

Prior Approval Procedures for Sponsored Awards

Overview:

Federal Grants

As defined in the OMB Uniform Guidance Part 200: Uniform Administration Requirements, Cost Principles, and Audit Requirements (OMB UG Part 200) , when dealing with federal and other sponsored funds, Rensselaer faculty and staff need to determine when it is appropriate to deviate from the approved budget and program plans. These Procedures have been established to meet the compliance standards as set forth in OMB UG Part 200 and individual agency terms and conditions.

Federal Contracts, State Contracts, and Corporate Contracts

Prior approval requirements in contracts will vary on a contract by contract basis. The Institute may be required to report and seek approval for any deviations from budget and program plans. Please refer to the individual agreement terms and conditions for restrictions. Contact [RA&F](#) with any questions.

Definitions:

Direct costs:

- identified specifically with a particular sponsored project
- directly assigned to a project with a high degree of accuracy

Facilities and Administrative (F&A) or indirect costs:

- incurred for common or joint objectives
- cannot be identified readily and specifically with a particular sponsored project

No cost extension:

- extension of the expiration date of the award without seeking additional funding

Pre-award costs:

- costs incurred prior to the start date of the award

Prior Approval:

- written approval by an authorized official evidencing prior consent
- for re-budgeting of tuition or stipend support, refer to the Encumbrance Relief Form
- Sponsor approval is required for Direct Charging Administrative Costs.

Sponsored Project:

- externally funded activity governed by specific terms and conditions
- separately budgeted and accounted for
- grant, contract, cooperative agreement

Sub-award:

- transfer or contracting out of a portion of the work effort

Procedures:

The Institute is required to report deviations from budget and program plans, and request prior approvals from Federal awarding agencies for one or more of the following program or budget related reasons:

- **Change in scope** or the objective of the project or program (even if there is no associated budget revision requiring prior written approval);
- **Change in key person** specified in the application or award document;
- The **absence for more than three months, or a 25 percent reduction** in time devoted to the project, by the approved project director or principal investigator;
- The need for additional funding;
- The transfer of amounts for indirect (F&A) costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency;
- The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with [OMB UG Part 200](#);
- The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense;
- Unless described in the application and funded in the approved awards the sub-award, transfer or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

For awards that support research, unless the Federal awarding agency provides otherwise in the award or in the agency's regulations, the prior approval requirements described below are automatically waived.

- Incur pre-award costs 90 calendar days prior to award but must comply with Rensselaer's [Request for Bridge Funding](#) policy.
- Initiate a one-time extension of the expiration date of the award of up to 12 months unless one or more of the following conditions apply. For one-time extensions, the recipient must **notify** the Federal awarding agency in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated funds.

UNLESS:

- The terms and conditions of award prohibit the extension;
- The extension requires additional Federal funds;
- The extension involves any change in the approved objectives or scope of the project.
- Carry forward unobligated balances to subsequent funding periods.

To report a deviation from the budget or program plans and request a prior approval, the Principal Investigator or designee completes the [Award Change Request Form](#) and submits to Research Administration & Finance, Room 400, West Hall.

In addition, RA&F prior approval is required when a direct pay or requisition is processed charging a sponsored fund for the following:

- Purchase of general purpose equipment (equipment that is usable for other than research, i.e., office equipment, data processing equipment).
- Subcontracting (Account codes 050 and 050A) - Non-Rensselaer organizations that are performing a portion of the research work.
- Research Consulting Services (Account Code 0251) - Non-Rensselaer personnel who are performing a portion of the research work.