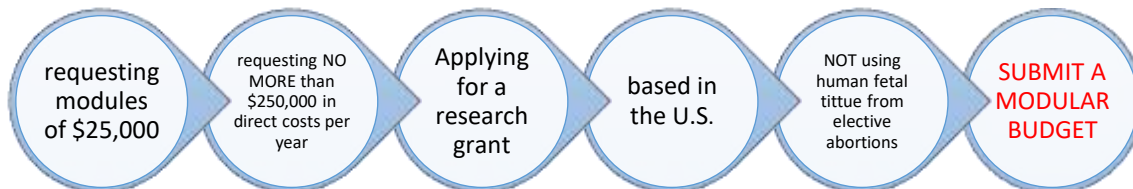# OSPA Tip Sheet | NIH - Modular Budgets

A modular budget is simplified, therefore detailed categorical information is not to be submitted with the application. To be eligible to submit a modular budget, *all* of these conditions must be met:

requesting modules of $25,000 → requesting NO MORE than $250,000 in direct costs per year → Applying for a research grant → based in the U.S. → NOT using human fetal tittue from elective abortions → SUBMIT A MODULAR BUDGET

In addition to deciding if you *may* submit a modular budget, always check the FOA to see if it is mandatory or prohibited.

If a modular budget is used, here are some tips to developing them in ISU budget format and entering them accurately in Cayuse. NIH information on modular budgeting can be found at https://grants.nih.gov/grants/how-to-apply-application-guide/format-and-write/develop-your-budget.htm#modbud

Developing the ISU modular budget

- Enter budget amounts in the ISU budget in the same level of detail as usual. If exact direct cost amounts do not equal an increment of $25,000, add or reduce amounts in flexible spending categories as needed.
- When possible, make each year total the same modular amount. If not possible, an additional budget justification *may* be necessary (see budget justification section below for more info)
- To make modular amount meet the exact modular goal for any given year, you may want to use the Excel Goal Seek function found in the Data tab of your Excel sheet. (several tutorials can be found online)
- If a subrecipient is involved, their direct costs are counted in ISU modular amount, but their IDC is excluded. This will make ISU direct cost calculation different than modular calculation.
- The NIH budget template from the OSPA website (forms page) automatically calculates the modular amount for you. The BOB Lite can easily be adapted to show the modular amounts if you prefer to use that template.
- When submitting *as a sub* to a prime under a NIH FOA, it is not *required* that ISU amounts meet modular amounts. Always check with the prime to get info on the target budget amounts.

Developing the budget justification

- A **Personnel Justification** is needed for modular budget submissions. Specific amounts are not to be included in this justification. Include project director(s), key personnel and graduate students; include names, effort and role.
- If modular amounts are not equal each year, provide an **Additional Narrative Justification**. This will address items that cause the variations in any given year, and the rationale for their inclusion in the budget. This additional justification is *not necessary in R21 proposals*, as they are directed to not be equal across years.
- The subrecipient (or ISU when a sub) will submit a **Consortium Justification**, which includes an estimate to the nearest $1,000 of each budget year, and personnel information (as in the personnel justification for the prime).

Entering the modular budget in Cayuse

- ☑ PHS 398 Modular Budget
- When submitting a modular, be sure you have selected (checked the box) next toPHS 398 Modular Budget as your budget option on the left menu in Cayuse. Uncheck the box next to RR Budget and <u>do not use</u> the subrecipient RR budget.
  - ☑ PHS 398 Modular Budget

- Enter the budget periods at the top of each budget page (reminder, you will have identified how many budget periods there are when initiating the package)
- (Part A) Enter the direct costs per year:
  - The modular amount equals the Direct Cost less Consortium (sub) Indirect
  - Then enter the Consortium Indirect (if applicable)
- (Part B) Enter the Indirect costs per year (B):
  - This is based on the MTDC in your budget. MTDC is calculated as usual.
- (Part C) Total Direct and Indirect will fill in automatically based on the entries in Parts A & C
- Cumulative Budget Information will fill in automatically based on the total of each budget period.

Budget Justifications:

You will attach any budget justification that applies to this budget, in the lower part of the budget page. Refer to the above descriptions of each type of justification to see if it applies.

To see sample entries in Cayuse, OSPA can provide you with access to a Modular Budget in Cayuse with an accompanying ISU budget template. ***Please request access in Cayuse by contacting Angie Schreck at schreck1@iastate.edu.*** Access may not be granted immediately.

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