**THE MODULAR RESEARCH GRANT PROPOSAL:  
FEATURES AT A GLANCE**

* Applies to research grant applications requesting up to $250,000 direct costs per year.
* Request total direct costs in modules of $25,000, reflecting appropriate support for the project. There will be no future year escalations.
* A typical modular grant application will request the same number of modules in each year.
* Provide budget narrative regarding **all** Personnel by position, role, and level of effort. This includes consultants, personnel on any Consortium/Contractual arrangement and any "to be appointed" positions.
* Include a total cost estimate for any Consortium/Contractual arrangements.
* Additional narrative budget justification will be required in the application only if there is a variation in the number of modules requested.
* Describe specific aims of research projects ongoing or completed during the last three years as part of the Biographical Sketch. The Biographical Sketch will be limited to four pages.
* SRG Recommended adjustments of the budget in modules.
* Request Other Support information "just-in-time" to determine overlap for likely award candidates.
* Request (prior to award) additional budget justification "just-in-time" only in exceptional circumstances.
* Award at SRG recommended or Institute's cost management plan level, taking other support into account.
* Make non-categorical, total direct cost awards.
* Eliminate the 25% rebudgeting requirement.
* Permit all types of administrative supplemental awards.
* Checklist to be submitted with the application.

### GENERAL ISSUES

***1. What is the Modular Grant Application Concept?***

The Modular Grant concept establishes specific modules or increments in which direct costs must be requested as well as a maximum level for requested budgets under the Modular Grant model. Categorical dollar information should not be provided in the application; however, the responsibilities for the Principal Investigator and all key personnel must be specifically described.

1. ***If an RFA has a receipt date after June 1, 1999 must the applications be submitted in the Modular Grant format even though the RFA did not originally include the use of Modular Grants?***

No. Applications should be submitted according to the instructions specified in the RFA.

1. ***Will Modular Grant Application procedures apply to administrative supplement programs such as the under represented minority, disability and reentry applications?***

No. These administrative supplementals should be submitted in the usual format.

1. ***Must competitive supplement applications be submitted in modules?***

Yes.

1. ***Is the Modular Grant program in addition to the R01 program or does it replace the R01 program?***

It replaces the regular R01 application format for requests up to $250,000 direct costs per year. The Modular application and award process is not a new grant program. Instead it is a revised application and award process for R01 and other kinds of awards.

1. ***Will the Modular Grant application process be used by all Institutes and Centers?***

Yes.

1. ***Will Modular Grant guidelines apply to applications submitted by foreign institutions?***

Yes.

### APPLICATION INSTRUCTIONS

1. ***Which application form should be used?***

The research grant application form PHS 398 (rev. 5/2001) at <http://grants.nih.gov/grants/funding/phs398/phs398.html> is to be used in applying for these grants, with modular budget instructions beginning on page 13 of the application instructions. Applicants are permitted, however, to use the 4/1998 revision of the PHS 398 for scheduled application receipt dates until January 9, 2002. If you are preparing an application using the 4/1998 version, please refer to the step-by-step instructions for Modular Grants available at <http://grants.nih.gov/grants/funding/modular/modular.htm>.

1. ***If an application is submitted in the traditional budget format, will it be returned or will you request or require revised budget narrative pages at a later date?***

Effective for the receipt dates beginning September 1, 2000, applications not in compliance with the modular application instructions will be returned to the applicant institution by the Center for Scientific Review. Applications revised and resubmitted to NIH in a timely manner may remain in the intended review cycle. See NIH Guide: NIH Modular Grant Application Modification and Update [http://grants.nih.gov/grants/guide/notice-files/NOT-OD-00-046.html.](http://grants.nih.gov/grants/guide/notice-files/NOT-OD-00-046.html)

1. ***Under the Modular Grant model, are there any changes regarding submission of certifications of human or animal use?***

No.

1. ***May we submit an R01 application after June 1, 1999 with the regular budget format if we want to?***

No. The Modular Grant application format is now the regular format for applications requesting up to $250,000 in direct costs per year.

1. ***Will Modular Grants have the same cycle from submission to award as non-modular applications?***

Yes. But NIH is aggressively working to shorten the cycle as part of its overall Reinvention Initiatives.

1. ***Is budget narrative required for Key personnel only or All personnel?***

Provide budget narrative for ALL personnel by position, role, and level of effort. This includes consultants, personnel on any Consortium/Contractual arrangements and any "to be appointed" positions. See NIH Guide: NIH Modular Grant Application Modification and Update <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-00-046.html>.

### BUDGETARY ISSUES

1. ***I understand that Modular Grant applications may not request future year escalation, at least in the usual way. Does this apply to non-modular grant applications requesting more than $250,000 per year?***

Applications requesting more than $250,000 direct costs should submit budgetary detail as is the current practice, including future year escalations.

1. ***What do I do if I need more than $250,000 in direct costs in one or more years?***

Submit the detailed categorical budget information on Form Pages 4 and 5 as is currently required. In addition, follow all instructions in the PHS 398 form. None of the modular grant application instructions would apply.

1. ***Do we continue to include the first $25,000 of total costs per consortium in calculating our F&A costs?***

Yes, as long as this is consistent with your institution's F&A rate agreement. Include the statement of intent to establish a consortium between the participating institutions.

1. ***The Modular Grant model requires budget information about consortium/contractual arrangements. Do the Facilities and Administrative (indirect) costs on such an arrangement become part of the total modular amount requested or can the total be exceeded by the amount of the F&A costs?***

The number of modules requested must include the F&A costs associated with a consortium/contractual arrangement.

1. ***How will Facilities & Administrative (indirect) costs be requested and awarded with Modular Grants?***

F&A costs will be requested and awarded in the same manner as they are now. The Checklist submitted with the application will describe the appropriate direct cost base and the F&A rate that applies for all years.

1. ***How do we handle escalation in future years if it is expected that all years will typically request the same number of modules?***

Basically, you will calculate the total direct costs you need over all the years, including one time costs (such as equipment) and escalation, and then divide by the number of years. Then select the amount in modules of $25,000 closest to that dollar level. This process is not applicable if the costs are expected to differ significantly from year to year. In these latter situations, appropriate annual variations in the number of modules should be requested.

1. ***Are detailed budgets necessary for the development of modules at time of application?***

This matter is left to the discretion of the applicant institution. It may be necessary for institutions to require certain budgetary detail from principal investigators for purposes of determining exclusions from the base when calculating facilities and administrative (indirect) costs. In addition, institutions may need to ensure that adequate resources are being requested for the proposed research activity. However, any budgetary details required by the institution are for its internal use only and should not be submitted in the application.

1. ***Must detailed categorical budgets be developed at time of application or award to comply with Consistency Standards contained in OMB Circular A-21?***

No. OMB Circular A-21 does not proscribe the categories to be used in estimating, accumulating, or reporting costs by educational institutions. A categorical budget for purposes of the modular application is defined as a direct cost and a facilities and administration (indirect) cost. Costs are estimated (application), accumulated, and reported (Financial Status Report) on this basis. Thus, we have confirmed with the Office of Audit Resolution and Cost Policy, HHS, the Office of Grants Management, HHS, the Office of Inspector General, HHS, and the Office of Naval Research that no additional categorical detail is required to satisfy OMB Circular A-21 cost consistency standards. However, as stated in the question above, institutions may require detailed categorical budgets to meet internal institutional needs.   
  
Institutions are reminded that they must have a mechanism to accurately monitor and report institutional cost sharing. In addition, recipients are reminded that they must meet the standards for financial management systems in 45 CFR 74.21 which require, among other things, that actual outlays must be compared with budgeted amounts for each award. Such comparison will be made on the basis of the modular application budget categories of direct and F&A costs.

1. ***Should applicant institutions request detailed budgets from consortium participants when estimating the number of modules to be requested in the application to NIH?***

Institutions must be able to reasonably estimate the total (direct and facilities and administrative) cost of the consortium arrangement to the nearest $1,000. Applicant institutions may request from the consortium participants whatever information is necessary for making this estimate.

1. ***If an investigator's salary exceeds the current salary cap, should the applicant use the legislatively imposed salary cap or actual institutional base salary when estimating the number of modules requested?***

Since the modules should be a reasonable estimate of costs allowable, allocable, and reasonable for the proposed project, applicants must use the current salary cap when estimating the number of modules. With the significant rebudgeting flexibility and the ability to carry forward unobligated balances, funds generally should be available to cover any modest increase in the legislatively imposed salary cap.

1. ***How do we request funds for general administrative and clerical support?***

The NIH GUIDE, Volume 23, Number 34, September 23, 1994 discussed the treatment of administrative and clerical salaries. If you plan to use grant funds to pay for clerical salaries and/or other administrative costs that are covered in the examples provided, you will not need NIH approval to charge those costs to the project. NIH has already determined these are acceptable direct costs charges. If you wish to charge those costs to an NIH supported project and they are not one of the examples provided in the NIH GUIDE, you will need to contact NIH prior to obligating grant funds to ensure the costs are allocable as a direct cost to the project.

1. ***How should we reflect individuals who do not have 12-month appointments, i.e., academic year and summer period?***

The academic year effort and the summer period effort should be shown separately.  
  
Example:  Mary Jones, Ph.D.  25% (academic year), 100% (summer period)

1. ***How should we reflect the level of effort for individuals who are not employed full-time at the applicant organization?***

Follow the current 398 instructions, i.e., show the individual's percent of effort at the applicant institution and indicate if the institutional appointment is less than full-time. Be sure to list all current employment responsibilities for the individual on the Biographical Sketch page.

### POST-AWARD ISSUES

1. ***Will the NIH policy on carryover of unobligated balances apply to Modular Grant applications that are awarded?***

There will be no change in the NIH policy on carryover of unobligated balances for these awards.

1. ***Will the 25% rebudgeting rule remain in effect with Modular Grants?***

Currently, a grantee may not rebudget more than 25% of the total funds awarded in any one budget category without NIH approval. Under the Modular Grant application process, notification of significant rebudgeting is no longer required.

1. ***Upon receipt of the award, are recipient institutions required to establish categorical budgets?***

Under the previous modular grant pilots, institutions were required to establish a categorical budget upon receipt of the award. With the full-scale implementation of modular grants, this will no longer be a requirement. Institutions will have discretion in determining the need to establish categorical budgets once the NIH award is received. However, recipient institutions are still required to ensure that all costs charged to modular awards are in accordance with applicable costs principles, the NIH Grants Policy statement, and legislatively imposed restrictions.