

# 1. Policy

## 1.1 Applications That Include Consortium/Contractual Facilities and Administrative Costs

See: <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-05-004.html>.

NIH policy provides for exclusion of consortium/contractual F&A when determining if an applicant is in compliance with a direct cost limitation. This policy extends to all applications involving consortium/contractual facilities and administrative (F&A) costs, regardless of budget amount or budget format (e.g., modular and non-modular). (See also [Notice OD-04-040](#)).

This policy applies to all solicited and investigator-initiated applications and to all active announcements (Request for Applications and Program Announcements), regardless of the announcement issue date.

This policy is particularly relevant to all applications that include a limitation on direct costs. While consortium F&A costs will continue to be requested and awarded, applicants should separate these costs when determining if a budget exceeds a direct cost limit.

This policy impacts eligibility to submit a modular budget. The modular budget format is used for applications requesting \$250,000 or less in direct costs per year. Consortium/contractual F&A costs are not factored into this direct cost limit and may be requested in addition to the \$250,000.

The policy also impacts applications requesting a budget of \$500,000 direct costs or more for any year. These applications require prior approval from Institute/Center staff; however, the limit is exclusive of any consortium F&A costs.

The implications of this policy do not affect the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs since the statutory budget guidelines are based on total costs, not direct costs.

## 1.2 Resubmission of Unfunded RFA Applications

The majority of grant applications submitted to NIH each year are investigator-initiated. However, the Institutes and Centers of NIH also solicit grant applications on specific topics through the use of Requests for Applications (RFAs). This policy applies to all activity codes that might be solicited via an RFA and to instances where there is a change in activity code. Unless otherwise noted in a particular FOA, unfunded applications should be submitted as **new** applications if the grant applications fall into the following categories:

1. Applications that were originally submitted in response to an RFA and then resubmitted as an investigator-initiated application.
2. Applications that were originally submitted as investigator-initiated applications and subsequently resubmitted in response to an RFA.
3. Applications that were originally submitted using one grant activity code and subsequently resubmitted using a different activity code (for example, an application that was originally an R01 and is resubmitted as an R21).

Since an RFA often has special considerations of eligibility, scientific scope, and review criteria, unfunded RFA applications must be resubmitted as **new** applications to another FOA. Similarly, a change of activity code (e.g., from an R01 to an R21, or from an R03 to an R01) usually involves a change of eligibility criteria, application characteristics, dollar limits, or time limits. This also suggests that consideration as a new application is the most appropriate course. Because the application will be new it will be easier to conform to the new application