Research Award

NIH Grant # 1R01EY01234-01

- Dr. Mary / Joe Grant, PI
- HOUSTON SPH Campus
Discussion Topics

- Roles and Responsibilities of NIH program officials
- Roles and Responsibilities of Grantee
- Award Process
  - Award calculation
  - CFDA/FEIN
- Award Acceptance, Compliance, T&C
- Award information and processing
- Monitoring, Payment and expenditures
- Prior approval requests, progress & invention reporting requirements
- NIH Financial Reporting Basics
- Closeout and record retention
Cost Principles

- OMB Circular A-21 - Educational Institutions
- OMB Circular A-122 – Non-Profits
- OMB Circular A-87 – State/Local Governments
- 45 CFR Part 74, Appendix E - Hospitals
- 48 CFR Subpart 31.2 (FAR) – For-profits

Foreign institutions comply with the applicable cost principles depending on the type of organization

http://www.whitehouse.gov/omb/circulars/
http://www.gpoaccess.gov/cfr/index.html
OMB Circular A-21/A-122
Cost Principles

- Establishes principles for determining costs applicable to grants, contracts, and other agreements
- Direct costs
- F&A/indirect costs
- Selected items of cost
  - allowable/unallowable costs
  - time and effort reporting
Administrative Standards

- OMB Circular A-110 - Uniform Administrative Requirements for Grants and Agreements with Universities, Hospitals and Other Non-Profit Organizations (domestic and foreign)
OMB Circular A-110

Administrative Requirements

Prescribes:

- Preaward requirements
- Postaward requirements

Also requirements for:

- Payment
- Matching or Cost sharing
- Accounting for program income
- Revision of budget and program plans
- Non-Federal audits
- Allowable costs

- Financial management systems standards
- Property standards
- Procurement standards
- Reports and records
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Grant Award Basics

************************** NOTICE OF GRANT AWARD**************************
CENTER GRANT
Department of Health and Human Services
National Institutes Of Health

Issue Date: 06/24/2004
Read the Notice of Grant Award

- Special Terms and Conditions

- Other Terms of Award
  - 45 CFR Part 74 or 92 - HHS rules and requirements that govern the administration of grants
  - NIH Grants Policy Statement – policy requirements that serve as the terms and conditions of NIH awards (latest version 12/01/03)
  - Program legislation
  - Program regulations
    - 42 CFR Part 52 - Grants for Research Projects
Notice of Grant Award MSVA

- Amount of Federal Award = $108,000 (total/yr)
- Payment is made under a cost reimbursable system (UTHSCH expends funds then is reimbursed via the Electronic Payment Transfer (EPT) system
- Terms and Conditions of K01OH008993
  - This award is based on the application submitted to, and as approved by, NIH on the proposal application submitted by UT/MSVA
Notice of Grant Award MSVA

- Program Announcement #PAR-06-001, the additional requirements, and the application dated 11/10/2006, are made a part of this award by reference
- Indirect costs are capped at 8%
- UTHSCH is awarded this project under the “expanded authorities” provisions in the administration of this award
Award Restrictions

- Only applied to a particular grant for cause
- Shown on the NGA after Section III
- Funds usually are not restricted in the Payment Management System
- Restricted funds must be tracked by grantee to ensure compliance

- EXAMPLE of Award Restriction: No funds may be expended for human embryonic stem cell research until the registered cell line(s) has been reported to the NIH awarding agency program official and grants management contacts noted below.
Who is Responsible for Post-Award Financial Management?

- A. The Principal Investigator
- B. The Departmental Administrator
- C. The Department Chair
- D. The Institution
Accounting Basics
Accounting

➢ Requires that:
  – Separate account is established for each project
  – Program Income is identified and accounted for by project
  – Program Income is used in accordance with the appropriate alternative, i.e.,
    • Additive
    • Deductive
    • Combination
    • Matching
Accounting (cont.)

Requires that:

- Expenses are charged in accordance with
  - NGA Terms and Conditions
  - NIH Grants Policy Statement
  - Salary Rate Limitation
  - Cost Accounting Standards
  - OMB Circulars

- ALL expenses are appropriately documented
Matching or Cost Sharing

- Matching or Cost sharing must be accounted for
- Cost Sharing is NOT required as a condition of applying for or receiving unsolicited NIH awards
- Matching only applies to a few NIH solicited programs
Salary Cap

- Restricts the amount of direct salary under a grant or contract to Executive Level I of the Federal Executive Pay Scale
- Executive Level I increase effective 03/19/09

March 19, 2009 NIH Guide Notice:
Monitoring Basics
Monitoring

➢ Requires that:
  • Actual expenses are periodically compared with budget
  • Actual expenses are **accurate**, i.e., reasonable, allocable, allowable and consistently charged
  • Mischarges are corrected in a timely manner (cost transfers)
  • Prior approvals are obtained when required
  • **Subrecipient** expenses are monitored - (pass through entity’s {Grantee’s} responsibility)
Budget vs. Actual

- Actual expenses should be compared at least monthly to the budget to ensure:
  - Total funds on the grant have not been exceeded
  - Total funds are used appropriately
  - Total funds for any cost category have not been exceeded if restricted on the NGA
Accurate Charges

- Actual expenses should be reviewed at least monthly to ensure they are accurate and
  - Reasonable
  - Allocable
  - Allowable
  - Consistently applied
What does “reasonable” mean?

- A cost may be considered **reasonable** if the nature of the goods or services acquired reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.
Example – Reasonable?

Dr. Grant needed a specialized microscope for his research supported by an NIH grant from the National Cancer Institute. When deciding on the model that would best suit his needs, he received several price quotes on various models that were all within the same general price range. However, one microscope in particular appealed to him – it met all of the necessary specifications plus many additional features. Although it was about $3,500 more than the others, he ordered it.
What does “allocable” mean?

- A cost is allocable to a specific grant if:
  - it is incurred solely in order to advance work under the grant;
  - it benefits both the grant and other work of the institution;
  - it is necessary to the overall operation of the organization;
  - and is deemed assignable, at least in part, to the grant.
Example – Allocable?

When Dr. Grant’s microscope finally arrived, he found that equipment funds for his National Cancer Institute grant were fully expended. Since the microscope was for use on an NIH grant, he decided to charge the cost to another one of his NIH grants that was funded by the National Eye Institute.
What does “allowable” mean?

- A cost is *allowable* if it is *reasonable*, *allocable* and *conforms* to the cost principles and the sponsored agreement AND is *not prohibited* by law or regulation.

- Conformance with limitations and exclusions as contained in the terms and conditions of award including the cost principles—varies by type of activity, type of recipient, and other characteristics of individual awards.
Example – Allowable?

Dr. Grant decided to host a very important Departmental meeting at his home and serve beer and pizza hoping that everyone would attend. The purpose of the meeting was to discuss changes in NIH grants policy, which affected the work of the entire Department. Therefore, he decided to charge the cost of the beer and pizza to his grant, especially since he was providing the use of his home.
What does “consistently applied” mean?

- Grantees must be *consistent* in assigning costs to cost objectives. Although costs may be charged as either direct costs or F&A costs, depending on their identifiable benefit to a particular project or program, they must be treated *consistently* for all work of the organization under similar circumstances, *regardless of the source of funding*, so as to avoid duplicate charges.
Example – Consistently Applied?

Dr. Grant’s lab was running low on office supplies and postage stamps. Since he couldn’t wait any longer for his institution to provide the supplies, he purchased them and charged them to his NIH grant account.
Cost Transfers

- Used to correct:
  - Erroneous charges
  - Unreasonable charges
  - Unallocable charges
  - Unallowable charges
  - Inconsistently applied charges

- Must be well documented

- Must be made within 90 days from the time error was discovered
Selected Items Requiring Prior Approval

Change in scope or objective of a project

**Change in Scope** is a change in direction, type of training, or other area that constitutes a significant change from the aims, objectives, or purpose of the originally approved project.
Change in Scope

Actions likely to be considered a change in scope:

- Change in the specific aims approved at the time of award
- Substitution of one animal model for another
- Any change from the approved use of animals or human subjects
- Shifting research emphasis from one disease area to another
- A clinical hold by FDA under a study involving an IND or an IDE
- Applying a new technology; i.e., changing assays from those approved to a different type of assay
- Transferring the performance of substantive programmatic work to a third party through a consortium agreement, by contract, or any other means
Change in Scope (cont.)

Actions likely to be considered a change in scope:

- Change in key personnel
- Significant rebudgeting resulting from a change in scope
- Incurrence of patient care costs not previously approved by NIH
- Rebudgeting funds into or out of the patient care category
- Purchase of a unit of equipment exceeding $25,000 due to a change in scope
Selected Items Requiring Prior Approval

Change in PI or key personnel specifically named in the Notice of Grant Award (NGA)

- Must **notify** NIH if the PI or other key personnel named in the NGA will:
  - withdraw from the project entirely
  - be absent 3 months or more
  - reduce time devoted to the project by 25% or more

- Must **request** approval of a substitute PI or other key personnel named in the NGA

**Note:** Must notify the awarding office GMO in writing if grantee wishes to **terminate** the award because it cannot make suitable alternate arrangements
Selected Items Requiring Prior Approval (cont.)

Required for:
- Preaward costs > 90 days prior to the effective date of the initial budget period of a project period for a new or competing continuation award
- Deviation from award terms and conditions
- Activities disapproved or restricted as a condition of the award
- Change of grantee organization
Selected Items Requiring Prior Approval (cont.)

**Required for:**

- Adding a foreign component
- Rebudgeting into alteration & renovation (A&R) costs that meets the definition of change in scope
- Retention of research grant funds when K-award is made
- Second No-cost extension or extension greater than 12 months
- Transferring of funds from trainee costs (stipends or tuition/fees and health insurance)
Selected Items Requiring Prior Approval (cont.)

- CARRYOVER OF UNOBLIGATED FUNDS
  - Check Section II of the NGA to determine if the grantee has carryover authority
  - If prior approval is required to carryover funds, the following term will appear on the NGA:

  “Carryover of an unobligated balance into the next budget period requires Grants Management Officer prior approval.”
Prior Approval Process

- All requests for NIH awarding office prior approval must be:
  - made in writing (includes submissions by e-mail)
  - sent to the designated GMO shown on the NGA
  - made no later than 30 days before the proposed change
  - must be signed by the Authorized Organizational Representative

Note: Approval must be obtained from the GMO through a revised NGA or letter
What authorities do grantees have?
No Cost Extensions

Without prior approval, grantees may extend the final budget period of the project period one time up to 12 months if:

- No additional funds are required
- Scope will not change, and
- Any one of the following applies:
  - Additional time beyond the established expiration date is required to ensure adequate completion of the originally approved project
  - Continuity of NIH grant support is required while a competing continuation application is under review
  - The extension is necessary to permit an orderly phase out of a project

Note: having unexpended funds is not an appropriate justification for extending a project
Rebudgeting

- Effective with the NIH GPS (3/01), the prior approval for significant rebudgeting has been eliminated unless it is an indication of a change in scope of the approved project.

- Significant rebudgeting occurs when expenditures in a single direct cost budget category deviate (increase or decrease) more than 25% of the total costs awarded.
Rebudgeting

- Grantees may rebudget between direct and F&A costs (in either direction) without NIH prior approval, provided there is no change in scope of the approved project.

- According to A-21, rebudgeting between direct and F&A is not allowed to cover increases in negotiated F&A rates.
NIH Financial Reporting Basics
Financial Reporting

- Financial Status Report (FSR) should be submitted through NIH Commons

  - **Timely**, i.e., report submission must adhere to the following deadlines:

    - **Non-SNAP** must be submitted within 90 days following the end of each **budget** period
    - **SNAP** must be submitted within 90 days following the end of the **project** period

NOTE: NGA will specify if more frequent or other financial reporting is required
Financial Reporting

- FSRs should be submitted **Accurately**
- Reported expenses and program income must agree with institutional accounting records
- Routine Revisions to correct FSRs are not appropriate

Closeout Final Reports

- Failure to submit timely final reports may affect future funding to the organization
  - Final Financial Status Report (FSR)
  - Final Invention Statement and Certification
  - Final Progress Report

- June 17, 2005, NIH Announces New Closeout Feature in the eRA Commons and Reminds Grantees of Required Closeout Reports for NIH Assistance Awards
  
A Rule of Thumb

Whenever you are contemplating significant postaward changes and you are uncertain about the need for prior approval, consult in advance with:

- Your Office for Sponsored Research/Projects
- NIH awarding component Grants Management Officer/Specialist
Questions?

Division of Grants Compliance and Oversight

GrantsCompliance@nih.gov
Progress Reporting Requirements

- PHS 2590 non-competing grant progress report instructions can be found at the following website:

- PHS2590 BOOKLET
SUBMITTING YOUR PROGRESS REPORT

- PHS 2590 non-competing continuation progress report due at NIH Center for Scientific Review (CSR) by 1 July of each year of the project (2 months before the beginning date of the next budget period).

- All progress reports must be submitted to the centralized mailing address:
SUBMITTING YOUR PROGRESS REPORT

- Division of Extramural Activities Support, OER National Institutes of Health
- 6705 Rockledge Dr., Room 2207, MSC 7987
- Bethesda, MD 20892-7987 (express mail)
- Tel: 301.594.6584
SUBMITTING YOUR PROGRESS REPORT

Submit the completed, signed original progress report and one copy (with required signatures)
Award Management

概述

当联邦机构授予一个赠款时，它正在正式化其与受赠人（受赠人/UTHSCH）的合作，以确保遵守联邦法律、法规和政策。这保护了整个科学努力的完整性。在项目周期中，受赠人和联邦机构之间及时有效的沟通是至关重要的。
Roles/Responsibilities – Federal

At this stage in the grants process, the roles and responsibilities of the Federal participants are summarized as follows:

- Grants Management Officer (GMO)
- Grants Management Specialist (GMS)
- Program Official (PO)
Roles/Responsibilities – Federal

- GMO signs the Notice of Grant Award (NOA) and is the Federal official who is responsible for the business management and other non-programmatic aspects of the award. GMOs ensure that the Federal agency and the grantee (UTHSCH) staff fulfill requirements of laws, regulations, and administrative policies.
Roles/Responsibilities – Federal

 Grants Management Specialist – The GMS works with the GMO on the day-to-day management of the grant. The name and contact information of the GMS assigned to a particular grant appears on the NOA.
Roles/Responsibilities – Federal

- Program Official is responsible for the programmatic, scientific, and/or technical aspects of assigned applications and grants. The PO’s responsibilities include, but are not limited to, developing research initiatives and research training programs to meet the Institute / Center (IC) mission; coordinating w/Center for Scientific Review (CSR) and IC SRAs and working in partnership w/grants management on post award administration, including review of progress reports, participation in site visits, & other activities.
Grantee (UTHSCH) responsibilities

- Authorized organizational representative (AOR) also known as the Signing Official (SO) in the eRA Commons, is the designated grantee representative in matters related to the award and administration of its Federal awards, including those that require Federal approval.
Grantee (UTHSCH) responsibilities

- In signing a grant application, the SO certifies that the applicant organization will comply with all applicable assurances and certifications referenced in the application.
- Furthermore, the SO certifies that the applicant organization will be accountable both for the appropriate use of funds awarded and for the performance of the grant supported project or activities resulting from the application.
Grantee (UTHSCH) responsibilities

- Principal Investigator / Project Directors are the individual(s) designated by the grantee to have the appropriate level of authority and responsibility to direct the project or program supported by the award.

- The PI/PD are responsible for ensuring compliance w/financial & administrative aspects of the award.
Grantee (UTHSCH) responsibilities

- Each PI/PD is responsible and accountable to the grantee organization for the leadership and direction of the project, intellectually and logistically, for the proper conduct of the project, including the submission of all required reports.

- PI/PD creates & maintains support documents:
  - Technical and administrative reports, including justifications, federal support of research findings in all media sources, and ensuring compliance with federal requirements.
Grantee (UTHSCH) responsibilities

- The federal agency encourages the PI/PD to maintain contact with the PO with respect to the scientific aspects of the project and the GMO concerning the business and administrative aspects of the award.
Notice of Award (NOA) is the legal document issued to notify the grantee that an award has been made and that funds may be requested from the designated HHS payment system. An NOA is issued for the initial budget period. If subsequent budget periods are also approved, the NOA will include a reference to those budgetary commitments. Funding for subsequent budget periods are generally provided in annual increments following the annual assessment of progress.
Award Process

- Project funding is contingent on the availability of funds.
- The NOA includes all applicable terms of award either by reference or specific statements. It provides contact information for the assigned program officer and grants management specialist.
Award Acceptance

- The grantee accepts a Federal award and its associated terms and conditions by drawing or requesting funds from the Payment Management System (PMS).

- Sections III and IV of the NOA describe the terms of the award:
Section III – Standard Terms

- Grant program legislation & regulations
- Restrictions on the expenditure of federal funds
- Code of Federal Regulations (CFR)
- NIH Grants Policy Statement (GPS)
- Award notice including any special terms
- Carryover authority, if applicable
- SNAP provisions, if applicable
- FDP provisions, if applicable
Grants Policy Statement (GPS)

- The Grants Policy Statement (GPS) contains the legally binding requirements for grant recipients.
Grants Policy Statement (GPS)

- It is important that the award recipient pay careful attention to the terms and conditions of an award.
- Unless these terms are carefully reviewed and addressed, grantees may unknowingly violate the terms and conditions of the award.
- In those cases, the Federal agency may place a restriction on the award institute special monitoring procedures, or potentially terminate an award.
The Notice of Award (NOA) contains a great deal of information that UTHSCH needs in order to be a successful steward of federal funds. The NIH Welcome Wagon Letter provides information and resources for new grantee organizations on how to manage the award.
Post Award Process

The information provided below is just a brief overview of selected post-award processes and requirements. For full details on any of these topics, see the NIH Grants Policy Statement. In addition, for specific questions, consult first with the administrative officials within your organization. The assigned federal program officials and grants management specialists are also available to answer any remaining questions.
Monitoring your Award

- Grantees are responsible for managing the day-to-day operations of their projects.
- The Federal awarding agency monitors progress of the project through:
  - Review of progress reports and correspondence
  - Audit reports
  - Site visits
  - Other information available to the sponsor
Grant payments are made by Payment Management System, operated in accordance with Department of the Treasury and OMB requirements, as implemented by 45 CFR 74.22 and 92.21. These requirements are intended to minimize the time elapsing between the transfer of funds from the Federal government and disbursement by a grantee. Therefore, although the grant may be financed by advance payments, the intent is that grantees draw funds on an as-needed basis—specifically, no more than 3 days before the funds are needed.

All Federal funds deposited by PMS in a grantee’s bank account as an unrestricted advance payment should be fully disbursed (checks written, signed, and issued to the payees) by the close of business the next workday after receipt of the funds. The potential for excessive Federal cash on hand exists each time a grantee does not disburse Federal funds in this manner. The grantee is responsible for determining when the Federal funds have been deposited into its bank account for each drawdown, ensuring that the funds are fully disbursed by the close of business the next workday after they are received, and immediately returning all undisbursed Federal funds to PMS.
Monitoring Expenditures

- UTHSCH is required to have financial systems in place to monitor their grant expenditures. The Federal sponsor monitors grantee expenditures under individual grants with each budget period and within the overall project period.

- Funding for each budget period is based on an assessment of the FTE to be performed during the each budget period, detailed budget estimates, including “unobligated balances”.

Monitoring Expenditures

Although the Federal sponsor allows its grantees flexibility to rebudgeting, it expects the rate and type of expenditures to be CONSISTENT with the approved budget and may question or restrict expenditures that appear inconsistent with these expectations.
Monitoring Expenditures

- The Grants Management Specialist reviews grantee cash expenditure reports to determine whether they indicate a pattern of accelerated or delayed expenditures. Expenditure patterns are of particular concern because they may indicate a deficiency in the grantee’s FMS or internal controls. Accelerated or delay expenditures may result in the grantee’s inability to complete the approved project within the approved budget/timeline.
Prior Approval Requests

- All requests that require Federal approval must be made in writing to the GMO at least 30 days before the proposed change. The request must be endorsed by the Authorized Organization Representative.

- FAILURE to obtain required prior approval may result in the disallowance of costs, termination of the award, or other enforcement action with the Federal sponsors’ authority.
Reporting Requirements

- The Federal sponsor requires that grantees periodically submit written reports.
- Reports must be accurate, complete, and submitted on time.
- PHS 2590 non-competing grant progress reports must be submitted to the sponsor fund each additional budget period.
Reporting Requirements

- All reports (original plus two copies) for Grant # R01EY01234 must be submitted to the NIH Grants Mgmt Officer, Attn: (SEE NGA FOR SPECIFIC NAME AND CONTACT INFORMATION)
- Email: zYmm2@NIH.gov
- Tel: 202.111.2222
- Fax: 202.333.5555
Reporting Requirements

- The information to be included in the progress report is specified in the PHS 2590.
- R01EY01234 must be prepared using the non-SNAP procedures method;
- The completed PHS 2590 non-competing progress report is due at the sponsors’ office 60 days before the grant anniversary date.
Reporting Requirements

- Other factors related to your project might add additional requirements. For example, if you are working with human subjects, you need to get your certification of IRB approval re-approved every year of your award. Likewise, if you are working with research animals, you need to get your certification of IACUC approval re-approved every three (3) years.
Reporting Requirements

- Invention reports
  - Regulations require that the grantee organization report all inventions to the sponsor as well as include an acknowledgement of federal support in all patents.
  - FINAL invention statement (HHS 568) is one of the required forms submitted to the sponsor at the conclusion of the project, and no more funding is provided, or when a grant is transferred from one institution to another.
Financial Reporting (Institutional Requirement)

- A quarterly Federal Cash Transaction Report, PSC 272 covers the financial information related to your project.
- A Financial Status Report (FSR) is required as documentation of the financial status of grants according to the official accounting records of the grantee organization.
- Financial reporting is accomplished using the FSR (SF-269 or SF-269A)
Financial Reporting (Institutional Requirement)

- The FSR is required on an annual basis except for awards under SNAP and awards that require more frequent reporting.
- The report must be submitted on an annual basis for each budget period no later than ninety (90) days after the close of the budget period.
Audit requirements

- UTHSCH is subject to the requirements of OMB Circular A-133;
- UTHSCH submits the Audit Report directly to:
  - Federal Audit Clearinghouse, Bureau of the Census, 1201 East 10th Street, Jeffersonville, IN 47132
Closeout Procedures

- The Federal sponsor closes out a grant ASAP after expiration if the grant will not be extended or if continued funding is NOT provided. Closeout includes ensuring timely submission of all required reports and adjustments for amounts due the Grantee.

- Closeout of a grant DOES NOT automatically cancel any requirements for property accountability, record retention, or financial accountability.
Closeout Procedures

Closeout reports include:

- Final FSR;
- Final progress report;
- Final invention statement and certification;
- Final population tracking data when applicable
Record Retention

- Grantees must retain financial and project records, supporting documents, statistical records, and all other records that are required by the terms of a grant, or may reasonably be considered pertinent to a grant, for a period of 3 three years from the date of the annual FSR is submitted.