PURPOSE

The purpose of this operating procedure is to clarify and define the roles of the Principal Investigator (PI), Department Administrator (DA), and the Research Administrator (RA), with regard to developing budgets for proposal packages to be submitted for extramural funding applications. The PI and DA work with the RA to define the budget and develop and finalize the budget justification for each proposal. The Office of Sponsored Programs (OSP) has the final authority on all budgets being submitted for extramural funding and interpreting all sponsor guidelines and regulations.

This SOP is applicable to proposals submitted for non-sponsor initiated, non-industry funded projects. Please refer to the SOM Clinical Research Administration website for guidance on budget development for sponsor initiated, industry funded projects.

The purpose of the budget and justification is to outline and detail all expenses required to achieve project aims and objectives. VCU School of Medicine budgets must comply with federal regulations, which are codified in a single guidance document known as the “Uniform Guidance” or 2 CFR 200 that must be used by all federal agencies. The Uniform Guidance (UG) provides standards to determine whether costs can be charged to federal grants and how those costs should be distributed between direct costs and facilities and administration (F&A) costs. These principles are rigorously applied to all federal grants and generally adhered to in administering non-federal awards. Each federal agency has or will issue more detailed guidelines as to how UG applies to its grants and cooperative agreements.

The standards established in the UG require that all sponsored project expenses must be (1) reasonable, (2) allocable to the project, (3) given consistent treatment, and (4) conform to any limitations or exclusions set forth in the UG or the award requirements.

INTRODUCTION

Applications for funding (also called proposals) from external sponsors should contain all information necessary to describe project plans, staff capabilities, and funds requested. Formal proposals are officially approved and submitted by an organization in the name of a principal investigator. A proposal can be considered an offer to do business and thus requires the signature of an institution's authorized official. The authorized official is the only individual(s) formally authorized to bind the institution to grants, contracts, and other agreements. Prior to submission, proposals will be reviewed by the Office of Sponsored Programs to help ensure compliance with internal and external policies, procedures and requirements, including a requirement for a report of expenditures or a provision for an audit (refer to VCU’s Policy Sponsored Program Proposals: Definitions, Solicitation, Review, Approval and Submission). In turn, the School of Medicine must ensure its investigators and personnel are in compliance with all VCU and sponsor requirements through the completion of an internal approval routing process at the time of the proposal submission.

Per VCU’s Policy Sponsored Programs Proposal Submission Deadlines, the draft proposal package is due to be routed to Office of Sponsored Programs at least 5 business days before the sponsor’s deadline, with the expectation that all final application documents will be supplied to OSP no less than 2 business days before the sponsor’s deadline. Research proposals and applications may include a budget, often with a detailed breakdown of the financial support requested from the sponsor and a narrative budget justification. The PI must ensure that the budget developed reflects the best estimate of the costs needed to complete the tasks outlined in the
Oftentimes planning and initial preparation for budget development and proposal preparation involve the same steps as a starting point. Thus, these initial steps are included in both the budget development and proposal preparation SOPs.

PROCEDURE

Planning

1. The RA will communicate regularly with his/her assigned departments’ PIs and DAs to ask about upcoming proposal plans and provide at minimum monthly reminders of associated deadlines for both the internal RAMS-SPOT routing and completion of the proposal package.

2. The PI and DA must alert the RA of proposal plans in a timely manner, including letters of intent and pre-proposal submissions, and include information on the Funding Opportunity Announcements (FOA)/Program Announcements (PA)/Request for Proposals (RFP)/Solicitation information and associated deadlines, if any.

3. As soon as the RA becomes aware of a planned proposal submission, he/she will log the planned submission on any internal pre-award tracking database in use.

Preparation

1. The RA will review the FOA/PA/RFP, requirements, and guidelines as provided by the sponsoring agency and provide support and feedback to the PI. The PI and the RA must review agency guidelines as a first step in the proposal preparation process. The RA should consult with OSP and/or Office of Research & Innovation on any questions regarding:
   - PI Eligibility
   - Any special restrictions or potential conflicts of interest (financial and non-financial)
   - Specific items that need to be included in the proposal
   - F&A rate limitations, budget restrictions or other limitations
   - Whether or not subawards will be involved
   - Cost share commitments
   - Participation of VCU Health employees

2. If proposal submission is contingent on gathering required PI eligibility, F&A rate exception, cost share approvals, or VCU Health employee approvals the RA will initiate the process for getting those approvals as soon as possible. See “SOP 308: PI Eligibility Exception Requests.”

3. The RA will set up a preparation timeframe with the PI specific to the submission. For example, larger, more complicated submissions, such as an NIH Program Project, Center grant or Training grant, would require lead time of at least 8-12 weeks. Standard NIH R01s or R21s with modular budgets could be handled in a shorter timeframe. OSP’s and SOM’s review and internal approval deadlines should be accounted for. As part of the timeline discussion, the RA should confirm with the PI who will be completing each element of the proposal package. Most often the RA and PI will collaborate on assembling the different administrative and budgetary aspects of the proposal.

   The RA will confirm with the PI that they and all other key personnel have completed all VCU required investigator trainings and updated their annual conflict of interest (COI) disclosure in AIRS.

Define Budget Needs/Framework and Develop Budget Justification
1. The RA will ensure the budget is prepared in accordance with the sponsor’s guidelines and the OMB Uniform Guidance (UG). The UG identifies allowable direct cost categories and prescribes a standard distribution and allocation method for the recovery of F&A costs. Because the UG also establishes standards for consistency in the treatment of costs for institutional accounting, the UG regulations apply to grants, contracts, and other types of awards accepted by the University, not just federal awards.

2. The RA will request a budget justification from the PI and assist in developing the budget by: (Please note that the RAMS-SPOT budget is the budget of record.)

   - Serving as a resource to the PI on budget development and providing guidance on what is allowable per sponsor and VCU guidelines.
   - Drafting a detailed budget on a standard template or in RAMS-SPOT, with PI input.

3. Both the RA and PI should review the FOA/PA/RFP and understand the sponsor’s budgeting guidelines. RA will look for program specific budgeting allowances and restrictions and communicate them to the PI. If typically restricted items such as equipment, administrative costs, etc. are allowed by the sponsor, discuss these specific needs with the PI. Identify if cost share/match is required by the sponsor or if there are any limitations on F&A (Facilities and Administrative or Indirect Costs).

4. In drafting the detailed budget, the RA should review any draft technical documents that are available to identify possible costs associated with the activities being proposed. Discuss these items with the PI:
   - Lab samples are being collected/analyzed – who will do this work?
   - Use of hospital resources – Radiology, Pharmacy, Cardiology, etc – do we need ancillary agreements for these services?
   - Survey development, large travel or telecommunication needs – who do you need to contact for cost pricing?
   - Investigators from other institutions involved – will we budget for subawards or consultant costs?
   - Involvement from other VCU departments or schools – contact for personnel costs.
   - Human subjects – will there be any payment to participants?
   - Animal subjects – what will the per diem costs or animal acquisition costs be?

5. In drafting the budget justification, the PI should give detailed justification of direct costs in the following (or similar) budget categories:
   - Personnel
     - Effort (expressed in percent effort, and calendar, academic and/or summer months)
     - Institutional Base Salary
     - Salary Caps/Cost Share
     - Fringe Benefits (projected rates may be used from VCU Controller’s Office website)
     - Disclosure of any VA Appointments
     - Role
       1. Senior/Key Personnel
       2. Post-Doctoral Associates
       3. Graduate Students
       4. Other Significant Contributors
       5. Other Personnel
       6. Brief explanation of role
   - Equipment
   - Travel (domestic or foreign, by investigator, employee, student, etc)
   - Trainee Costs
   - Other Direct Costs
     - Materials and supplies
6. If the proposal is to NIH or other sponsor that allows for a modular budget submission based on certain annual budget levels and the proposal doesn’t require a complete justification, the RA will advise PI on the type of justification needed for the proposal. For NIH modular budget submissions, direct costs of $250,000 annually are permitted, and each year’s budget must be presented in modules of $25,000. In this case, an NIH modular budget justification must include a personnel justification, consortium justification and any additional narrative justification, as needed (such as variations in the number of modules requested, budgeting for capital equipment, etc).

7. See “SOP 101: Proposal Development” for guidance on including other institutions as subawards in a proposal budget.

8. The PI and the DA (if needed) will review the draft budget. The RA will edit the budget based on PI and DA (if needed) input and comments until a final version is reached.

9. The RA will build the final budget in the RAMS-SPOT Funding Proposal. The PI will route the Funding Proposal for internal review and approval only once the budget is finalized. Changes to the budget after initiation of the internal review and approval process should be few and far between.

- If the PI needs to make significant changes to the budget (such as addition of a new Co-Investigator, adding a new external subaward, adding personnel from other VCU Schools/Colleges, etc) AFTER the Funding Proposal has been reviewed and approved by the School of Medicine in RAMS-SPOT, the RA must contact the appropriate SOM reviewer and request a re-review of the budget in RAMS-SPOT.
- The SOM reviewer will log a public comment on the Funding Proposal in RAMS-SPOT indicating their approval or disapproval of the changes.

RESPONSIBILITY

Principal Investigator (PI) The PI is primarily responsible for:

- Notifying RA of plans for proposals
- Familiarizing themselves with the FOA/PA/RFP and/or sponsor guidelines
- Developing the budget framework and advising the RA on preparing the draft budget, providing all necessary information needed, including:
  - Personnel and effort levels
  - Costing of major equipment
Contact information for any subawardee institutions or other collaborators
- Human and animal subjects involvement
- Ancillary services required
- Approving final budget before routing to OSP
- Completing budget justification

Research Administrator (RA) The RA is primarily responsible for:

- Communicating reminders to PIs/DAs regarding plans for submission of proposals
- Reviewing FOA/PA/RFP and sponsor guidelines
- Assisting PI in defining budget needs by reviewing sponsor requirements, and drafts of technical documents, and asking standard questions
- Completing internal budget template based on discussion with PI; finalize after PI review/input.
- Reviewing budget justification prepared by the PI
- Entering final budget into RAMS-SPOT budget grid and any sponsor budget forms as needed

Department Administrator (RA) The DA is primarily responsible for:

- Notifying RA of any planned proposals they are aware of within the department
- Assisting the RA with budget development questions as needed
- Reviewing final proposal budgets as needed

Office of Sponsored Programs (OSP) OSP is responsible for reviewing the budget prior to submission to the sponsor to ensure it includes allowable costs and conforms to the funding announcement guidelines’ Uniform Guidance.