Worker Training Program Grants Management Update and Program Income Discussion

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Grants Management Updates

Personnel Changes

Congratulations to Pam Clark!

Retired 1/31/18, after 37 years of federal service.

Welcome to Molly Puente!

Grants Manager with NIH since 2009, and with NIEHS since 2011.

FY 2018 Budget Updates

- NIH is funded under Public Law 115-141, dated 03/23/2018.

- Effective January 7, 2018, the NIH Salary cap has gone up to $189,600 (See NIH Guide Notice NOT-OD-18-137).

- FY2018 Appropriation Mandates and Fiscal Policy Guide Notices are coming!

Important Policy Changes at NIH

- Human Subjects and Clinical Trials

- Closeout Requirements

- Electronic Submission of Prior Approval Requests

For more information on these and other topics, come to the Business Official Meeting in Valley Ballroom D following this session.
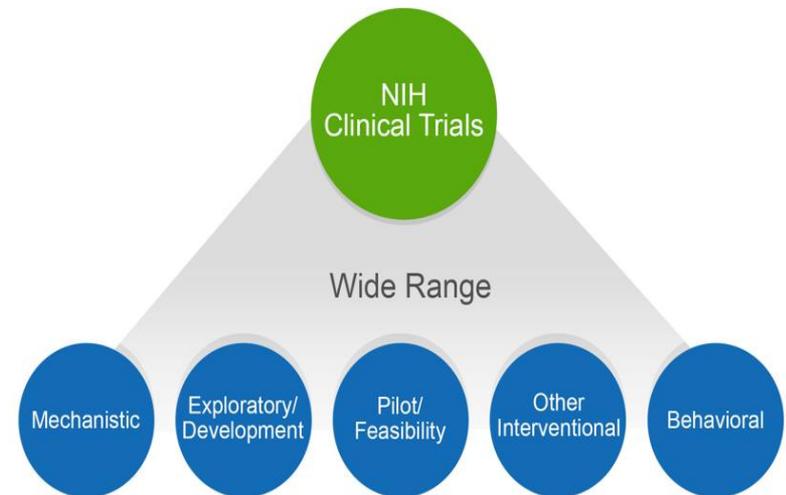
NIH Might Consider Your Human Subjects Research to be a Clinical Trial

Does your study…

- Involve one or more **human subjects**?
- Involve one or more **interventions**?
- **Prospectively assign** human subject(s) to intervention(s)?
- Have a **health-related biomedical or behavioral outcome?**

If "yes" to ALL of these questions, your study is considered a clinical trial

Unsure how to answer the questions? We have a tool that can help! https://grants.nih.gov/ct-decision/

New Application Packages (FORMS-E)

Due Dates on or after January 25, 2018	FORMS-E Application Packages is **REQUIRED** (including new Human Subjects and Clinical Trials form)

PHS Human Subjects and Clinical Trials Information Form

- Consolidates information from multiple forms

- Incorporates structured data fields

- Collects information at the study-level

Be sure you are using the correct application forms for your due date.
FORMS-E -- available October 2017.

See NOT-OD-18-009 and NOT-OD-17-062 for more information

New Section for Final-RPPRs and Interim-RPPRs

Section I. Outcomes

- A new section of the RPPR specifically designed to be made publicly available by the agency (analogous to the abstract in the competing application)

- Reporting in the Outcomes section is limited (by the federal-wide RPPR format) to 8,000 characters

- The Outcomes should provide a concise summary of the findings of the award written in lay language for the general public

- In an effort to increase transparency NIH will make the Outcomes data available in RePORTER

See NOT-OD-18-103 for additional information.

Automated Post Award Changes

Effective March 2, 2017, recipients of NIH awards can submit the following prior approval requests electronically through eRA Commons:

Prior Approval Request for Change of PD/PI
SOs can initiate the request for a Change of Program Director/Principal Investigator (PD/PI) electronically through eRA Commons via Prior Approval.

Prior Approval Request for No Cost Extension (NCE)
SOs will be able to request NCEs (in addition to the requests made under expanded authority) electronically through eRA Commons via Prior Approval.

Effective June 8, 2017, recipients of NIH awards can submit the following prior approval requests electronically through eRA Commons.

Prior Approval Request for Carryover
SOs will be able to request carryover of unobligated balances, electronically through eRA Commons via Prior Approval.

National Institutes of Health
U.S. Department of Health and Human Services
For additional details please see eRA Commons Online Help

Policy Topic: Program Income

"**Program income** is gross income—earned by a recipient, a consortium participant, or a contractor under a grant—that was directly generated by the grant-supported activity or earned as a result of the award."
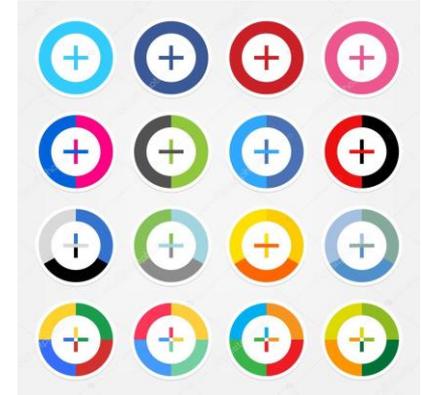
NIH GPS Section 8.3.2.

Where can program income come from?
- The leasing or renting of equipment purchased with grant funds.
- Royalties or other profits from technology generated under the grant.
- <u>Registration fees for conferences or training provided by the grant.</u>

Definition:

Additive Alternative:

- Added to funds committed to the project or program and used to further eligible project or program objectives.

- As contrasted by the deductive alternative, which reduces the award amount by the amount of program income earned.

But now that I have Program Income, what do I do with it?

- Can Program Income be carried over into future budget periods?
- Can Program Income be spent after the grant is over?
- Does Program Income need to be spent on something that wasn't in the original grant budget, or can it cover grant costs?

But now that I have Program Income, what do I do with it?

- Can Program Income be carried over into future budget periods? ***Technically, yes.***
- Can Program Income be spent after the grant is over? ***Technically, yes.***
- Does Program Income need to be spent on something that wasn't in the original grant budget, or can it cover grant costs? ***Funny you should ask that, let's look at an example…***

An Example:

The PI has a grant that was originally awarded for:

- $50,000 equipment
- $50,000 salary
- $25,000 F&A

= $125,000 award amount

The grant produced program income of $20,000.

The PI is ready to purchase his <u>equipment now</u>.

<u>Next month</u>, the PI would like to <u>travel</u> to an International Meeting, with an estimated cost of $10,000. This was not in his original grant proposal, but would allow him to present his grant project.

The two-bucket approach to thinking about program income:

This month:
$125,000 Grant
- $50,000 equipment
= $75,000 left on the grant
for salary and F&A.

$20,000 of program
income remains.
($95,000 total)

Next month:
$20,000 program income
-$10,000 travel
= $10,000 left of program
income.
$75,000 of grant funds
remain.
($85,000 total)

GRANT

INCOME

BUT, we can't do this!

Per Federal Regulations – Program Income must be used first.

Uniform Grants Guidance (2 CFR 200 // 45 CFR 75), Section 305.b(5): *Use of resources before requesting cash advance payments*. **To the extent available, the non-Federal entity must disburse funds available from program income** (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds **before requesting additional cash payments**.

How we should think about program income:

This month:
$20,000 program income
-$50,000 equipment
= No program income left
and more equipment charges left for the grant:
$125,000 grant
-$30,000 equipment
= $95,000 left on grant

Next month:

$95,000 grant

-$10,000 travel

= $85,000 remains on the grant.

(Only $75,000 of requested items remain on the grant, so the remaining $10,000 can be re-budgeted).

INCOME

GRANT

What does this mean?

- Program income must be spent first, which means that program income funds may be spent on items currently budgeted on a grant.

- Grant funds freed-up from program income can be re-budgeted for allowable costs.

- Any of these freed-up grant funds that do not get spent by the end of the budget period may result in an unobligated balance.

- It is possible to carry-over program income funds, if no allowable charges occurred after the program income was earned. It all depends on the timing of the charges.

What are the next steps?

- It may be time to take a look at your Standard Operating Procedures.

  – Are they consistent with new policies?

  – Are they actually they way things work, or just a document on the shelf?

- Be aware of what you need to report.

  – Program income is question G.11 on the RPPR and a required element on the Federal Financial Report.

- It may help to plan ahead so that you can spend program income when it becomes available.

Questions?