


Consortiums/Subawards

If you are using the detailed budget format, each consortium you include must have an independent budget form filled out.

- **Direct costs:**
 - In the rare case of third tier subawards, section F.5 "subawards/consortium/contractual" costs should include the total cost of the subaward, and the entire third tier award is considered part of the direct costs of the consortium for the purposes of calculating the primary applicant's direct costs.
 - Cost Principles. Regardless of what cost principles apply to the parent grantee, the consortium is held to the standards of their respective set of cost principles.
- **F&A:**
 - Consortium F&A costs are NOT included as part of the direct cost base when determining whether the application can use the modular format (direct costs < \$250,000 per year), or determining whether prior approval is needed to submit an application (direct costs \$500,000 or more for any year).

NOTE: The \$500K prior approval policy does not apply to applications submitted in response to RFAs or in response to other funding opportunity announcements including specific budgetary limits above \$500K.

- F&A costs for the first \$25,000 of each consortium may be included in the modified total direct cost base, when calculating the overall F&A rate, as long as your institution's negotiated F&A rate agreement does not express prohibit it.
 - If the consortium is a foreign institution or international organization, F&A for the consortium is limited to 8%.
 - If the consortium is with a for-profit entity, such as a small business, the organization must have a negotiated F&A rate before they can charge F&A costs. The default small business rate of 40% is only applicable to SBIR (R43 & R44) and STTR (R41 & R42) applications. See the Division of Financial and Accounting Services (DFAS) at NIH to set up a rate: <http://oamp.od.nih.gov/dfas/indirect-cost-branch/indirect-cost-submission> 
- **Justification:**
 - Consortiums should each provide a budget justification following their detailed budget. The justification should be separate from the primary grantee's justification and address just those items that pertain to the consortium.