

Guidelines for Budgeting for Genomic Arrays for NIH Grants, Cooperative Agreements and Contracts: [NOT-OD-10-097](#)

NIH released the above-referenced notice in May, 2010, that provides guidance on a change in costing principles and procedures for external genomic array purchases budgeted and charged to NIH proposals and awards. Essentially, NIH has placed a cap on indirect cost assessment for external genomic array purchases. NIH’s rationale for the change in policy is as follows: “In recent years while the cost of these tools (genomic arrays) has been significantly reduced, the current awards being approved often require large volumes of these consumables which have become an increasingly significant component of the funds awarded by NIH and reimbursed for these research projects. The treatment of the costs for purchase of genomic arrays as "supplies" in these specialized award budgets at high levels of usage would result in the application of F & A cost recovery that is disproportionate to the actual administrative burden associated with the relatively high cost of the procurement of these genomic arrays.”

Under the new policy, institutions may assess indirect cost on the first \$75,000 of external genomic arrays purchases **per budget year**. Any funds expended in excess of \$75,000 for that budget year will be exempt from indirect cost assessment. This new policy has been included in UCI’s Indirect Cost Rate agreement dated April 27, 2011:
<http://www.ucop.edu/costingpolicy/rates-new.html>

Procedures for budgeting external genomic array purchases in NIH proposals:

Genomic array purchased from external sources should be budgeted on NIH proposals as follows:

If the annual cost **does not exceed** \$50,000 per year for each external source, genomic arrays should be budgeted as a supply cost in accordance to NIH customary procedures for supplies.

If the annual cost **exceeds** \$50,000 per year for external sources, should be budgeted as follows:

(Example: On campus research with \$140,000 genomic arrays in direct costs per year)

	Year 1		Year 2	
	Direct	F&A	Direct	F&A
Supplies	\$50,000	\$26,500	\$50,000	\$26,500
Subcontract w/ F&A	\$25,000	\$13,250	\$25,000	\$13,250
Subcontract w/ F&A excluded	65,000	0	65,000	0

Close Form

RESEARCH & RELATED BUDGET - SECTION F-K, BUDGET PERIOD 1

Next Period

* ORGANIZATIONAL DUNS:

* Budget Type: Project Subaward/Consortium

Enter name of Organization:

Delete Entry Start Date: * End Date: Budget Period 1

F. Other Direct Costs	Funds Requested (\$)
1. Materials and Supplies	50,000.00
2. Publication Costs	
3. Consultant Services	
4. ADP/Computer Services	
5. Subawards/Consortium/Contractual Costs	25,000.00
6. Equipment or Facility Rental/User Fees	
7. Alterations and Renovations	
8. <input type="text"/>	
9. <input type="text"/>	
10. <input type="text"/>	
Total Other Direct Costs	75,000.00

For the first \$50,000: budget as supplies, as usual.

For the remaining \$25,000, budget as SUBAWARD

Entire \$75,000 should be included in Indirect Cost Base. This amount should be assessed F&A.

G. Direct Costs	Funds Requested (\$)
Total Direct Costs (A thru F)	75,000.00

H. Indirect Costs	Indirect Cost Type	Indirect Cost Rate (%)	Indirect Cost Base (\$)	* Funds Requested (\$)
1.	MDTC	53.50	112,000.00	59,920.00
2.	<input type="text"/>			
3.	<input type="text"/>			
4.	<input type="text"/>			
Total Indirect Costs				59,920.00

Cognizant Federal Agency
(Agency Name, POC Name, and POC Phone Number)

I. Total Direct and Indirect Costs	Funds Requested (\$)
Total Direct and Indirect Institutional Costs (G + H)	134,920.00

TOTAL COST OF GENOMIC ARRAYS FOR YEAR 1 = \$75,000

Close Form

RESEARCH & RELATED BUDGET - SECTION F-K, BUDGET PERIOD 2

Next Period

* ORGANIZATIONAL DUNS: 0467058490000

* Budget Type: Project Subaward/Consortium

Enter name of Organization: sdf

Delete Entry Start Date: 07/01/2013 * End Date: 06/30/2014 Budget Period 2

F. Other Direct Costs	Funds Requested (\$)
1. Materials and Supplies	50,000.00
2. Publication Costs	
3. Consultant Services	
4. ADP/Computer Services	
5. Subawards/Consortium/Contractual Costs	100,000.00
6. Equipment or Facility Rental/User Fees	
7. Alterations and Renovations	
8.	
9.	
10.	

For the first \$50,000: budget as supplies, as usual.

For the remaining \$100,000, budget as SUBAWARD. However, only the first \$25,000 of this portion will be assessed F&A.

Total Other Direct Costs 150,000.00

G. Direct Costs	Funds Requested (\$)
Total Direct Costs (A thru F)	150,000.00

H. Indirect Costs	Indirect Cost Type	Indirect Cost Rate (%)	Indirect Cost Base (\$)	Funds Requested (\$)
1.	MDTC	54.00	112,000.00	60,480.00
2.				
3.				
4.				
Total Indirect Costs				60,480.00

Only \$75,000 should be included in Indirect Cost Base. \$75,000 should be assessed F&A.

Cognizant Federal Agency (Agency Name, POC Name, and POC Phone Number)

I. Total Direct and Indirect Costs	Funds Requested (\$)
Total Direct and Indirect Institutional Costs (G + H)	210,480.00

Costing procedures for external genomic array purchases on NIH awards:

UCI has created two new object codes that must be used when charging external genomic arrays purchases to NIH awards:

7010 - (CFS 7210) Use on NIH Awards Only. Genomic Arrays expenditures in excess of \$75,000 per year from external sources are exempt from F&A in the MTDC (Modified Total Direct Cost) base.

7011 - (CFS 7200) Use on NIH Awards Only. Genomic Arrays expenditures from external sources less than \$75,000 (or the first \$75,000 each year) to be charged F&A in the MTDC.

Should you have any questions regarding this new policy or these procedures, please contact the appropriate Sponsored Projects Officer or Rebecca Tangen in Contract and Grant Accounting at rtangen@uci.edu.