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

**Proposal Budget**

- Award Budget
- Budget Revision

multiple versions of budget in DLCs and central offices

**NEW**

**Proposal**

- Award
- SAP and RAFT
Loading Budgets into KC for Current Awards

Current Award Budgets Are being entered by

OSP MIT OFFICE OF SPONSORED PROGRAMS

Kuali coeus

- 2,700 Awards
- 7,500 WBS
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.

Person MOS

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<th>Funds granted by NSF</th>
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A. (1.00) Total Senior personnel 0.00 0.00 1.50 $13,267

B. Other Personnel
1. (0.00) Post Doctoral associates 0.00 0.00 0.00 $0
2. (1.00) Other professionals 0.00 0.00 5.50 $13,750
3. (1.00) Graduate students 39,764
4. (0.00) Secretarial-clerical $0
5. (0.00) Undergraduate students $0
6. (0.00) Other $0
Total salaries and wages (A+B) $46,781

C. Fringe benefits (if charged as direct cost) 7,790
Total salaries wages and fringes (A+B+C) 54,571

D. Total permanent equipment 0
E. Travel
1. Domestic 4,500
2. Foreign 0
F. Total participant support costs 0
G. Other direct costs
1. Materials and supplies 7,554
2. Publication costs/page charges 0
3. Consultant services 0
4. Computer (ADPE) services 0
5. Subcontracts 0
6. Other 27,413
Total other direct costs 34,967
H. Total direct costs (A through G) 94,038
I. Total indirect costs 80,948
J. Total direct and indirect costs (H+I) 144,987
K. Residual funds / Small business fee
1. Residual funds (if for further support of current projects AAG I.D.2 and I.D.3) 0
2. Small business fee 0
L. Amount of this request (J) or (J-K+L) 144,987
M. Cost sharing 0

NIH National Institutes of Health

SECTION I – AWARD DATA –

Award Calculation (U.S. Dollars)
Institutional Allowance $7,850
Stipends $39,264

Federal Direct Costs $47,114
Total Award $47,114
Federal Share $47,114
TOTAL FEDERAL AWARD AMOUNT $47,114

AMOUNT OF THIS ACTION (FEDERAL SHARE) $47,114

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.
Progress To Date

Current Active Awards
(as of 2/25/15)

2832 Active Awards
(not including consortia)

- Fed and Fed Flow
  - 1896

- Non Federal
  - 936

Completed
- 548
- 19%
Planned Timeline

- **Jan – March**: Budgets loaded for all active awards
- **Mar – May**: Entered budgets feed to SAP
- **May**: KC Go-Live

New budgeting procedures in effect:
- **When revised budgets are required by the sponsor**, detailed budgets must be routed in proposal development.

- 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
Proposal Development
Proposal budgets should match the level of detail submitted to the sponsor.

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

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

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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

MIT OFFICE OF SPONSORED PROGRAMS
Starting in March: 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?