

Budget Streamlining: Objectives and Options

Objectives:

Reinforce assistance relationship – need a cost estimate, not cost/price analysis documentation.

Focus on scientific merit of application, not individual cost elements.

Recognize that prospective budgets are estimates only; artificial precision is in the arithmetic.

Eliminate disconnect/disparity between pre- and postaward: detailed proposal budget vs. flexible spending (rebudgeting) authority.

Simplify/streamline the proposal preparation and submission process for the applicant institution – presumes that eliminating the sponsor's need for detailed budgets also eliminates the applicant's need for detailed budgets.

Just-in-time recognition that funding rates are typically less than 30%.

Options:

1) Total cost figure with narrative justification only. Narrative to include all major categories or not.

Variations:

Set total cost “modules” of perhaps \$50,000 per year. Applicant could request any number of total cost modules.

Set fixed level total annual awards. For example, applicant could apply for Level I = \$50,000 total costs per year; Level II = \$100,000 total costs per year; Level III = \$200,000 total costs per year. Similar to old Fixed Obligation Grant idea.

2) Total direct cost figure with separate F & A rate calculation with narrative justification only. Narrative to include all major categories or not.

Variation:

The NIH modular budget process. Direct cost modules set at \$25,000 or less per year.

3) Direct cost category totals only; i.e., no details (arithmetic) for individual categories; includes narrative justification.

Itemized, but rounded cost categories, similar to the Building Blocks proposal discussed at the January 2005 meeting

Note – all options could include some degree of just-in-time information to agency for NGA preparation.