



# UC San Diego

## Policy & Procedure Manual

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### CONTRACTS AND GRANTS (RESEARCH)

#### Section: 150-60

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### INSTITUTIONAL PRIOR APPROVAL SYSTEM REQUIREMENTS FOR PUBLIC HEALTH SERVICE (PHS) RESEARCH GRANTS

#### I. REFERENCES AND RELATED POLICIES

A. PHS Grants Policy Statement, Revised 4/1/84

B. UCSD Policy and Procedure Manual (PPM)

[150-65](#) Request for Approval Procedures under Organizational Prior Approval System (OPAS) and Institutional Prior Approval System (IPAS)

380-4 Budget Adjustment Journal Preparation Procedures

380-5 Budget Adjustments to Extramural Funds (Federal, State, Local Government and Private Contracts, Grants and Donations)

[522-2](#) Equipment Screening

[523-10.1](#) Independent Consultants

#### II. INTRODUCTION

The purpose of this policy is to outline the procedure to follow in completing the [Request for Approval Under Institutional Prior Approval System \(IPAS\)](#) requests to expend funds under Public Health Service (PHS) grants.

#### III. POLICY

Effective July 1, 1986, the Public Health Service (PHS) revised its policy to allow grantee institutions to expend monies and rebudget certain funds in their research and training grants without referral to PHS. This replaced former PHS policy of requiring the prior approval of PHS officials for these actions.

Principal Investigators or Department Administrators should request assistance from the OCGA concerning any proposed PHS related budget deviation not covered by the revised PHS Grants Policy Statement or by this issuance.

#### IV. PROCEDURE

##### A. Preparation of Forms

1. If the Principal Investigator (PI) has authority in accordance with Section VI. of this issuance to rebudget funds, a *Budget Adjustment Journal* is all that is required. This should be prepared according to instructions contained in PPM 380-4.

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2. If authority to expend or rebudget funds must be obtained through the Institutional Prior Approval System (IPAS), the Principal Investigator then prepares and submits a *Request for Approval Under Institutional Prior Approval System* (See [PPM 150-65](#)) and a *Budget Adjustment Journal* (See PPM 380-4). When the Principal Investigator is requesting approval to purchase an item of equipment, a *Purchase Order Requisition* and an [Equipment Screening Certification](#) form (if necessary) must also be attached to the package. The entire package should then be forwarded via the MSO to the Department Chair and the Contract and Grant Officer, OCGA, for review and approval.
3. If PHS' prior approval is required, the PI must prepare a letter to the appropriate PHS Grants officer whose name is shown on the "Notice of Grant Award" specifying the nature of the request, its relation to the purpose of the grant, the amounts involved, and the budget categories affected. The letter should be forwarded to the UCSD Office of Contract and Grant Administration for countersignature and submission to PHS. When approval is received, the PI should prepare and submit a *Budget Adjustment Journal* and a copy of the PHS approval letter in accordance with PPM 380-4. The *Budget Adjustment Journal* should be forwarded directly to the Manager, Extramural Funds Accounting.

**B. Justification**

The Principal Investigator is responsible for providing a brief but comprehensive explanation/justification describing the scientific, technical or administrative reason(s) for all requests. As a minimum, the justification must address the following:

1. A brief description of the proposed action;
2. Scientific, technical or administrative justification for the action. (Include a statement as to the scientific benefit which will accrue to the project as a result of the request);
3. Explanation for rebudgeting of more than 10% from any category, why the funds are available (specify budget categories, if applicable) and how the lack of funds in this category impacts the continuous operation of the project as outlined in the original proposal.
4. For requests for travel or the purchase of equipment the following specific areas must be addressed:
  - a. Travel
    1. Itemization of cost i.e., airfare, per diem, registration fee, etc.;
    2. Purpose, place, and date(s) of travel;
    3. Relationship to research;
    4. Relationship of the traveler(s) to the research project.
    5. A statement of compliance with Federal regulations regarding the use of U.S. Flag Air carriers (foreign travel only).
  - b. Equipment
    1. Description of equipment - If more than one item requested, itemize the description and cost of each;
    2. Justification for the request;

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3. How the proposed purchase impacts the operation of the project as outlined in the original proposal;
4. The effect the rebudgeting of more than 10% between categories of the approved budget has on the scope of work or objective of the project;
5. Requests for purchase of equipment over \$1,000 must include a completed copy of the [Equipment Screening Certification](#).

*It is of utmost importance that special attention be given to the above required justification(s) which is the most critical element of the prior approval request. The justification not only provides the basis for the required institutional approval, but the established criteria must substantively be answerable to any future questions which may arise, whether UC, agency, or audit.*

**V. RESPONSIBILITIES**

**A. MSO**

Receives request from PI, reviews for administrative purposes, initials and forwards to Department Chair.

**B. Departments Chair**

1. Reviews and approves/disapproves the [Request for Approval Under Institutional Prior Approval System](#) for scientific propriety, project relevance and effective utilization of institutional resources.
2. Forwards the approved package to the Contract and Grant Officer, OCGA.

**C. Contract and Grant Officer, OCGA**

Upon receipt by OCGA, the Contract and Grant Officer will review the request for consistency with University and PHS policy. When fully approved, the original copy of the request is forwarded to the Manager, Extramural Funds Accounting, a copy is retained by OCGA and the additional copies forwarded to the Principal Investigator, Departmental MSO and Purchasing Division, as applicable. If any questions arise during the review, the OCGA will consult with the appropriate departmental personnel. Should the request be disapproved an explanation will be forwarded to the Principal Investigator for informational purposes or further action.

**D. Manager, accounting Office / Extramural Funds Division**

The Manager reviews the *Budget Adjustment Journal* for conformance with University and PHS financial regulations and a copy returned to the departmental business office. Should additional information be required, appropriate departmental administrators will be contacted.

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**VI. INSTITUTIONAL PRIOR APPROVAL SYSTEM REQUIREMENTS UNDER PHS RESEARCH AND TRAINING GRANTS**

<b>CLASSIFICATION</b>	<b>AUTHORITY</b>
<p>1. Alterations and Renovations (A&amp;R) – work required to change the interior arrangements or other physical characteristics of existing facility or installed equipment so that it may be more effectively utilized for its currently designated purpose or adapted to an alternative use to meet a programmatic requirement. Routine maintenance and repair is not considered as A&amp;R.</p> <p>A. Up to \$1,000            B. \$1,000 to \$25,000            C. More than \$25,000</p>	<p>PI            UCSD Contract &amp; Grant Officer            PHS via OCGA for endorsement</p>
<p>2. Audiovisual Materials - The cost of acquisition or production and the cost of presentation or dissemination of a single audiovisual product to the general public.</p> <p>1) Up to \$5,000            2) \$5,000 to \$25,000            3) More than \$25,000</p>	<p>PI            UCSD Contract &amp; Grant Officer            PHS via OCGA for endorsement</p>
<p>3. Capital Expenditures for Land or Buildings</p>	<p>PHS via OCGA for endorsement</p>
<p>4. Carryover of Unobligated (unexpended balances) into Another Budget Period</p>	<p>PHS via OCGA for endorsement</p>
<p>5. Changes in Objectives or Scope            Major changes in scope; direction; the type of service, delivery or training; or other significant areas.</p>	<p>PHS via OCGA for endorsement</p>
<p>6. Change in Principal Investigator</p> <p>A. Replacement or significant change in responsibilities of the approved project director or principal investigator or any other persons named and expressly identified as key project staff by PHS on the Notice of Grant Award.</p> <p>B. Absence of the Principal Investigator (PI) for more than 3 months requires approval for Acting PI or Program Director during any continuous period of more than 3 months without the active direction of an approved director or principal investigator.</p> <p>C. Change of Grantee Institution</p> <p>D. PI Effort            Any significant decrease in effort            (20% of effort approved on grant)</p>	<p>PHS via OCGA for endorsement</p> <p>PHS via OCGA for endorsement</p> <p>PHS via OCGA for endorsement</p> <p>PHS via OCGA for endorsement</p>
<p>7. Equipment (Including sales tax) – is defined as tangible nonexpendable property with a unit cost of \$500 or more and a useful life of two years or more. Items not meeting these criteria are classified as expendable supplies. The determination of cost and the need for approval is made before any discounts and/or trade-in allowances are applied.            Note: When an equipment purchase will be charged to more than one funding source, the total price determines the need for PI, OCGA or agency approval</p> <p>A. Special Purpose            1) Under \$5,000 per item            2) \$5,000 or more per item</p>	<p>PI            UCSD Contract &amp; Grant Officer</p>

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B. General Purpose	
1) Under \$1,000 per item	PI
2) \$1,000 or more per item	UCSD Contract & Grant Officer
C. Any item of equipment that exceeds \$25,000	PHS via OCGA for endorsement
D. Any purchase in the last six (6) months of the project period, even if (1) the award for the final budget period approved the item, or (2) a renewal award has been confirmed.	PHS via OCGA for endorsement
8. Indemnification against Third Parties	PHS via OCGA for endorsement
9. Indirect Costs Any transfer of funds from indirect costs (overhead) into direct cost categories.	PHS via OCGA for endorsement
10. Insurance The cost of insurance on Federal Government-owned equipment.	UCSD Contract & Grant Officer
11. No Cost Extensions Non-competing extension not to exceed twelve (12) months. The justification for the request should include the funds remaining and their future use and plans for completion of project for which extension is requested. The need must be justified and must be made prior to the current expiration date. The fact that funds remain upon expiration is not in itself sufficient justification for an extension.	PHS via OCGA for endorsement
12. Patient Care Costs	
A. Increases beyond amount approved in award	UCSD Contract & Grant Officer
B. Any expenditure when the award does not contain funds for research patient care costs	PHS via OCGA for endorsement
C. Any decrease in the amount in the approved budget or level of patient care	PHS via OCGA for endorsement
13. Personnel, Supplies, Consultant (Non-UC) and Other Costs Use of salary support released as a result of a Research Career Development Award (RCDA) or Research Scientist Development Award (RSDA)	PI PHS via OCGA for endorsement
14. Pre-Award Costs	
Up to 90 days to the effective date of award. The form #FO2141, Request for Advance Approval to Establish Accounts & Incur Expenses, is required for this action.	UCSD Contract & Grant Officer
More than 90 days prior to the effective date of award	PHS via OCGA for endorsement
15. Public Information Service Costs Cost of news releases.	UCSD Contract & Grant Officer
16. Publications and Printing Costs for a single Publication	
1) Up to \$5,000	PI
2) \$5,000 to %25,000	UCSD Contract & Grant Officer
3) More than \$25,000	PHS via OCGA for endorsement
17. Rebudgeting between Construction and Non-construction Funds	PHS via OCGA for endorsement
18. Relatedness between two or more grants to the same PI from the same PHS awarding unit.	PHS via OCGA for endorsement

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| 19. Restrictions on award: any rebudgeting or expenditure specifically disapproved or restricted.   | PHS via OCGA for endorsement   |
| 20. Subcontracts/Consortiums<br>A single contract for procurement or general support services, or supplies that will result in a charge of \$25,000 or 10% of the total direct cost budget, whichever is greater.   | UCSD Contract & Grant Officer  |
| 21. Terminated Award Costs<br>Expenditures occurring after a project end/termination date   | PHS via OCGA for endorsement   |
| 22. Trainee Costs-Stipends, Tuition, Fees<br>A. Within trainee cost categories<br>B. From other direct categories into trainee cost categories<br>C. From trainee costs categories into other direct cost categories  | PI<br>PI<br>PHS via OCGA for endorsement                             |
| NOTE: Training Grant – Training Related Expenses: All expenditures for training related expenses are subject to the Institutional Prior Approval System Policy & Procedures.  |  |
| 23. Transferring Management Services<br>Transferring management services to third party that are central to the purpose of the grant, unless specifically approved in the Notice of Grant Award<br>1) Up to \$25,000<br>2) More than \$25,000   | UCSD Contract & Grant Officer<br>PHS via OCGA for endorsement        |
| 24. Travel (including trainee travel)<br>A. Domestic<br>1) Cumulative total of the increases not to exceed \$2,000 or 25% of the amount approve in the award, whichever is greater<br>2) Travel over \$2,000 when no travel is included in the approved budget<br>3) Cumulative total of the increases that exceed \$2,000 or 25% of the amount approved in the award, whichever is greater<br><br>B. Foreign<br>Each foreign trip not in the UCSD Contract & Grant Officer approved budget; or change in itinerary | PI<br>UCSD Contract & Grant Officer<br>UCSD Contract & Grant Officer |
| 25. Training Grant – Training Related Expenses<br>All expenditures for training related expenses are subject to the Institutional Prior Approval System Policy and Procedures   |  |

**REQUIREMENTS FOR RETROACTIVE APPROVAL UNDER IPAS**

A retroactive approval is allowed *only* under "unusual circumstances" and requires substantially more justification. Specifically, such approvals require a detailed explanation as to, (1) why prior approval was not obtained on a timely basis, (2) how the project will be affected if the retroactive request is not approved, and (3) the scientific relationship to the research project.