Department of Health and Human Services: NIH and Related – Post Award Management

Grant Mechanisms
Award Mechanisms: Research Project Grants

- **Traditional** – *R01* NIH Research Project Grant Program
  - NIH’s most commonly used grant program
- **Exploratory/Development Grants** – *R03/R21/R33/R34* NIH Small Grant Program
  - Limited to two years of funding
  - Not renewable
- **Support for Conferences and Scientific Meetings** – *R13*
  - Support for up to 5 years may be possible
- **Program Project** – *P01* & **Research Center Grants** – *P50 Project/Center grants*
  - are awarded to institutions on behalf of program directors and groups of collaborating investigators.
- **Small Business** – *R41, R42, R43, R44* Small Business Innovation Research (SBIR) & Small Business Technology Transfer (STTR) (Collaboration with Institution)
  - These grants are awarded for projects having potential for commercialization.
Research Training and Career Awards

- **Training Grants** – $T(32)$
  - Institutional
  - Predoctoral and Postdoctoral
  - T31 awards are designed for pre-docs, T32’s are for post-docs.

- **Fellowships** – $F(32)$
  - Individual
  - Predoctoral and Postdoctoral
  - F31 awards are designed for pre-docs, F32’s are for post-docs.

- **Career Development Awards** – $K(23) (24)$
  - to support the career development of investigators
Cooperative Agreements (U)

- Specialized Grant mechanism
- Substantial NIH staff involvement in program and science
  (Substantial involvement means that, after award, scientific or program staff will assist, guide, coordinate, or participate in project activities.)
- Typically initiated by NIH
- Cooperative Agreement Kiosk
ARRA NIH Awards

*American Recovery and Reinvestment Act of 2009*

- Purpose is to create Jobs and stimulate economy.
- One time funding
- Funds must be spent by September 2013
- NO extension will be honored
- Reporting requirements on a quarterly basis
  1. Number and amount of payments to vendors
  2. Calculation of Jobs created, ie 50% effort for qtr equivalent to .5 jobs
  3. Total amount of ARRA expenditures
  4. Total Funds received/ drawn in.
• National Institute of Health (NIH) Application Types:
  – Type 1  New
  – Type 2  Competing Continuation (a.k.a. renewal, re-competing)
  – Type 3  Application for additional (supplemental) support
  – Type 4  Competing extension for an R37 award or first non competing year of a Fast Track SBIR/STTR Award
  – Type 5  Non-competing continuation
  – Type 7  Change in Grantee Institution
  – Type 9  Change of NIH awarding Institute of Division (competing continuation
Grants Terminology

- **National Institute of Health (NIH) IC’s (Institute/ Centers): Examples**
  - GM National Institute of General Medicine
  - CA National Cancer Institute
  - DA National Institute on Drug Abuse
  - DK National Institute of Diabetes and Digestive and Kidney Diseases
  - DC National Institute on Deafness and Other Communication Disorders
  - AI National Institute of Allergy and Infectious Diseases
  - DE National Institute of Dental & Craniofacial Research
  - EY National Eye Institute
  - MH National Institute of Mental Health
  - EB National Institute of Biomedical Imaging and Bioengineering
  - HG National Human Genome Research Institute
Resources

eRA Commons
https://commons.era.nih.gov/commons/

eRA Web site http://era.nih.gov/
xTrain Web page: application guide, quick reference sheets, FAQs, training materials: http://era.nih.gov/services_for_applicants/other/xTrain.cfm

Ruth L. Kirschstein National Research Service Award page: policy information, stipend levels, FAQ’s
http://grants.nih.gov/training/nrsa.htm

NIH Forms & Applications
http://grants.nih.gov/grants/forms.htm

eRA Commons Help Desk
http://ithelpdesk.nih.gov/eRA/
Fundamentals of the Grants Process

• TEAM PLAYERS
The Grantee Institution

• Actual recipient of award
• Legally responsible for proper conduct and execution of grant
• Provides fiscal management
• Provides oversight on allocation decisions
• Assures compliance with Federal, NIH, and organization-wide requirements
Responsibilities of the Principal Investigator(s) (PIs)

Designated by the grantee institution

• Responsible for the scientific and technical aspects of project
• Directly manages the project on a day-to-day basis
• Assures scientific compliance by maintaining contact with the NIH Program Officer
• Coordinates with other PDs/PIs on projects with multiple Principal Investigators
Responsibilities of the Research Administrator

Acts as an agent of the Principal Investigator and the Authorized Organizational Representative

• Gathers information needed to ensure compliance with Federal regulations, as well as organization-wide requirements
• Provides essential grant-related support
• Cannot assume responsibilities assigned to the Authorized Organizational Representative or the PI
The NIH Grants Funding Process

- Post Award Grants Management Award Set-Up
- The Notice of Award
Northeastern University HHS Statistics FY 11

- University Research Expenditures.......................... $76,233,000
- Total NIH Expenditures........................................ $23,669,000
- NIH = 31% of Total Research Expenditures

- Bouve.................. $10,948,000
- CCIS.................. $ 33,000
- Engineering........ $ 3,385,000
- COS................... $ 8,696,000
- LAW............... $ 606,000

- Additional Funding of $4,265,000 from HHS-PT’s from other Institutions

- 139 NIH Funds had expenditures activity in FY 11
- 83 NIH Awards were received by Northeastern University in FY 11
- 150 NIH Funds were set up in Banner System for 63 individual Faculty members in FY 11
- **Subs**
  - 55 Active HHS-PT Awards
  - 71 Associated Funds
Award Set-Up in Banner System

Regular HHS Awards and HHS-PT’s (Subs)

1. Award information received from Preaward – Includes Notice of Award Document, Transmittal Form, (PPF) Proposal Processing Form, a Budget Form, and a Notification Template for e-mail notification.

2. A Banner Fund Request Form is then filled out with all pertinent information. Hard copy of all info attached to form.

3. A Grant is established through a Grant Code which is the first item to be set up in Banner. Using the information provided the system will create a sequential Grant number starting with G0000-XXXX, including the G it is 9 characters long.

4. A Fund Code is then created, tied to the Grant code. The Fund Code is a (6) digit number to record project expenditures.

5. Once the Fund Code is created, the Budget is entered in Banner and Notification is sent to the PI and all involved that the Award had been set up, with a Fund Code # associated with it for spending, etc.
Award Set-Up in Banner System

Regular HHS Awards and HHS-PT’s (Subs)

There are (5) tabs to populate the information for Grant set up. The Main tab contains: Org number, Long Title, Title, Agency, PI, period of performance, Amount funded, Grant type, Grant Category, CFDA#, and Sponsor ID # (Notice of Award Grant Number). The Organization Number is the most important piece of information to create a Grant, as it establishes the grant in the Hierarchical configuration in Banner.

The Grant Agency tab contains all contact information. The Cost Code tab contains Rate and Basis for calculation of IDC.

The Personnel tab lists the PI’s on the project. And User Defined Data tab lists the Payment Method. (either LOC or Invoice, other definitions)
One Fund Code is established for an Award for the period of the segment (project period), usually 2, 3 or 5 years. If the Project is renewed for another segment, the new segment will have a new Fund Code # associated with it.

The only time a Fund Code will be created for each year Awarded is when the Project is not allowed automatic carryforward of the unobligated balance and needs prior approval of Grants Management Officer to be spent in the next budget year.

These are associated with Program Project/Research Center Awards (P’s), Training Grants T(32), Fellowships F(32), Career Development Awards (K), Cooperative Agreements (U).
Award Set-Up in Banner System

Issues with multiple funds for (1) Award Segment

1. Funds have to be reconciled to the Payment Management System each calendar quarter, and one Fund Code makes it easy to verify expenditures and the authorized amount of the segment (all in one Fund).

2. Multiple Fund Codes for an Award Segment need to be kept track of and reconciled each quarter to verify expenditures and authorized amount of the Segment as part of the Quarterly Report on the Payment Management System (more work if needed).
The Notice of Award (and after)

• Content and Overview of Terms and Conditions

• The Notice of Award and Sections I - IV
Notice of Award (NoA): Overview

- LEGALLY BINDING DOCUMENT
  - Award Data & Fiscal Information
  - Grant Payment Information
  - OIG* Hotline Information
  - Terms and Conditions
The grantee indicates acceptance of the terms and conditions of the award by **drawing down funds against the grant** from the Payment Management System.
Notice of Award (NoA): The document

- Cover Page Introduction
- Section I - Award Data
- Section II - Payment /Hotline Information
- Section III - Term and Conditions
- Section IV – IC Special Terms and Conditions
The Cover Page introduces the Award with pertinent information starting with Grant Number, PI name, Project Title, Institutional Contact, Budget & Project period, and finally the Amount being Awarded, along with referenced terms and conditions and acceptance of award. Also included are publication requirements citing NIH support and FCOI requirements.
Section I - Award Data

- This is the Award Calculation inclusive of Federal Direct Costs and Federal F&A Costs.
- Includes listing of Summary Totals, current and cumulative.
- Also lists any Fiscal information needed and future finding anticipated.
Section II - Payment / Hotline Information

• Just a reference to web page for payment information and Hotline help.
Section III - Term and Conditions

• These are incorporated either directly or by reference, citing statutory requirements, Code of Federal Regulations and the NIH Grants Policy Statement. We are active in FDP Federal Demonstration Partnership Phase V, which is a streamlining partnership to consolidate policy and procedures in all areas of Government funding. Expanded authority may be given and Award may be subject to (SNAP) Streamlined Noncompeting Award Procedures. One of the features of the Streamlined Non-Competing Award Process (SNAP) is the ability to submit a streamlined electronic annual progress report (eSNAP) through the eRA Commons.
Section IV – IC Special Terms and Conditions

• Institute Centers special conditions and or approvals, ie. Subcontractor will comply with requirements, any restrictions or approvals on Select Agents or Pathogenic Agents.

• Staff contacts are listed as well as the F&A rate and base for F&A amount.
After the Award...

- Administrative and Fiscal Monitoring Requirements
  - Annual Progress Report (PHS 2590)
  - Annual Federal Financial Reports (FFR/FSR)
  - Invention Reporting
  - Yearly Audits
  - Final Closeout Reports
The Payment Management System

• System Access and Account Inquiries

• Payment Requests

• Federal Cash Transactions Report (QRTLY RPT)

• Returning Funds
Payment Management System
Grantee Inquiry – Account Balance Data

- **Account Balance Data** - Authorized grant award information, payments made and funds available

- **Authorization Transactions** - Award amount, budget period and date posted in PMS

- **Payment Data** - Payment history (payments deposited and rejected)

- **Summary Grant Data** - Grant expenditures reported on the most recent FFR 425 Federal Cash Transaction Report (FCTR)
Payment Management System

Requesting Payments

Payment requests may be made as often as needed:

- Daily
- Weekly
- Monthly
- Bi-monthly

Remember: Funds **must** be spent within **three** business days!

Delinquent FFR-425 (Federal Cash Transactions Report)
- If the electronic FFR-425 quarterly report is not filed before the due date, temporary suspension of funding privileges will occur

Excess Cash on Hand - 3 day rule (FFR-425 Reports)
- Funding requests will be denied if there is excessive cash on hand (FFR-425)
Payment Management System
Federal Cash Transactions Report (QRTLY RPT)

As a function of the Payment management System, the Federal Cash Transactions Report (QRTLY RPT) states the quarterly expenditures of all NIH Awards individually and in total. It also reflects the active Awards and the authorized total funding for each Award. This report is required to be submitted after each calendar quarter, with a deadline the end of the following month. All NIH Awards need to be updated/reconciled to reflect proper authorized total funding and proper expenditure data for the quarter and the cumulative total. This information is then submitted via the Payment Management System portal and certified.
Responsibilities of a Good Steward

Post-Award Process
All recipients of grants from the NIH, need to realize that there is a great deal of information that we, as an organization, will need to monitor in order to be successful stewards of federal funds.

Monitoring an Award
All Grantees are responsible for managing the day-to-day operations of their grant. To fulfill your role in regard to the stewardship of federal funds, you need to monitor the grants on your assigned workload once the account is set up and activated. This active monitoring is accomplished through review of accounts and expenses, correspondence with subcontractors (as applicable), requests to the Sponsor and the justification for each prior approval request made, audit reports, site visits, and other information that may be available.
Monitoring Expenditures

All Grantees are required to have financial systems in place to monitor their grant expenditures. **A good steward will monitor expenditures under individual grants within each budget period and within the overall project period.** The funding that NIH provides for each budget period is based on an assessment of the effort to be performed during that period and the grantee’s associated budget, including the availability of “un-obligated” balances. Although NIH allows its grantees flexibilities with respect to re-budgeting (see “Administrative Requirements – Changes in Project and Budget” in the NIH Grants Policy Statement), **NIH expects the rate and types of expenditures to be consistent with the approved project and budget and may question or restrict expenditures that appear inconsistent with these expectations.**

Prior Approval Requests

All requests that require prior NIH approval must be made in writing (e-mail is acceptable) to the Grants Management Officer **at least 30 days before the proposed change.** The request must be endorsed by the Authorized Organization Representative.
Responsibilities of a Good Steward

• Actions requiring NIH prior approval:
  
  • **Carryover of unobligated balances** (If the NGA indicates that the grantee does not have the authority to automatically carry over balances)
  • **Deviation from award terms and conditions** (Includes undertaking any activities disapproved or restricted as a condition of the award)
  • **Pre-award costs** (If more than 90 days before effective date of the initial budget period of a new or competing continuation award)
  • **Second no-cost extension** or extension greater than 12 months
  • **Rebudgeting** an amount of funding from one category to another (line Item) greater than 25% of the yearly funding, or Key Personnell salary reduction greater than 25% effort, and changes the scope of the project.
Responsibilities of a Good Steward

• **Expanded Authority**

  • Expanded authorities are the operating authorities provided to grantees under certain research grant mechanisms that waive the normally-required sponsor prior approval for specific actions. For example, a researcher may wish to extend the time allotted for performing the work without requesting any additional funds (called a “no-cost extension”). In some cases, prior approval of the funding agency is required for this action; in some cases it can be done without this explicit approval by “expanded authority.”
Responsibilities of a Good Steward

- **NATIONAL INSTITUTES OF HEALTH (NIH): Expanded Authority**
  - Pre-award costs up to 90 days prior to the effective date of the award (i.e., if the PI knows he/she will receive the award, and the award falls under expanded authorities, the PI can accrue charges before the award start date, but only charges that are within 90 days of the start date. For example, if the effective date of the award is July 1, charges may be made against the grant if they occur within 90 days of July 1 (April 3 or later) if the award falls under expanded authorities).
  - A single no-cost extension of time up to 12 months. The request must be submitted to the Office of Research Administration 45 days prior to the expiration date of the project. The agency must be notified 10 days prior to the expiration date.
  - Acquisition of special purpose equipment below $25,000.
  - Rebudgetting of funds up to 25% (excluding trainee costs).
  - Additional domestic and foreign travel requests not originally included in the award (i.e., unless restricted by the Notice of Award, these are allowed to be considered approved).
Responsibilities of a Good Steward

• No-Cost Extensions

• An NCE allows the PI to complete the scope of work *without* additional funding
  – Does not change the scope of work
  – Does not involve additional funding
  – Does need to be justified

• Extensions can be requested through NIH Commons for 1-12 month durations and are covered under expanded authorities

• 2nd no-cost extensions always require prior approval by NIH and require a more detailed scientific justification as well as a detailed budget.

• All extension requests require the following:
  – Unexpended funds remain on the award
  – Current conflict of interest forms
  – Current IRB / IACUC approvals in place
Responsibilities of a Good Steward

Costs Charged to Sponsored Projects must be:

• Allowable
• Reasonable
• Allocable
• Consistent
• Conform
Responsibilities of a Good Steward

**Most common types of charges to the Budget:**

- Salaries and Wages
- Supplies
- Equipment
- Travel
- Other Expenses
- Indirect Costs (F&A, Facilities and Administrative Costs)
Responsibilities of a Good Steward

- **NIH Salary Cap - $179,700**
  - The 12 month $179,700 Cap starts from 1/1/2012 through 12/31/2012

- **The 8 month NU capped base salary: $119,800**

- **2012**
  - **For Summer Salary**
    - $179,700 / 12 months = 14,975 x 8 months = **$119,800 capped base salary** / contract months 8 months = 14,975 per contract month

  - **For Academic Time**
    - 179,700 / 12 months = 14,975 x 8 months = $119,800 capped base salary / paid over 12 months = 9,983 per calendar month paid
      - ($59,900 / 4 summer months = $14,975 per month NIH max)
      - $119,800 x .4 (40% NU max) = $47,920 total for Summer 1 and Summer 2
      - (based on NIH cap and NU limit of 40% or 3.2 month during Summer =119,800/8*3.2)
      - $47,920 4 summer months = $11,980 per month NU limit evenly distributed
      - Or $14,975 for 3 months and $2,995 for the 4th month reduced per Provost Policy

RAF Review And Allowability

1. RAF reviews all hire forms, extra-comp forms (for Summer Salary), and payroll distribution change forms for compliance and approval to NIH regulations and referenced regulations (circular A-21).

2. RAF reviews all procurement related to NIH, as a review of requisitions and direct pay forms for approval.

3. RAF reviews all travel, foreign and domestic, for compliance and approval. (Foreign travel approval forms and Travel expense reimbursement vouchers)

4. RAF also reviews cost transfers or Journal vouchers for allowability. Journal vouchers must be done within a 90 day window from time of record and back up needs to be attached to Journal voucher in the form of account statement showing charge and receipt of item or copy of requisition, per audit requirements.
Examples of Unallowable Costs Categories:

A. Advertising Costs are allowable only if they are necessary to meet the requirements of the contract performance.

B. Public Relations Costs are unallowable except for (1) costs specifically required by government contracts, (2) cost of communicating with the public and press pertaining to specific accomplishments which result from government contracts or (3) costs of conducting communication and liaison necessary to keep the public informed on matters of public concern such as notices of awards, financial matters, etc.

C. Alcoholic Beverage Costs are unallowable.

D. Bad Debt Costs are unallowable.

E. Automobile Costs for Personal Use are unallowable.

F. Defense and Prosecution of Criminal and Civil Proceedings, Claims Appeals and Patent Infringement are generally unallowable.

G. Donations and contributions are unallowable.

H. Entertainment Costs are unallowable.

I. Airfare Travel Costs in excess of the lowest available commercial discount or standard coach airfare are unallowable.
Subawards/Consortium/Contractual Costs

• Under a contract or a grant between a funding agency and an entity/institution, a further sub-portion of the project can be given by that awarded entity/institution to another outside organization. The resulting subaward can be either in the form of a subgrant or a subcontract, depending on whether the prime award is a grant or a contract. NIH frequently uses the term "consortium" as a synonym for a subaward.
Subawards/Consortium/Contractual Costs

• Example of a subaward:
  – If NIH makes an award directly to the Applicant institution, the "Prime", their grant is termed the "parent grant". When that institution awards a portion of that funding to a 3rd party (other) Institution, the outside (other) Institution is the subcontractor.
  – and that other institution is considered the subcontract site.
• Northeastern University as subcontractor
• Subcontracts are issued to Northeastern University as 3rd party (subcontractor) from the Applicant institution, “Prime”. These are then set up on the Banner financial system similar to a grant. A Fund Code number is created, with a budget for spending, as allowed by the Prime.
• Certain terms and conditions are incorporated as spending guidelines, but expanded authority is usually not. Prior approval is usually needed for actions outside of the Subcontract language.
Subawards/Consortium/Contractual Costs

• **Indirect Costs for Subawards**

• Total subaward costs (Direct + Facilities & Administrative Costs) are considered Direct Costs for the Prime Applicant – Parent Budget

• Indirect Costs charged on subcontract expenditures on the Parent Budget are limited to the first $25K of the subcontract expenditures.
• **Northeastern University as subcontractor**
  
  Most Subcontracts issued to Northeastern are on a “cost reimbursement” basis, and must be Invoiced for reimbursement on a monthly basis. Information is taken directly from the Banner system after the monthly close, to reconcile to the monthly totals and cumulative totals, for audit purposes.

• Other types of Invoicing are Schedule for payment, Advance payments, and Deliverables Schedule.
Invoicing a Subcontract for Payment

1. Expenditure report created for all Subcontracts’ monthly activity.
2. Folder for subcontract pulled from files and account statement printed for the month Invoice being submitted. Check terms and conditions for frequency, usually monthly.
3. Invoice created or updated w/ pertinent information; mailing address of Subcontractee or Prime awardee, Subcontract Amount, period of performance, PI at Northeastern, Title of Project, Prime Award #, Subcontract #, and PO# if provided.
4. Show Period costs (monthly) per category and Cumulative costs per category. Do not Invoice for more than the authorized amount or beyond Subcontract period of performance. Also, only Invoice for the monthly expenditures recorded in that month per audit requirements.
5. Special instructions to include proof of expenditure activity, ie. account statement, receipts, p/r reports showing effort, etc.
6. Sign and certify Invoice and mail or e-mail.
Subawards/Consortium/Contractual Costs

Accounts Receivable Aging log