Session Objectives

• Brief overview of the CFAES Research Enterprise

• Learn about:
  • NIFA Budgets
  • Direct Costs
  • Allowable/Unallowable Costs
  • Authority/Legislation
  • Indirect Costs
The GDSU is a free service provided to all CFAES faculty and staff. We are available to assist you with proposal development and submission and/or answer grant related questions. We have offices on both the Wooster and Columbus campuses. Please stop by or contact us to see how we can help you submit a successful proposal!
FY 2018 RESEARCH
in the COLLEGE OF FOOD, AGRICULTURAL, AND ENVIRONMENTAL SCIENCES

EXPENDITURES
Research expenditures – the funds spent on personnel, supplies and services – reflect the research activity of the college

$41 M
897 active grants

SUBMISSIONS AND AWARDS

<table>
<thead>
<tr>
<th>PROPOSALS</th>
<th>AWARDS</th>
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<tbody>
<tr>
<td>475 proposals submitted</td>
<td>478 awards in FY 2017</td>
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<tr>
<td>$110M in funds requested</td>
<td>$48M in awards</td>
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INTELLECTUAL PROPERTY

5 New Patents Issued
27 Invention Disclosures
40 New Inventors
$217,087 Total Licensing Revenue

421 Faculty
489 Graduate Students
1,462 Staff
489 Graduate Students
3,267 Undergraduate Students
$8.9M NIFA Funding (21.56%)

- Federal: $20 M (42%)
- State: $13 M (28%)
- Industry: $5.9 M (12%)
- Private Agencies: $4.6 M (9%)
- Other: $4.2 M (9%)

SPONSORED PROGRAM FUNDING SOURCES
TYPES OF EXPENSES

Direct Costs

Personnel Costs
- Wages
- Fringe Benefits

Non-Personnel Costs
- Travel
- Equipment
- Contractual Services
- Materials - Supplies

Tuition/Fees
- Publications
- Sub awards
- Other
Allowable and Allocable Costs

All costs associated with sponsored research must fall into both of these categories:

**Allowable**

Those project costs that are eligible, reasonable, necessary, and allocable to the project.

**Allocable**

Costs that are assignable or chargeable to one or more of the cost objectives related to the scope of the project within parameters agreed upon by the PI, University and sponsor.
SALARY/STIPEND

Two primary categories

Senior Key Personnel

• Principal Investigator
• Co-Investigator(s)

Other Personnel

• Post Doc’s
• Technicians
• Graduate Students
• Undergraduate Students

Considerations

Amount of time
Salary level
3% annual increase
FACULTY

9 month or 12 month appointment

- 9 month appointment – Off-duty pay eligible (3 months, 11% per month)
- 12 month appointment – Release time eligible

Percent of Effort Assigned to Grant

With the approval of appropriate administrators, 12-month faculty members and/or exempt staff members can have a portion of their effort reassigned to grant activities. The budget should include the portion of effort that will be assigned to the grant.

EXAMPLE: Assistant Director V is an exempt staff member at 100% effort with a base salary of $35,000. S/He will be re-assigned to the grant for 50% of total effort. $35,000 / 50% = $17,500.
FRINGE RATES


<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
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</thead>
<tbody>
<tr>
<td>Faculty – off duty pay</td>
<td>15.7%</td>
</tr>
<tr>
<td>Faculty – 9 &amp; 12 month appointments</td>
<td>26.8%</td>
</tr>
<tr>
<td>Students</td>
<td>8%</td>
</tr>
<tr>
<td>Staff</td>
<td>31.6%</td>
</tr>
<tr>
<td>Specials (temporary staff, non-enrolled students)</td>
<td>15.7%</td>
</tr>
</tbody>
</table>
A Graduate Student is paid $28,000 per year. The student will work 50% on the project.

\[
\begin{align*}
$28,000 \times 50\% &= $14,000 \quad \text{salary} \\
+ $14,000 \times 8\% &= $1,120 \quad \text{benefits}
\end{align*}
\]

\[\underline{$15,120} = \text{total request for salary and fringe benefits}\]

A Postdoc is paid $62,000 per year. The post doc will work 50% on the project.

\[
\begin{align*}
$62,000 \times 50\% &= $31,000 \quad \text{salary} \\
+ $31,000 \times 31.6\% &= $9,796 \quad \text{benefits}
\end{align*}
\]

\[\underline{$40,796} = \text{total request for salary and fringe benefits}\]
TRAVEL

Two types of travel

- Domestic
- Foreign

Includes airfare (domestic and foreign), per diem, lodging, conference registration, and ground transportation (taxi, car rental, personal mileage & tolls)

- Cannot charge business class or first class air travel
- Must utilize U.S. flag carriers at the lowest available rates
MATERIALS AND SUPPLIES

General purpose consumable items which commonly have a shorter life span in use than equipment and machines, and which are stocked for recurring use.

• **Allowable:** Chemicals, reagents, glassware, nets, software, seeds, pipets, potting soil, fertilizer, greenhouse and field supplies, etc.

• **Unallowable:** General office supplies – they are included in the F&A calculation (pens, paper, office supplies, etc.)
Equipment

Supplies or tools needed for a special purpose. Remember to obtain a quote of the item to submit with your budget.

For an item to be considered equipment, it must meet all three of the following criteria:

- Cost $5,000 or more
- Have a useful life of at least one year
- Be stand-alone and function independently

When using our full federal F&A rate, F&A (indirect costs) are not charged to equipment.
PUBLICATION COSTS

Publishing of an article in a scientific or technical journal.

• Costs of preparing and publishing the results of a project conducted under the award, including costs of reports, reprints, page charges or other journal costs, and necessary illustrations, may be included.

• Other type of field/program related publication or for commercial printing of brochures and program materials.
EQUIPMENT/FACILITY RENTAL/USER FEES

Equipment Rental
When there is a need to rent equipment for use on the project, provide information on the type of equipment to be rented, the purpose or use on the project, the length of time needed, and the rental rate.

Facility Rental
When it is necessary to rent office or other facility space for project implementation, and the space is located off-site from the organization’s main facility and the space is not owned by the OSU. The cost of the rent may be charged against the award, if the space is used specifically for the project.

User fees/ Greenhouse charges
When there is a charge for using greenhouse space on campus.
SUB AWARDS

An award of financial assistance in the form of money.

- For your purposes, subawards are normally other academic institutions, non-profit entities, or other federal sources
- Must abide by terms and conditions of subcontract with OSU
- Work within their budget
- Subject to audit
- Contributing to the Intellectual property of the proposal
CONSULTANT SERVICES

An individual retained to provide professional services and expertise for a fee. Typically operates in a competitive environment and provides goods and services within normal business operations.

- Meets the independent contractor status established by the IRS
- **Not an OSU employee**

When the consultant is affiliated with another academic institution, the services provided must be:

- Outside of the consultant’s institutional time and commitments
- Without the use of their institutional resources
### Should a PI be a Consultant or a Sub Award?

<table>
<thead>
<tr>
<th>Sub award</th>
<th>Consultant</th>
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<tbody>
<tr>
<td>• Does the entity’s statement of work represent an intellectually significant portion of the programmatic effort of the overall project?</td>
<td>• An individual retained to provide professional advice or services for a fee.</td>
</tr>
<tr>
<td>• Does the entity have responsibility for programmatic decision making?</td>
<td>• Meets the independent contractor status established by the IRS.</td>
</tr>
<tr>
<td>• Could the entity’s work result in development of intellectual property or publishable results (including co-authorship)?</td>
<td>• Provides similar goods and services to many different purchasers.</td>
</tr>
<tr>
<td>• Will the entity be using institutional facilities, students or staff?</td>
<td>• Provides goods and services within normal working hours.</td>
</tr>
<tr>
<td></td>
<td>• Operates in a competitive environment.</td>
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OTHER COSTS

An item that is needed but has no specific category

• Lab Testing (MCIC, Star Lab)
• Outreach Materials
• Conference/Meetings
• Service or Maintenance Contracts
• Tuition/Fees
• Advisory Panel Costs
• App Development
• Purchased Services
• Participant Support Services
Unallowable Costs

- Alcoholic beverages
- Proposal preparation costs
- Lobbying Costs
- Goods and Services for personal use
- Membership in civic clubs, community organizations, social or dining clubs
- Fundraising costs
- Entertainment (meals, amusement, tickets, shows)
- You may not use grant funds awarded under this authority to renovate or refurbish research, education, or extension space; purchase or install fixed equipment in such place; or the plan, repair, rehabilitate, acquire, or construction of buildings or facilities (NIFA)
Indirect Costs
Facilities & Administrative Costs (F&A)
Overhead Costs
UNIVERSITY CALCULATION OF F&A

Indirect Costs
- Overhead costs incurred in SUPPORT of research activities
- Depreciation of Bldg. & Equip.
- Operations & Maintenance of labs, e.g. utilities, etc.
- Cost of research space
- Administrative services

Direct Costs
- Costs incurred in performing research activity
- Salaries and fringes of laboratory personnel
- Research lab supplies and materials

Indirect Cost Rate

\[
\frac{\text{Indirect Costs}}{\text{Direct Costs}} = \frac{\$56M}{\$100M} = 56.0\%
\]
INDIRECT COST RATES FOR OSU

Check the RFP for any rate limitations. If none are mentioned use the full rate:

On Campus Research: 56%
Instruction Only: 52%
Off-Campus Research: 26%
Other Sponsored Activities: 30.50%

The off-campus rate applies to those projects in which 50% or more of the salary and wages are incurred in facilities not owned and controlled by the University and for which rent is allocated as a direct cost to the project.

MTDC – Modified Total Direct Costs (- equipment, tuition fees, participant costs, first $25K of any subawards)
TDC – Total Direct Costs
NIFA AUTHORITY/LEGISLATION

List of programs with allowable rates: https://nifa.usda.gov/resource/indirect-cost-chart

E. Funding Restrictions

Section 713 of the Consolidated Appropriations Act, 2018 (Pub. L. 115-141) limits indirect costs to 30 percent of the total federal funds provided (or 42.857 percent of total direct costs) under each award. When preparing budgets, you should limit your request for the recovery of indirect costs to the lesser of your institution’s official negotiated indirect cost rate or the equivalent of 30% of total Federal funds awarded.
Public Law 114-113 (Consolidated Appropriations Act, 2017)

Competitive Awards

F&A restricted to 30% of Total Federal Funds (or an applicant’s federally negotiated rate, whichever is lesser)

“Sec. 713. None of the funds in this Act shall be available to pay indirect costs charged against any agricultural research, education, or extension grant awards issued by the National Institute of Food and Agriculture that exceed 30 percent of total Federal funds provided under each award ...”
NIFA AUTHORITY/LEGISLATION

7 U.S.C. 3310(a) (§1462(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977)

Competitive Awards

F&A restricted to 22% of Total Federal Funds (or an applicant’s federally negotiated rate, whichever is lesser)

“... indirect costs charged against any agricultural research, education, or extension grant awarded under this Act or any other Act pursuant to authority delegated to the Under Secretary of Agriculture for Research, Education, and Economics shall not exceed 22% of the total Federal funds provided under the grant award...”
Conversion from Total Federal Funds (TTF) to Total Direct Costs (TCD)

Why not just use the stated rate?
If you know your TFF, you can.
Many projects you don’t know your TFF, what you know is Total Direct and Modified Total Direct

Convert to a Total Direct Cost base
30% TFF = 42.857% TDC
22% TFF = 28.205% TDC
10% TFF = 11.111% TDC
Assume that $100,000 is the total request:

42.857% of Total Direct Costs equates to 30% of Total Costs (including the F&A)

- Total Direct Costs: $70,000
- F&A (42.857%): $30,000
- Total Costs: $100,000 (30% of 100,000 = $30,000)

28.205% of Total Direct Costs equates to 22% of Total Costs (including the F & A)

- Total Direct Costs: $78,000
- F&A (28.205%): $22,000
- Total Costs: $100,000 (22% of 100,000 = $22,000)

11.111% of Total Direct Costs equates to 10% of Total Costs (Including F & A)

- Total Direct Costs: $90,000
- F&A (11.111%): $10,000
- Total Costs: $100,000 (10% of 100,000 = $10,000)
Comparison of NIFA limited OSU F&A rate

So, now that you can figure F&A based on Total Direct, how to you determine which is lesser?

•  NIFA’s limit? (30% TFF = 42.867% TDC) or
•  Your institutional rate? (56% MTDC)

Can’t compare the percentages, since they are calculated from different bases. So, do it twice:

•  Based on NIFA limit
•  Based on your institutional rate

Does that mean you have to do budgets twice every time? Isn’t that a lot of work?

Use Excel!  Have multiple indirect cost rate lines
  One at NIFA rate
  One at institutional rate
  Calculation to choose the lower
Excel to the rescue!

- Have multiple indirect cost rate lines
- One at NIFA rate and one at the institutional rate
- Calculation to choose the lower

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<td><strong>Total Direct Costs</strong></td>
<td>$144,194</td>
<td>$132,666</td>
<td>$137,631</td>
<td>$414,491</td>
</tr>
<tr>
<td><strong>Modified Total Indirect Cost Base</strong></td>
<td>$66,722</td>
<td>$42,254</td>
<td>$43,493</td>
<td>$152,470</td>
</tr>
<tr>
<td><strong>MTDC rate</strong></td>
<td>56.00%</td>
<td>$37,364</td>
<td>$23,662</td>
<td>$24,356</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>$181,558</td>
<td>$156,329</td>
<td>$161,987</td>
<td>$499,873</td>
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</tr>
<tr>
<td><strong>TDC rate</strong></td>
<td>42.857%</td>
<td>$61,797</td>
<td>$56,857</td>
<td>$58,985</td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>$205,991</td>
<td>$189,523</td>
<td>$196,615</td>
<td>$592,129</td>
</tr>
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</table>
BUDGET JUSTIFICATIONS

• Important non-technical section of the proposal
• Provides additional details for expenses within each budget category and explains the need for the items/expenses
• Highlight, explain, and provide rationale for budget categories and how you arrived at certain cost estimates
• Follow the same line item format as the budget
Once your budget is complete....

• Contact the your Sponsored Program Officer for final budget review and APPROVAL.

• Provide the Sponsored Program Officer (SPO) with:
  • Budget
  • Budget justification
  • RFP (link)
  • Subaward form
  • Equipment quotes

• Once you receive budget approval from your SPO, initiate the OSU internal form – ePA-005

• SPO will submit proposal to sponsor
Contact Information

College of Food, Agricultural, and Environmental Sciences
OFFICE FOR RESEARCH AND GRADUATE EDUCATION
Grant Development Support Unit

grants.cfaes.ohio-state.edu

Lori Kaser.37, CRA, Grants and Contracts Administrator
Pamela Schlegel.33, Grants Specialist
“My NIH grant had some money left over from last year.”
Questions?