

**VCU**

# Post Award Changes – Rebudgeting, Prior Approvals and University Expanded Authority Approval

**Policy Type:** Administrative

**Responsible Office:** Office of Sponsored Programs and Grants and Contracts Accounting

**Initial Policy Approved:** 01/07/2013

**Current Revision Approved:** 01/07/2013

## Policy Statement and Purpose

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This policy addresses budgetary and other post-award changes. Applicable university and sponsor guidelines, policies, procedures, and regulations will govern the course of action required to effect post-award changes.

Sponsor re-budgeting and prior approvals policies vary, and it is the responsibility of the Principal Investigator (PI) to review and take appropriate actions to comply with the terms and conditions of their sponsored award.

### Post Award Changes Requiring Sponsor Prior Approval:

Most sponsors require written approval prior to the following changes (this list is comprehensive but may not be all-inclusive):

- Change in the objectives or scope of the project
- Significant re-budgeting
- Absence of PI for more than 90 consecutive days
- A 25% or greater reduction of effort for key personnel from current approved committed effort
- Change of grantee institution
- Need for additional funding
- Transfer of a “significant part” of the programmatic effort to a third party
- Transfer of Participant Support costs to another budget category
- Change in the approved use of animals or human subjects
- Pre-award spending more than 90 days prior to the award start date
- No-cost time extension (see below for clarifying details)

## Post Award Changes Requiring Internal University Approval:

The university requires internal approval on all of the changes listed above prior to submission of the request to the Sponsor as well as the following changes:

- Change of effort for key personnel and faculty on sponsored awards (less than 25% of approved committed effort)
- One-time 12-month no-cost time extension per competitive segment (federal awards only)

The above constitutes some general rules. The Research Terms and Conditions Prior Approval and Other Requirements Matrix also provides some direction as to prior approval and re-budgeting conditions. As policies do vary from sponsor to sponsor and are amended from time to time, PIs are ultimately responsible for being familiar with the sponsor's requirements of the award.

*Noncompliance with this policy may result in disciplinary action up to and including termination. VCU does not tolerate any form of retaliation against an employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation.*

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## Who Should Know This Policy

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All individuals involved in sponsored programs are responsible for knowing this policy and familiarizing themselves with its contents and provisions.

## Definitions

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### Award

Funds that have been obligated by a funding agency for a particular project, or the document memorializing this transaction.

## **Faculty**

Individuals performing teaching, research, and service duties in support of the university's mission. These faculty members may hold tenure, serve in tenure-track positions that are eligible to receive tenure or occupy collateral positions that are not tenure-eligible. These positions include academic titles such as professor, associate professor, assistant professor, instructor or lecturer.

## **Key Personnel**

Individuals whose effort is absolutely essential to the success of the proposed activity, either because of their critical leadership positions within the proposal (and consequently their intellectual guidance) or because of the uniqueness of the expertise they are contributing relative to the proposed scope of activity. Key Personnel typically include research scientists, principal scientists and senior scientists, depending on their intellectual contribution to the proposed scope of activity. Typically, replacement of any of these individuals requires approval from the sponsor. Importantly, the status of Key Personnel does not necessarily imply salary support from the sponsor.

## **Prior Approval**

The requirement for written documentation from the sponsor of permission to use project funds for purposes not in the approved budget or to change aspects of the program from those originally planned and approved.

## **University Approval**

Many federal agencies have delegated to the institution the authority to exercise some prior approvals required for federal research grants through the expanded authorities designation. These include, but are not limited to, carryover of unobligated balances and up-to-12-month no-cost extension to the final budget period.

## **Contacts**

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The Office of Sponsored Programs (OSP) and the Grants and Contracts Accounting Office (G&C) officially interpret this policy. Both offices are responsible for obtaining approval for any revisions as required by the policy *Creating and Maintaining Policies and Procedures* through the appropriate governance structures. Please direct policy questions to the Office of Sponsored Programs or the Grants and Contracts Accounting Office.

## **Procedures**

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### **Procedure for Post Award Changes Requiring Sponsor Prior Approval**

Principal Investigator(s) are responsible for initiating prior approval requests and receiving sponsor approval prior to implementing any change(s) in the project. The Principal Investigator should prepare a request to the sponsor in the format required by the Sponsor requesting the prior approval. Some Sponsors require these requests to be submitted via their electronic systems. Requests should specifically identify the Sponsor's Award Number and Title. Complete justification of the request (including a revised budget, if applicable) must be included. Requests must be signed by the Principal

Investigator and submitted to the Office of Sponsored Programs for countersignature by the university's Authorized Official. Sponsor approval must be in writing and may be received in the form of an amendment or modification to the award. Responses received from the Sponsor by the department or PI should be forwarded to OSP for processing.

*Special Instructions and Notes for No-Cost Extensions:* When requesting a no-cost extension, the Principal Investigator should prepare the request as outlined above and also complete and submit the No-Cost Extension Request Form to OSP.

Extensions may be requested for programmatic reasons only as long as funds remain. Some sponsors may request information about the amount of funds remaining in the account and others may request a budget indicating how funds remaining at the end of the original project period will be spent during the extension. When in doubt, consult the original award and/or the Office of Sponsored Programs.

*Timing* . To accommodate time limits for sponsors, requests for extensions should be submitted to OSP at least four (4) weeks before the grant period ends. Please refer back to the sponsor agreement or guidelines if there are any questions regarding timing.

### **Procedure for Post Award Changes Requiring University Approval**

Change of Effort on Sponsored Award – The Principal Investigator should complete the “Effort Change Request” Form for all changes to effort for key personnel and faculty and submit to the Office of Sponsored Programs for processing. OSP maintains “committed effort” records for all key personnel and faculty. These data are used by the eCRT program for effort certification

#### One-time 12-month no-cost time extension

Federal Awards - Most federal agencies have delegated the responsibility for approving initial 12-month no-cost extensions to the university's Authorized Official for grants to the institution. NSF, NIH, ARO, AFOSR, NEA, NEH, DOE and DOED allow the Office of Sponsored Programs (OSP) to internally approve a one-time request to extend the end date of the project period up to an additional 12 months.

*Note:* The Office of Naval Research requires agency approval for all no-cost extensions. Follow the procedure for Non-Federal Awards below.

*Procedure for Internal Approval:* The university's standard No-Cost Extension Request Form should be completed for all No-Cost Extension requests. The form should be filled out, saved to a pdf file, and forwarded via e-mail to OSP <dirospa@vcu.edu>. OSP will then electronically submit the extension request or notification to the sponsor. When approved, OSP will notify the PI/department. OSP will also advise the Grants & Contracts Accounting Office so that the end date on the research account can be extended.

*Exception for NSF awards:* NSF requires that notification of extensions be submitted through FastLane. The PI or research administrator should initiate the notification procedure through Fastlane and also complete and forward the completed No-Cost Extension Request Form, which provides additional

required information for OSP review, save the form as a PDF file and send via e-mail to OSP. OSP will forward the notification to NSF via FastLane.

*Timing:* The sponsor must be informed about the extension well before the original expiration date. Therefore, requests for extensions should be processed at least four (4) weeks before the grant period ends.

*Non-Federal Awards* - When it is necessary to request a no-cost extension from a non-federal sponsor or from a federal agency that requires agency approval for extensions (ONR), the PI should write a letter to the appropriate official as identified in the award document (usually Program Officer or Grants Management Officer) or complete the appropriate form in the Sponsor's electronic system. The letter should include: 1) justification for the no-cost extension; 2) the sponsor's award number; 3) the new requested expiration date; 4) Principal Investigator signature; and 5) OSP countersignature. Submit the letter to OSP with the standard No-Cost Extension Request Form.

When approval for the extension is received from the sponsor, OSP will inform the PI/department and advise the Office of Grants & Contracts Accounting to change the project end date.

*Non-federal contracts* such as pharmaceutical company clinical trials often do not specify an end date in the contract but the university requires an end date be associated with the account. The university's standard No-Cost Extension Request Form should be completed and forwarded to the OSP for review and approval when the end date needs to be extended. All applicable compliance forms are still required.

**\*\* Reminder: All terms and conditions of the award remain in effect during the period of a no-cost extension, including effort commitment of the key personnel named in the notice of award.\*\***

## Forms

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1. OSP Effort Change Request Form  
<[http://www.research.vcu.edu/forms/effort\\_change\\_request\\_form.htm](http://www.research.vcu.edu/forms/effort_change_request_form.htm)>
2. OSP No-Cost Extension Request Form  
<[http://www.research.vcu.edu/forms/no\\_cost\\_extension\\_form\\_sept2011.pdf](http://www.research.vcu.edu/forms/no_cost_extension_form_sept2011.pdf)>

## Related Documents

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Related documents are critical to the development of corresponding policies and procedures. Related documents include federal regulations, state regulations, state policies, and VCU policies, procedures and guidelines.

1. OMB Circular A-110 - Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations <<http://www.whitehouse.gov/omb/circulars/a110/a110.html>>

2. OMB Circular A-21 – Cost Principles for Institutions of Higher Education  
<[http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a021/a21\\_2004.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a021/a21_2004.pdf)>
3. [Office of Sponsored Programs Responsibilities](#)
4. Research Terms and Conditions Prior Approval and Other Requirements Matrix  
<[http://www.nsf.gov/bfa/dias/policy/rtc/priorapproval\\_oct08.pdf](http://www.nsf.gov/bfa/dias/policy/rtc/priorapproval_oct08.pdf)>

## Revision History

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This policy supersedes the following archived policies:

None – New Policy

## FAQs

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1. **My Program Officer approved a major change to my project over the phone and followed up via e-mail. Why is my fiscal administrator and OSP requiring that I request the change in writing?**

OMB Circular A-110 requires that certain changes to awards be approved in writing by the sponsor. If your change meets the requirements for prior approval, the request must be made in writing through the Office of Sponsored Programs and approved by the sponsor before implementation.

2. **I just realized my NIH grant expired two days ago but I need a no-cost time extension. Can the university still approve the extension even though it's past the end date?**

Unfortunately, no. The authority given the university to approve a no-cost extension requires that the approval be processed, and the sponsor notified, prior to the existing end date. The PI will need to follow the requirements for sponsor prior approval to request the extension. It is important to note that the sponsor is not obligated to approve the extension. Although the Program Officer may be required to approve a change, only the sponsor's Grant or Contract Officer can officially approve the request.