

**MOUNT SINAI SCHOOL OF MEDICINE  
PRIOR APPROVAL REQUIREMENTS and  
REBUDGETING POLICY**

The Public Health Service (PHS) permits a certain degree of latitude in making post-award programmatic changes and budget revisions. The rebudgeting of certain cost items must have the prior approval of Mount Sinai and/or the appropriate PHS awarding unit. Use the chart that follows to identify those transactions that require Mount Sinai prior approval and/or those that must be presented to the PHS for authorization.

Activity or Expenditure Requiring Prior Approval	MSSM Prior Approval Required	PHS Prior Approval Required
<b>Equipment purchases</b> exceeding \$25,000/unit, regardless of amount of NIH funds involved	YES	NO (unless change in scope or grant not included under Expanded Authorities)
<b>Patient Care Costs</b> (if not previously approved or rebudgeting additional funds into or out of this category)	YES	NO (unless change in scope or grant not included under Expanded Authorities)
<b>Travel: Domestic</b> Travel within and between any of the 50 States of the U.S., its possessions and territories and also travel between the U.S. and Canada and within Canada	YES (If travel expenses were not included in the approved budget <b>and</b> the amount exceeds \$5,000 <b>or</b> travel costs exceed 50% of an approved categorical travel budget)	NO (unless change in scope or grant not included under Expanded Authorities)
<b>Travel: Foreign</b> Travel outside of the U.S. and Canada. Only key personnel working on the grant are eligible to request foreign travel	YES (For each trip when foreign travel is not included in the approved budget)	NO (unless change in scope or grant not included under Expanded Authorities)
<b>Alterations and Renovations</b> (rebudgeting into A&R costs exceeding 25% of the total approved budget for a budget period)	YES	YES
<b>Pre-award Costs</b> Costs incurred prior to effective date of a new/competing award	YES (When pre-award costs are required prior to the start of new/competing awards)	YES (If greater than 90 days prior to start date of new/competing awards)
<b><i>The Mount Sinai Prior Approval Request Form is <u>NOT</u> required for the following transactions.</i></b>		
<b>No-Cost Extension</b> Extension of the project period beyond the final date of approval.  <i>See definition and procedure for requesting such an extension.</i>	YES (One no-cost extension for up to 12 months can be authorized by the GCO 10 days prior to the date of grant expiration or earlier)	YES (When the request for a no-cost extension is made within 10 days prior to or following the date of grant expiration <b>or</b> requesting a 2 <sup>nd</sup> no-cost extension)

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<b>Carryover of unobligated balances</b> The carryover of expenses from one budget period to the next. <i>See definition</i>	NO (Unless greater than 25% of the total approved budget)	NO (Unless not under expanded authorities or greater than 25% of the total approved budget)
<b>Subcontracting</b> Transferring performance of substantive programmatic work to a third party	NO, unless change in scope or the third party is a foreign organization or component	NO, unless change in scope or the third party is a foreign organization or component
<b>Change in grantee organization</b> A Relinquishing Statement must be prepared by Fund Accounting to effect the transfer.	YES (Notification required prior to the effective date of transfer; expenditures beyond approved budget must be reconciled prior to transfer)	YES (in writing to the Program Officer and Grants Management Official)
<b>Change in key personnel</b> <i>See definition</i>	YES	YES
<b>Change in Scope</b>	YES	YES
<b>Activities restricted as per terms of award</b>	YES	YES
<b>Transferring amounts from trainee costs</b> The transfer of amounts previously awarded for trainee costs (stipends, tuition, and fees) to other expense categories.	YES	YES
<b>Capital expenditures</b> (construction, land, or building acquisition)	YES	YES
<b>Program income</b> (use of any alternative other than that specified by NIH) <i>See definition</i>	NO (unless grant not included under Expanded Authorities)	NO (unless grant not included under Expanded Authorities)

**DEFINITIONS**

**Change in Scope** is a change in the methodology, approach or other aspects of the project objectives. *Significant rebudgeting* is one action likely to be considered a change in scope.

**Carryover of Unobligated Balances** is the carryover of funds unspent as of the expiration of a budget period. These may be automatically carried over to the next budget year unless greater than 25% of the total amount awarded. The PI must report carryover greater than 25% as part of the Non-Competing application process; PHS will determine necessity to complete the project. Grant mechanisms excluded from automatic carryover of unobligated balances are centers (P50, P60, P30, etc.); cooperative agreements (U's); National Research Service Awards (T's, and F's); and Phase I SBIR & STTR (R43, R41).

*Please note that unobligated funds at the end of a project period or expiration of the grant can only be carried forward and expended under an authorized no-cost extension period.*

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**Change in Key Personnel** must be reported to PHS when the PI or other key personnel named in the Notice of Grant Award will withdraw from the project entirely, be absent from the project during any continuous period of 3 months or more, or reduce his/her time devoted to the project by 25 or more percent from the level that was approved at the time of award. NIH must approve any alternate arrangement, including any replacement PI or other key personnel proposed by the grantee.

The request for approval of alternate PI /key personnel should include:

- ◆ A justification for the change
- ◆ Biographical sketch of the individual proposed
- ◆ Other sources of support
- ◆ Any budget changes resulting from the proposed change

**Expanded Authorities** waive the requirement for NIH approval of specific actions under *most* award mechanisms unless restricted or otherwise specified in the Notice of Grant Award (NGA). The mechanisms that currently do NOT have routine automatic carryover of unobligated balances are Centers (P50, P60, P30, etc.); Cooperative Agreements (U's); National Research Service Awards (T's and F's); Phase I SBIR & STTR (R43, R41); and clinical trials (regardless of mechanism). Grantees must exercise proper stewardship over Federal funds and ensure that the costs charged are allowable, allocable, reasonable and consistently applied regardless of the source of funds. (e.g. Authority to issue a 12-month, no-cost extension beyond the original expiration date shown in the NGA).

A **No-Cost Extension** is an authorized extension of a project period based on a need to provide continuity of project activities while a competing continuation application is being reviewed or prepared for submission **or** to permit orderly phaseout of project activities for which there will be no further NIH support. The initial extension request (typically 12 months) must be submitted to the GCO (email is satisfactory) at least 15 days before the project period is scheduled to expire. Should the principal investigator fail to request the extension within this timeframe, a letter requesting authorization to extend the grant should be sent to the Federal Program Officer and Federal Grants Management Officer prior to the grant's expiration. The PI and the GCO Institutional Officer must endorse the letter.

### **Program Income**

Gross income earned by a grantee that is directly generated by the grant-supported project or activity or earned as a result of the award must be applied to achieve the stated goals of the project in the following ways:

- ◆ **Additive Alternative:** Added to funds committed to the project or program, and used to further eligible project or program objectives.
- ◆ **Deductive Alternative:** Deducted from total project or program allowable costs in determining the net allowable costs on which the Federal share of costs will be based.

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- ◆ **Combination Alternative:** Under the combination alternative, grantees use all program income up to (and including) \$25,000 as specified for the additive alternative and any amount of program income exceeding \$25,000 under the deductive alternative.
  
- A) *If included under expanded authorities, the Additive Alternative applies. The grantee can apply all added funds committed to the project or program, and used to further eligible project or program objectives, OR*
- B) *If not included under expanded authorities, then use the Combination Alternative, where grantees may use all program income up to (and including) \$25,000 as specified for the additive alternative and any amount of program income exceeding \$25,000 under the deductive alternative.*