

## **MSSM PHS-398 Form Instructions**

These instructions will walk you through the process of filling out MSSM's enhanced version of the PHS-398 forms, which are used for almost all grant applications to the NIH and to some other Federal agencies like the CDC. The most up-to-date forms are available for download at <http://grants.nih.gov/grants/funding/phs398/phs398.html>. The form is an Excel workbook with multiple sheets. The instructions below move from left to right through the workbook, starting at the far left with the Face Page ("Face Page") sheet. Bullets indicate general instructions for completing each sheet; numbers indicate specific instructions for particular sections of the sheet.

### **Face Page Instructions**

- Please note that items in red require input from the person preparing the budget. Other colors indicate automatic calculation features and do not generally need to be manually entered. Red x's in check boxes can be de-selected by clicking the cursor in the box.
- The face page has institutional information already embedded in it in blue—persons completing the form only need to complete the items in red. The dates of proposed period of support are important to fill out properly, because these dates are linked to the fringe benefit calculations, which change over time. Please fill out all applicable information. Items which are frequently overlooked include Box #2 and Boxes #4 and #5. These must be checked even if the answer is no.
- When multiple PIs are proposed, use the Face Page (Continued) page. This can be downloaded at <http://granitts1.nih.gov/grants/funding/phs398/fp1-cont.doc>.

### **Initial Budget Instructions**

The Initial Budget Page contains a detailed budget covering the first year of the grant, which breaks down costs into their component parts.

- If you are using other than a 69.5% indirect cost rate and/or including subcontracts/consortium/contractual costs, go to the Nonmodular Worksheet page as appropriate for additional instructions on calculating your budget.
  - Delete text items in red that are extraneous (such as the word "description")
  - If you run out of slots for personnel, go to the "Initial-Budget (2)" sheet to the right and add more names as necessary. Do not try to insert additional lines into the sheet or it will break the automatic calculation features of the workbook.
  - Unlike the PHS 398 rev 4/06 version, the rev. 11/06 forms DO NOT have a modular budget page. All applications that are modular will be electronic.
- 1) When filling out the sheet, include all personnel working on the grant, including faculty who are committing their time but are not having their salaries paid off the grant. These faculty are required to report their person months to the NIH even if they are not receiving any salary.

- 2) Time that will be spent on the project is indicated by number of calendar months devoted to the project. MSSM follows a 12 month calendar year; there is not separate academic and summer terms. Therefore, only the calendar month column should be filled in. To calculate person months, multiply 12 by the percent effort.  
Examples: a. someone working 50% effort on a project would record 6 months  
 $12 \times .50 = 6$  months  
b.  $12 \times .80 = 9.6$  months  
c.  $12 \times .02 = .24$  months
- 3) Be certain to complete percentage of effort information for each person working on the grant, and remember that the current NIH salary cap is \$191,300. If investigators working on the project earn more, the institutional base salary would be entered as \$191,300, not their actual salary.
- 4) Equipment, defined as durable goods lasting 12 months or more and costing \$500 or more, should be listed as individual items. The cost of installing and setting up the equipment should be included in the total. If a gas chromatography unit costs \$10,000 and \$1,500 for a company representative to install, \$11,500 should be reported as the cost of the equipment. Computers and computer servers purchased for work on the project should be listed as equipment.
- 5) Supplies should be broken out into broad sub-categories (i.e. animal care, glassware/pipettes, etc.) where possible. This need not be taken to absurd lengths, nor should individual items be listed. Note that regular office supplies cannot be charged to federal research grants as direct costs.
- 6) Travel costs are generally entered as a single number. Alterations and Renovations and Other Supplies costs should be handled similarly to supplies. Frequent listings for other costs include Publication Expenses and Service Agreements. These expenses must meet Federal guidelines of allowable direct costs to grants. Many ancillary items are considered indirect or unallowable costs and cannot be entered here. Check with the GCO office if you have questions regarding a specific item.

### **Entire Budget Instructions**

- Most of this sheet is generated by automatic calculations. Users should add equipment and alterations costs for years 2-5 as needed. A 3% inflation factor is built into the sheet.
- Fill in the budget justification section on the bottom of the page. Use continuation pages as necessary.

### **Checklist Instructions**

The Checklist is typically the last page of any NIH grant submission, and is important because it records indirect costs on the grant. For projects done on site, the current Federal indirect cost rate for Mount Sinai is 69.5% of the modified total direct cost base, which is direct costs less excludable items such as equipment. If the appropriate rate for your grant is 69.5%, the Checklist will automatically calculate the correct indirect cost rate based on all the information you have entered on the previous budget pages. If you're using another rate (i.e. 26.0% for off-site work or

8% for a training grant) you should enter the appropriate rate in the "Rate Applied" text box. The Program Income box is generally not applicable and should usually be left as is.

### **Nonmodular Worksheet Instructions**

This worksheet is of great assistance in handling more complex calculations which involve consortium and contractual costs and non-standard indirect costs. Most of the calculations on these sheets are automatic.

- Equipment, patient care costs, alterations/renovations and Consortium/Contractual costs are automatically excluded from the modified total direct cost calculation, which is used to determine indirect cost charges.
- For indirect cost calculations (bottom of worksheets), you must delete the "Total Base MTDC" amount in each 69.5% calculation line if you are using the 26.0% or 8% rates or any combination of the three. Enter new Total Base MTDC amounts in the appropriate indirect cost rate line for each year.

#### **Instructions for Consortium/Contractual Cost Calculations:**

- If you are subcontracting to one institution and the combined total costs in the first year of the subcontracts are more \$25,000, then you must enter exactly "25,000" in the "Plus Allowable Consortium/Contractual Costs" column in the year the subcontract begins. Leave "0"s in all other years.

Example: If you are subcontracting to an institution from years 1 to 5 and the total costs of the subcontract are \$75,000 per year, you must enter "25,000" in year 1 in the "Plus Allowable Consortium/Contractual Costs" column. Leave "0"s in years 2, 3, 4, and 5. Another example is if you have two subcontracts on a grant from the same institution from years 2 to 5, each worth \$83,000 in total costs per year, enter "25,000" in year 2 only in the "Plus Allowable Consortium/Contractual Costs" column. Leave "0"s in years 1, 3, 4, and 5.

- If you are subcontracting to more than one institution and the total costs in the first year of the subcontracts are more \$25,000, then you must enter exactly "25,000" for each institution in the "Plus Allowable Consortium/Contractual Costs" column in the year the subcontract begins. Leave "0"s in all other years.

Example: If you are subcontracting to an institution from years 1 to 5 and the total costs of the subcontract are \$75,000 per year, you must enter "25,000" in year 1 in the "Plus Allowable Consortium/Contractual Costs" column. Leave "0"s in years 2, 3, 4, and 5. Another example is if you have two subcontracts on a grant from the same institution from years 2 to 5, each worth \$83,000 in total costs per year, enter "25,000" in year 2 only in the "Plus Allowable Consortium/Contractual Costs" column. Leave "0"s in years 1, 3, 4, and 5.

- If you are subcontracting to one institution and the combined total costs in the first year of the subcontracts are less than \$25,000, then you must enter this combined total cost amount you must enter this combined total cost amount in the "Plus Allowable Consortium/Contractual Costs" column below in the year the subcontract begins. If the subcontract(s) continues for more than 1 year, the difference between the maximum cap of \$25,000 and the combined total costs of the first year must be entered in the future years.

Example: If you have a subcontract from years 2 to 4 with total costs of \$17,000 per year, enter "17,000" in year 2 in the "Plus Allowable Consortium/Contractual Costs" column. The difference between \$25,000 and \$17,000 is \$8,000. Therefore, in year 3, enter "8,000." Leave "0"s in Years 1, 4, and 5.

### **Salary Projections Instructions**

This sheet only needs to be filled out if investigators are leaving the project or changing their percentage of effort on the project from year to year within the overall grant period.

### **Initial Budget (2) and Salary Projections (2)**

These are continuation sheets only and you can use the instructions above to complete them. They're only used when you have more than 8 people on the grant.