

Preparing Your Budget: Programmatic and Administrative Considerations

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Contracts Management and Administration
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Welcome!



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In This Session

- Review programmatic and administrative budgetary considerations
 - Identify typical budgetary issues
 - Describe key elements of the milestone schedule

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Sample Detailed Budget

<input type="checkbox"/> Applicable Organization	<input checked="" type="checkbox"/> Subcontracted Organization					
Initials or Name:						
Program Director/Precinct Representative (use initials)						
DETAILED BUDGET TEMPLATE		FROM	TO/TOTAL			
Please provide the information below for the entire budget period and for each subcontracted organization.						
If you have more than one subcontracted organization, please repeat the following rows for each organization.						
PARTICIPANT		BUDGET ITEMS				
NAME	ROLE ON PROJECT	PERCENT DEDICATED	BEST RATE BALANCE	SALARY BUDGETED	FRINGE BUDGETS	TOTAL
	PDPI					
SUBTOTALS →						
CONTRACT COSTS						
GROSS (Amount by category)						
TRAVEL Meals Programmatic						
OTHER EXPENSES (Amount by category)						
DEPARTMENT						
SUBCONTRACTOR COSTS				DIRECT COSTS		
SUBTOTAL DIRECT COSTS FOR BUDGET PERIOD						\$
SUBCONTRACTOR COSTS				FACILITIES AND ADMINISTRATIVE COSTS		
TOTAL DIRECT COSTS FOR BUDGET PERIOD						\$
TOTAL INDIRECT COSTS FOR BUDGET PERIOD						\$
TOTAL COSTS FOR PROPOSED BUDGET PERIOD						\$

<input type="checkbox"/> Applicant Organization	<input type="checkbox"/> Subcontract Organization					
Institution Name:						
Program Director/Principal Investigator (Last, First, Middle)						
PCORI ADDITIONAL PERSONNEL FORM		FROM	THROUGH			
USE ADDITIONAL PAGES Dotted lines indicate where to add more rows. Add one row for each employee listed.						
NAME	ROLE OR POSITION (e.g., PI, Co-PI, Project Manager, Researcher, etc.)	PERCENT EFFORT	BEST BASE SALARIES BUDGETED	SALARIES BUDGETED	PERCENT EFFORTS	TOTAL
SUBTOTALS →						

Refer to Handout #7

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Budget Cost Categories Must Support Work Related to Milestones & Deliverables

Milestones:

Significant events or accomplishments within the project; may have deliverables associated with them



Deliverables:

Measurable and verifiable outcomes or objects that a project team must create and deliver according to the contract terms



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What Do We Look At?



NOTE:

A detailed budget is needed for each year of the program. Complete each budget section for the prime applicant and any/each subcontractor.



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PCORI's Cost Categories

PERSONNEL SALARIES & BENEFITS CONSULTANT FEES TRAVEL COSTS

EQUIPMENT ? OTHER

SUPPLIES SUBCONTRACTOR DIRECT & INDIRECT APPLICANT INDIRECT COSTS

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Personnel Costs

- Programmatic considerations:
 - Can the proposed staff complete the work effectively?
 - Do the proposed staff have the expertise needed for the project?
 - Is the budgeted level of effort appropriate?
- Administrative considerations:
 - Is there a clear distinction between Key Personnel and Other Personnel?
 - All personnel dedicating effort to the project are listed on the personnel budget with their level of effort, even if they are not requesting salary support
 - Level of effort does not exceed 100% and base salary does not exceed \$200,000
 - Fringe benefit rate policy verification for the prime organization is included in the budget justification

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Staff Loading Chart

Year 1

	Task 1	Task 2	Task 3	Task 4	Task 5	Total Effort (% FTE)	Total Budget
Person 1			N/A				
Person 2		N/A					
Person 3	N/A			N/A	N/A		
Person 4	N/A			N/A			
Total Effort (% FTE)							
Total Budget							

*Please refer to handout #8



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Consultant Costs

- Programmatic Considerations:
 - Do consultants have the appropriate level of expertise?
 - Is there appropriate time budgeted to fulfill their role?
- Administrative Considerations:
 - Consultant costs only apply to individuals who are not employees of the prime organization or under a subcontract organization
 - The names, expected number of hours, hourly rate, total cost of the consultant(s), as well as any consultant fees or travel expenses are included
 - A letter of support from each consultant is included



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Supply Costs

- Programmatic Considerations:
 - Are the supply costs appropriate and adequate to complete the project?
- Administrative Considerations:
 - Supplies are directly allocable and allowable to the proposed project and not part of general or administrative use
 - Costs are categorized and the per-unit cost of each item is indicated and is reasonable



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Travel Costs

- Programmatic Considerations:
 - Will the proposed travel benefit the project programmatically?
 - Are the appropriate staff traveling?
- Administrative Considerations:
 - Travel costs are itemized per trip and are described as either scientific travel or programmatic travel
 - Scientific Travel does not exceed \$10,000 for the life of the project
 - Detail on the number of trips, destinations, the number of people traveling, and the dates or duration of the stay are included
- Note that PCORI uses the Federal Travel Regulations guidelines for per diem and other reimbursements



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Other Expenses

- Programmatic Considerations:
 - Are the other expenses appropriate and adequate to complete the project?
 - Are the service agreements appropriate for the nature of the work?
- Administrative Considerations:
 - Includes direct costs that cannot be accounted for in other budget categories such as printing, publication, illustration costs, and non-consulting service contracts
 - Costs are categorized and the per-unit cost of each item is indicated and is reasonable



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Equipment

- Programmatic Considerations:
 - Is the equipment budgeted reasonable and appropriate for completing the project?
- Administrative Considerations:
 - Equipment costs include tangible items that have a per-unit cost of \$5,000 or more and a useful life greater than one year
 - Quotes for each item of proposed equipment are included with the Budget Justification
 - Note that title to equipment vests with the recipient organization



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Subcontractor Costs

- Programmatic Considerations:
 - Does the staff at the subcontractor institution have the expertise to complete the project?
 - Does the subcontractor institution have the level of infrastructure needed for the project?
- Administrative Considerations:
 - The prime organization must issue a subcontract agreement if:
 - The subcontractor PI's effort on the project is calculated as part of his or her "professional time" for his or her employer organization
 - The subcontractor will be using significant resources (e.g., office space, supplies, computer, and personnel) at his or her own organization when working on the PCORI-funded project
 - A detailed budget and budget justification for each subcontractor is included



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Indirect Costs

- Indirect costs are calculated at up to 40% of the allowable direct costs
- If you do not have an audited indirect cost, you may request up to 10% indirect costs
 - Must be noted in the Budget Justification
- Foreign organizations may request up to 10% indirect costs
- You may only assess indirect costs on the first \$25,000 of all consortium/subcontractor costs combined



New Requirement: the use of 10 percent indirect cost rate must be noted in the Budget Justification.



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Un-Allowable Costs

- | | |
|---|--|
|  ADVERTISING |  STUDENT HOUSING AND STIPENDS |
|  EXCESSIVE AIRFARE |  IDLE FACILITIES |
|  ALCOHOLIC BEVERAGES |  INTEREST OF BAD DEBTS |
|  ALUMNI ACTIVITIES |  ENTERTAINMENT |
|  BAD DEBTS/LOSSES |  LOSSES ON OTHER GRANTS |
|  DONATIONS |  MEMBERSHIPS |
|  FUNDRAISING |  LOBBYING |
|  PERSONAL EXPENSES |  RENT |



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Frequently Rejected Costs

- | |
|---|
|  DATA PLANS (TABLETS AND OTHER MOBILE DEVICES) |
|  DOCKING STATIONS |
|  DOUBLE MONITORS |
|  ELECTRONICS PROTECTION PLANS |
|  OFFICE FURNITURE |
|  REPLACEMENT OF ITEMS PURCHASED ON AN EXISTING PCORI AWARD |



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Justifying Commonly Denied Items

DENIED

You must do the following:

- Provide a detailed explanation for why the purchase of the requested item(s) is required for project completion.
- Include a statement verifying the requested item(s) is not currently available for PI use.
- Include a statement that the requested item(s) will be purchased in accordance to applicable cost principles.

NOTE

Items purchased under PCORI funded projects are not to be used as incentives to recruit or retain graduate students or other personnel.



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Sample Budget with Issues

OTHER EXPENSES (Itemize by category) Printing \$150; Postage \$50; Alcohol \$200

EQUIPMENT
Equipment \$5,000

400

5,000

SUBCONTRACTOR COSTS DIRECT COSTS

100,000

SUBTOTAL DIRECT COSTS FOR BUDGET PERIOD

\$ 282,525

SUBCONTRACTOR COSTS

FACILITIES AND ADMINISTRATIVE COSTS

40,000

TOTAL DIRECT COSTS FOR BUDGET PERIOD

\$ 282,525

TOTAL INDIRECT COSTS FOR BUDGET PERIOD

\$ 113,010

TOTAL COSTS FOR PROPOSED BUDGET PERIOD

\$ 395,535

Budget Template

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SUBTOTALS

10,000 1,000 11,000



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Refer to Handouts #9 and #10

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Questions?

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Thank You!

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