/>											

NIH Guidelines:

Base Salary (p. I-80): On the R&R budget form, enter the annual compensation paid by the employer for each Senior/Key Person. This includes all activities such as research, teaching, patient care, or other. An applicant organization may choose to leave this blank; however, PHS staff will request this information prior to award.

Requested Salary (p. I-81): Regardless of the number of months being devoted to the project, indicate only the amount of salary being requested for this budget period for each senior/key person. This field is required.

See also NOT-OD-15-049, <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-15-049.html> and http://grants.nih.gov/grants/policy/salcap_summary.htm.

NIH Budgets - GRA Salary CapBackground

- NIH policy published in 2002, NOT-OD-02-017, because of findings by NIH that some universities were paying graduate students more than postdocs. NIH established a policy regarding the level of compensation for graduate students and tied the total compensation to the zero level National Research Service Award (NRSA) stipend in effect at the time the grant is issued.
- “Reasonable” GRA compensation level must be consistent with the Uniform Guidance. NIH states, “In general, graduate student compensation will not be considered reasonable if in excess of the amount paid to a first-year postdoctoral scientist at the same institution doing comparable work.” (NOT-OD-02-017). A postdoctoral scholar is defined by NIH as “An individual who has received a doctoral degree (or equivalent) and is engaged in a temporary and defined period of mentored advanced training to enhance the professional skills and research independence needed to pursue his or her chosen career path.” <http://grants.nih.gov/grants/glossary.htm#P> and http://grants.nih.gov/training/Reed_Letter.pdf
- NIH will not award graduate student total compensation above the zero level postdoc compensation amount (\$43,692). Institutions may rebudget funds to pay above the zero-level postdoc salary, if the compensation is “reasonable.”
- Actual institutional-based compensation may be budgeted for GRAs, but may not be charged to an award IF the requested compensation level cannot be justified.

CU Policy on GRA Salary on NIH Funded Projects

- The minimum compensation for full-time, first-year postdocs on NIH funded projects at CU Boulder is the current zero-level NRSA stipend (\$43,692) plus fringe benefits.
- \$59,989 is the CU-Boulder total allowed compensation for GRAs, which includes salary, fringe benefits, and tuition, that may be included on an NIH proposal budget. This limit is based on the NIH NRSA stipend level for zero-level postdocs (\$43,692) plus fringe benefits (\$16,297 at 37.3% of salary). In out years, this maximum compensation level includes inflation on salary and fringe benefits.
- PIs may rebudget NIH funds to charge up to the CU-Boulder maximum level for GRAs, including salary, fringe benefits, and tuition according to established University rates. Formal rebudgeting is not required unless the change exceeds 25% of the total award amount.
- Standard budget justification language must be included whenever GRAs are included on an NIH budget. Include the “Additional Justification for Graduate Students Compensated above Zero-Level Postdoctoral Fellowship Rate” section of the CU budget justification template.

NIH Guidelines: Requested Salary (p. I-81): NIH grants also limit the compensation for graduate students. Compensation includes salary or wages, fringe benefits and tuition remission. While actual institutional-based compensation should be requested and justified, this may be adjusted at the time of the award. For more guidance on this policy, see: <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-02-017.html>.

NOT-OD-15-048, current stipend rates. "It should be noted that the maximum amount that NIH will award to support the compensation package for a graduate student research assistant remains at the zero level postdoctoral stipend, as described in NOT-OD-02-017."

NIH Budgets - Postdoc Salaries

- NIH Definition of a postdoctoral scholar: An individual who has received a doctoral degree (or equivalent) and is engaged in a temporary and defined period of mentored advanced training to enhance the professional skills and research independence needed to pursue his or her chosen career path. (<https://grants.nih.gov/training/q&a.htm#2491>)
- Unless you are budgeting for a postdoc on an NIH training (T32, T90) or fellowship (F32) proposal, there are no caps on postdoc salary besides the Executive Level II salary cap. (<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-14-046.html> and <http://www.niaid.nih.gov/researchfunding/qa/pages/salary.aspx#apwhat>)
- There will be an employee-employer relationship for postdocs on research grants, and fringe benefits will be charged.
- Postdocs on research grants are likely to be listed/appointed at CU as "Research Associates."
- Depending on the appointment type, postdoc fellows on NIH training and fellowship grants may or may not be considered employees of CU and are paid through a stipend.
- Fringe benefits are not charged on training or fellowship postdoc stipends.
- The CU-Boulder minimum compensation for first-year postdocs is \$59,989 (\$43,692 salary plus \$16,297 fringe benefits).