**MODULAR BUDGETS (NIH)**

<https://grants.nih.gov/grants/how-to-apply-application-guide/format-and-write/develop-your-budget.htm#modular>

NIH **requires** the use and submission of a modular budget format for specific research grant applications that request up to a total of $250,000 of direct costs per year (in modules of $25,000, excluding consortium F&A costs) for all unsolicited new, revised, and

competing continuation **R01, R03, R15, R21, R41**, and **R43** grants and competing

supplements, as well as applications responding to RFAs for these mechanisms.

Specific grant mechanisms, e.g., R03, R15, R21, and Institute/Center programs may

define a particular number or range of modules allowed.

Rather than requiring a full detailed budget, the purpose of the modular budget format is part of NIH’s streamlining initiative, designed to simplify the budget preparation process and to focus the attention of investigators, their institutions, peer reviewers, and NIH staff on science rather than budget details.

See the [NIH Modular Research Grant Applications](https://grants.nih.gov/grants/how-to-apply-application-guide/format-and-write/develop-your-budget/modular.htm) page and the [NIH Grants Policy Statement](https://grants.nih.gov/grants/policy/nihgps/HTML5/section_13/13_modular_applications_and_awards.htm) for more information.

The modular budget format is not accepted for SBIR and STTR grant applications. SBIR and STTR applicants must complete and submit budget requests using the SF424 Research and Related (R&R) Budget Form. Applications from foreign (non-U.S.) institutions must include only detailed (non-modular) budgets.

**Creating a modular budget:**

* + Select the PHS398 Modular Budget form for your submission package and use the appropriate set of instructions from the electronic application user's guide. You do not need to submit the SF424 (R&R) Budget form if you submit the PHS398 Modular Budget form.
	+ DOR and CLASS require creating a detailed budget for our own institution's use including salaries, equipment, supplies, graduate student tuition, etc. for every year of funds requested. While the NIH will not ask for these details, they are important for you to have on hand when calculating your F&A costs base and writing your justification, and for audit purposes.
	+ In order to determine how many modules you should request, subtract any consortium F&A from the total direct costs, and then round to the nearest $25,000 increment. A typical modular grant application will request the same number of modules each year.\*
* A modular budget justification should include:
	+ ***Personnel Justification****:* The Personnel Justification should include the name, role, and number of person-months devoted to this project for every person on the project. Do not include salary and fringe benefit rate in the justification, but keep in mind the legislatively mandated [salary cap](https://grants.nih.gov/grants/policy/salcap_summary.htm) when calculating your budget. [When preparing a modular budget, you are instructed to use the current cap when determining the appropriate number of modules.]
	+ ***Consortium Justification****:* If you have a consortium/subcontract, include the total costs (direct costs plus F&A costs), rounded to the nearest $1,000, for each consortium/subcontract. Additionally, any personnel should include their roles and person months; if the consortium is foreign, that should be stated as well.
	+ ***\*Additional Narrative Justification****:* Additional justification is **required** and should include explanations if there are any variations in the number of modules requested annually. Also, this section should describe any direct costs that were excluded from the total direct costs (such as equipment, tuition remission) and any work being conducted off-site, especially if it involves a foreign study site or an off-site F&A rate.

There will be no routine escalation for future years. In determining the total for each budget year, applicants should first consider the direct cost of the entire project period. Well-justified modular increments or decrements in the total direct costs for any year of the project that reflect substantial changes in expected future activities may be requested. For example, purchase

of major equipment in the first year may justify a higher overall budget in the

first, but not in succeeding years.

**Scientific Review Groups (SRG**) will evaluate the budget based on a general, expert estimate of the total effort and resources required to carry out the proposed research, rather than on the basis of detailed categorical costs. Recommendations for change in the budget will be made in modules. Reviewers also may comment on the requested budget without making specific recommendations, suggesting issues to be handled by NIH staff.