

PRIOR APPROVAL

What actions and activities generally require Sponsor's prior approval before proceeding?

WHAT IS A PRIOR APPROVAL REQUEST?

These guidelines are generally applicable to Federal Awards.

- For specific changes related to an award certain Sponsors may require prior approval in the form of a formal request from the Authorized Official Representative (AOR) (i.e. OSP Director).
- Some changes, such as project rebudget, may not require Prior Approval consistent with NAU's Expanded Authority within the limits established by the sponsor.

EXPANDED AUTHORITY

Particular federal agencies have granted with specific awards the authority to approve these changes under a mechanism known as Expanded Authority.

- Examples of expanded authority include:
 - ✓ Carryover of unobligated balances to subsequent funding periods
 - ✓ Initiating a one-time no cost extension up to 12 months
 - ✓ Entering into a domestic consortium agreement without changing the prime grant awardee's scope
 - ✓ Ability to rebudget within the 25% threshold.

EXAMPLES WHEN PRIOR APPROVAL IS NEEDED:

- **Budget changes/revision** > 25%* in any budget category and within the overall budget (*sponsor specific)
- **Pre-award spending** within 90 days of the start date of the award when award is not under expanded authority
- **2nd No-Cost Extension (NCE)** request
- **Changes in the scope of work:**
 - Change of PI (or Senior Key Senior Personnel)
 - Significant reduction in effort by the PI - reduction of the level of effort devoted to the project by 25% or more from what was approved in the initial application (but it varies according to the sponsor)
 - Absence for any continuous period of 3 months or more
- **Adding or removing a subrecipient (not previously budgeted and when change in scope of work)**
- **Carryforward** when there is no Expanded Authority
- **Pre-award spending** within 90 days of the start date of the award (when award is not under expanded authority)
- **Purchase of equipment** not previously approved by the sponsor

CHANGING PRINCIPAL INVESTIGATOR (PI) OR SENIOR KEY PERSONNEL

- Typical situations that require the PI or Senior Key Personnel to be replaced in the project:
 - ✓ Sabbatical
 - ✓ Medical leave
 - ✓ Change of institution

CHANGES IN BUDGET

- Typically, changes in the budget that are greater than 25% within any budget category (of the whole award) require prior approval. But the % threshold may differ between:
 - ✓ Federal and non-federal awards
 - ✓ Award threshold
 - ✓ Specific sponsor rules

Ex: NOAA requires prior approval for changes above 10% of the total approved budget except for the following items: direct costs moved to indirect costs or vice versa, training or fellowship costs.

SIGNIFICANT REDUCTION IN EFFORT

- A significant reduction in effort (25% or more) for the PI or other Senior Key Personnel usually requires prior sponsor approval, because it constitute a significant change in the project.

Ex NSF: If a named Principal Investigator/Project Director or co-PI/co-PD plans to or becomes aware that he or she will: *(1) devote substantially less effort to the work than anticipated in the approved proposal (defined in 2 CFR § 200.308(c)(iii) as a reduction of 25% or more in time devoted to the project); (2) sever his or her connection with the grantee; or (3) be disengaged from the project for a continuous period of more than 3 months, or otherwise relinquish active direction of the project*, he or she shall advise the appropriate official at the grantee, who shall initiate action appropriate to the situation in accordance with the guidelines described in PAPPG.

SUBAWARDS/CONSORTIUM

- Establish a new subaward consortium or transfer substantive programmatic work to a third party not previously included in the budget.

CHANGE IN SCOPE

- Significant changes in the scope require prior approval. Generally, changes in scope happen when...
 - ✓ Changes in the program (or changes in the objective or emphasis of the study)
 - ✓ Significant re-budgeting
 - ✓ Significant reduction or increase in effort
 - ✓ Purchase of equipment not previously included in the budget
 - ✓ Change in research subjects (i.e. change in the number of human or animal subjects)

EQUIPMENT

- Adding or removing any equipment approved by the sponsor in the project.

Note: Generally no equipment should be purchased during the last 6-12 months of the project.

PRE-AWARD COSTS

- Pre-award costs up to 90 days prior to the effective date of the award.
- Example 1: Your project, which is not under Expanded Authority, starts on April 1st, 2019 but you want to start working on February 1st, 2019. Is Prior Approval Required?
- Example 2: Your project starts on April 1st, 2019 but you want to start working on December 1st, 2018 Is Prior Approval Required?

EXTENSIONS BEYOND THE FIRST NO-COST EXTENSION

- Extensions beyond the first no-cost extension generally require approval from the sponsor. Submission times vary and you should refer to agency specific requirements.
- Justification required beyond the first NCE include:
 - ✓ Scientific justification including progress to date
 - ✓ Length of extension requested
 - ✓ Amount of and reason for unobligated balance
 - ✓ Plan for use of funds during extension period. (Include categorical budget detail, in text format, of requested direct and F&A costs.)
 - ✓ If animal and/or human subject include IACUC/IRB approvals

*Note: Extension beyond first NCE is generally not allowed if the sole purpose is to have additional time to spend remaining funds.

FOREIGN TRAVEL

- Many sponsors require prior approval for foreign travel, even when general travel has been included in the initially approved budget.
- The award terms and conditions must be followed with regard to foreign travel (i.e. Fly America Act – U.S. Carrier)
- Requests for foreign travel should be made PRIOR to taking the trip and at least 30 days in advance. Note: some sponsors require up to 90 days prior notice.

FEDERAL VS. NON-FEDERAL

- Federal Awards and Federal Flow-through – you must always understand the award terms and conditions as they will guide the principles and the process by which prior approvals can be requested.
- Non-Federal Awards (industry, non-profits, foundations, etc.) may deviate from these rules and you need to follow the sponsor's rules for any Prior Approval Requests.

EXERCISE 1:

- **Question:** I need to increase the number of human subjects from 20 to 30 in the 2nd year of my project. Can I change the budget and increase the number of human subjects without seeking Prior Approval?

ANSWER:

- No. Prior Approval is required because this constitutes a change of scope.

EXERCISE 2:

- **Question:** My co-PI from University ABC has retired and I want to transfer the work he was conducting to a NAU faculty. Do I need prior approval?

ANSWER:

- Yes. Prior Approval is required because this request constitute in a change of Senior Key Personnel.

*****Note:** Always contact your GCA before working on your Prior Approval Request

This presentation will be available on the OSP website under RESOURCES within 5 days.

<https://nau.edu/Research/Sponsored-Projects/Resources/PI-and-Department-Administrators-Information-Sessions/>

OSP next session is scheduled for April 9, 2019, same time, same place.

Topic: Cost Share: What is it? When and how do I include it in the proposal budget? What are my obligations to track cost share?