Award Budget

Basil Stewart, VPF
Michelle Christy, OSP

February 26, 2015   OSP Forum
Agenda

- Vision
- Why and Why Now
- How it will work
- Timeline
- Special Issues
Why? And Why Now?

Prior to 1996
- Award budget entered in legacy system as part of award set up

1996 – Present
- Maintained in multiple locations, not handled consistently

Starting 2015
- Will be maintained by OSP and fed to SAP.
Capture and maintain sponsor-approved budgets for sponsored awards to facilitate project management and financial compliance monitoring.
Why? And Why Now?

Easier to identify risk areas in your accounts, where you need to focus

- Strengthens internal controls – expenses to award budget
- Helps determine if expense is proper
- Aids with forecasting

Because the Uniform Guidance requires that MIT have systems that ...

- relate financial data to performance accomplishments / link spending and technical progress (200.301)
- provide ... “comparison of expenditures with budget amounts for each Federal award. “ (200.302)
Why? And Why now?

- Ease/Accessibility/Consistency
  - Provides budget of record in a central, accessible location
  - Provides consistent set of tools, Institute-wide, to track budget vs expenses
  - Enables broader use of forecasting tool for project planning

- Addresses Institute/School/DLC need to have information for planning & reporting
Why? And Why now?

- Reduces/eliminates duplication of effort

NOW

multiple versions of budget in DLCs and central offices

NEW

Proposal

Award

SAP and RAFT

Proposal Budget

Budget Revision

Award Budget

B
Loading Budgets into KC for Current Awards

Current Award Budgets

Are being entered by

OSP
MIT OFFICE OF SPONSORED PROGRAMS

• 2,700 Awards
• 7,500 WBS

Kuali
coeus
What Is The Award Budget?

Award Budget is the **budget approved by the Sponsor**

- The initial Award Budget is specified in the original (or base) award from the Sponsor.
- It may be modified by an Amendment to the award.
- If the award does not specifically re-state the budget, the sponsor-approved budget will be the one in the final budget submitted to the sponsor.
- Where a sponsor does not require a detailed budget, the sponsor-approved budget will be in summary form: direct/indirect / totals
- Adjustments not communicated to the Sponsor will not be reflected in the sponsor approved budget; MIT’s award budget records will match what the sponsor last saw/approved
### Sample Sponsor Approved Budgets

#### SUMMARY PROPOSAL BUDGET

**Award No.**

<table>
<thead>
<tr>
<th>Person</th>
<th>MOS</th>
<th>Funds granted</th>
<th>cal</th>
<th>acad</th>
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#### NIH - National Institutes of Health

**SECTION I - AWARD DATA**

- **Award Calculation (U.S. Dollars)**
  - Institutional Allowance
  - Stipends

- **Federal Direct Costs**
- **Total Award**
- **Federal Share**
- **TOTAL FEDERAL AWARD AMOUNT**
- **AMOUNT OF THIS ACTION (FEDERAL SHARE)**

#### SUMMARY TOTALS FOR ALL YEARS

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<th>YR</th>
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*Recommended future year total cost support, subject to the availability of funds and satisfactory progress of the project.*
Current Active Awards
(as of 2/25/15)

Award Count

Non Federal
936

Fed and Fed Flow
1896

Completed
548
19%

2832 Active Awards (not including consortia)
Planned Timeline

Starting January 2015

Budgets loaded for all active awards

Spring 2015

Entered budgets feed to SAP

May

KC Go-Live

- Focusing on federal projects first
- Award Budgets will not be entered for consortium funding

- Sponsor-approved budgets tracked and posted for all awards
- DLCs will be able to view the sponsor-approved budgets for active awards in SAP
- OSP may contact DLCs for additional information if needed

New budgeting procedures in effect:
- **When revised budgets are required by the sponsor**, detailed budgets must be routed in proposal development
Proposal budgets should match the level of detail submitted to the sponsor.

At time of award, and when award is modified, OSP will input the sponsor-approved budget.

DLCs will route revised budgets for “Prior Approvals” that involve budget changes.
### Current SAP Report

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<th>BUDGET</th>
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|                      | 45,000.00 | 17,607.04 | 46,944.82 | 46,944.82 | -1,944.82  |            |             |

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Special Issues

- Revised budgets
  - Prior approvals
  - Incremental funding

- Child accounts

- Long-term awards
Some “Prior Approvals” will Require a Revised Budget

Examples of prior approvals that impact the sponsor-approved budget:

- Reducing PI effort
- Adding a new subcontract
- Adding equipment purchases (usually federal contracts)
- Adding foreign travel (usually NASA, DOD)
- Significant changes in scope
- For some awards, ANY budget change
Starting in Spring: if Post Award Budget is Needed

- Note: No change in policy where the sponsor allows the PI to revise spending **without** sponsor approval; DLCs will continue to track those changes locally
**Managing child accounts**

OSP will ask DLCs for help sorting out budgets for some child accounts.

However: The vast majority of awards are stand-alone accounts or only have one child -- most often Cost Sharing or Fabricated Equipment accounts where budgets are already known.

* May have cost-sharing child only.
Long-Term Awards

Of the 2,832 current awards, 50 are more than 10 years old.

- 40% are from DOE
- About 25% of them have >2 WBS accounts

Going forward: efforts will be made to limit the longevity of accounts.
Sponsor-approved budgets will be maintained in one central location.

SAP and RAFT will contain the most recent budget approved by the sponsor, allowing you to compare your actual expenditures and forecasts to sponsor expectations.
Questions?