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Procedure: Managing Project Changes on Federally Funded Extramural Awards				

Purpose

This procedure accompanies the OSP Policy for Prior Sponsor Approval Requests for Extramural Awards and is written to ensure that budget and project changes on federally funded awards are managed effectively and in accordance with applicable federal regulations.

Reason for Procedure

Federal awards have very specific regulations that guide how budget and program changes are to be managed. However, in an effort to provide grantees with greater flexibility to manage such changes many federal agencies have waived certain cost-related and administrative prior written approval requirements and provided the grantee (NIU) with the ability to approve such changes. This waiver of approvals is commonly referred to as “expanded authorities” and is authorized within OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations) and codified in the Code of Federal Regulations (CFR) Part 215.25. While this delegation of authority does grant NIU autonomy to make certain budget and program changes without sponsor approval, it in no way mitigates NIU’s responsibility for ensuring that such changes are adequately reviewed and conform to relevant Federal regulations, award terms and conditions, and audit requirements.

The information below is intended to provide general guidance for how budget and program changes for federally funded awards are managed. However, the PI should always consult their Grants and Contracts Administrator for guidance whenever a project change is anticipated.

Actions routinely covered under expanded authorities and requiring only institutional approval:

1. The ability to incur pre-award spending 90 calendar days prior to award.

With pre-award spending, work may begin and project related expenses can be incurred and charged to the grant up to 90 calendar days prior to the project start date indicated in the sponsor’s award. Pre-award expenses must be allowable and in accordance with the applicable sponsor’s regulations, be included in the proposal budget and be necessary to conduct the project. All pre-award costs are at the grantee’s (NIU) risk and the federal sponsor is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated or inadequate to cover such costs.

Pre-award approval is authorized via the Contingency Fund Request Form (CFAF) and is discussed in the OSP Policy “Charging Costs to a Sponsored Project Prior to Award Acceptance” and can be found on the OSP website under the Policies section.

2. Initiate a one-time no cost extension of the expiration date of the award of up to 12 months.

There may be occasions when additional time is needed to adequately complete the original scope of work with the funds already made available by the sponsor. In such cases, the grantee has the authority to institutionally approve a no-cost extension of up to 12 months beyond the project end date. Many sponsors require that this notification be made within a specific timeframe (usually within 90 days before but not less than 10 days prior to the original sponsor end date). Failure to properly notify the sponsor within the required timeframe may result in the need to obtain written sponsor approval for the extension.

Note: This one time ability to extend the project may not be implemented merely to use remaining project funds.

3. The ability to carryforward an unobligated balance from one budget period to the next.
4. The ability to rebudget between direct cost categories.

Changes that require sponsor written approval and cannot be institutionally approved:

1. Change in approved Scope of Work (SOW) or objectives of the project.

A change in the scope of work can include an overall adjustment to the study’s aims, project objectives or overall methodology used to pursue the goals of the project. A change in scope can also result due to unforeseen delays or other adverse conditions that will impact the project objectives or methodology.

2. Change in a key person specified in the application or award document.

Key persons are often those recognized in the proposal and/or award as the Principal Investigator (PI) and Co-Principal Investigator. However, some sponsors specifically identify such individuals within a key personnel category. When a sponsor decides to support a proposal, it is often on the basis of these individual(s) knowledge of the field of study and their capabilities. Therefore, the sponsor expects that these individuals be responsible for the conduct of the project and be closely involved with the effort. As such, the sponsor will often seek to approve the removal or addition of any key personnel to ensure that the overall project is not adversely impacted.

3. The absence for any *continuous* period of three months or more, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

For reasons similar to changes in key personnel, the sponsor expects to be made aware when the PI is absent from the project for more than three months or significantly reduces his/her effort on the project. Such a change in involvement on the part of the PI can raise questions regarding whether the project can be continued as planned or whether the award can be continued at the grantee institution when the PI leaves NIU entirely. The latter is especially important as NIU (as the grantee) and the sponsor will have to determine if sufficient expertise remains at the institution or if the award must be relinquished and transferred to the PI’s new institution.

4. The need for additional federal funding.

Anytime additional funds are sought for an awarded project, often through a supplemental request, sponsor approval is necessary. Requests for supplemental funds are submitted through the Office of Sponsored Projects as a supplemental proposal. The PI's appropriate OSP Research Development Specialist (RDS) should be contacted when seeking supplemental funds.

5. Pre-award spending (more than 90 days prior to the anticipated project start date)

Expanded authorities only provide the grantee with the ability to incur costs on the project ninety (90) calendar days in advance of the project start date. In unusual situations, a PI may need to begin work and incur costs more than 90 days before the project start date. Such a request must be approved by the sponsor and is coordinated through OSP during the pre-award review period.

6. Subsequent no-cost extension of more than twelve (12) months

Terms and conditions of awards vary considerably depending upon the funding mechanism, program type, and other factors. Therefore, there may be additional program or budget changes that will require written sponsor approval before they can become effective.

The PI should always consult their appropriate GFA administrator for guidance.

Intended Audience

- Dean
- Senior Administration – Vice Provosts, Associate Deans
- Director, Department Chair, Division Head
- Faculty
- Departmental/Divisional Administrators
- Finance Personnel—Research Accounting, Accounting Services
- Grants & Contracts Personnel
- Research Compliance Personnel
- Research Integrity Personnel
- All Employees
- Information Technology Personnel
- Human Resources Personnel

Procedure

The Principal Investigator (PI) shall initiate the proposed change by completing the Institutional Prior Approval System (IPAS) action form and submit it to their Department Chair or Unit Director for review. This Department review is necessary to ensure that the Department is aware of the project change. This communication with the department is especially important for changes that affect the PI's time devoted to the project or when a project is continued past the originally approved end date (no cost extensions).

Once approved by the PI's Department, the PI shall submit the IPAS action form to their appropriate Grants and Contracts Administrator for review and approval.

The Grants and Contracts Administrator will review and approve and IPAS action form and forward it to the Office of Sponsored Projects (OSP) to obtain institutional approval, when necessary.

If the proposed change **does not** require prior sponsor approval, the Grants and Contracts Administrator will implement the change as appropriate. The fully executed IPAS action form will rest in the post award office as the official institutional record for this action.

If the proposed change **requires** prior sponsor approval, the Grants and Contracts Administrator will forward the request to the sponsor for review and approval.

The Grants and Contracts Administrator will notify the PI of the sponsor's decision and issue a revised Notice of Award (NOA) where necessary.

Contact Information:

Subject	Contact	Phone	E-mail
Policy Questions	Dara Little, Assistant Director, OSP	(815) 753-9285	dlittle@niu.edu
OSP Approvals	Dara Little	(815) 753-9285	dlittle@niu.edu
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Policy Citations:

OMB Circular A-110, 2 CFR, Part 215

Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non Profit Organizations

"Managing Externally Funded Research Programs: A Guide to Effective Management Practices", Council on Government Relations, July 2009

"Research Terms and Conditions Prior Approval and Other Requirements Matrix", Federal Demonstration Partnership, July 2008

NIH Grants Policy Statement, Part II: Terms and Conditions of NIH Grant Awards, Subpart A; General

NSF Award and Administration Guide, Chapter II Grant Administration Section A. Monitoring Project Performance.