

What Principal Investigators & Administrators Need to Know

PRIOR APPROVAL REQUIREMENTS FOR FEDERAL AWARDS

EFFECTIVE DECEMBER 26, 2014

Last Updated 4.24.2016

The Uniform Guidance contains many of the prior approval requirements included in OMB Circulars A-21 & A-110. Previously, under "Expanded Authorities" many prior approval requirements were waived by Federal agencies. These waivers allowed recipients to approve the action without seeking approval from the sponsoring agency.

It is important to read the award document and referenced terms and conditions to determine whether a sponsor has waived one or more of these prior approval requirements.

Items generally requiring prior approval according to the Uniform Guidance

| | | |
|--|--|--|
| Pre-Award Costs | Pre-award costs incurred more than 90 days prior to the start date of an award. | <u>200.458</u> <u>200.308</u> |
| Fixed Price Awards | Changes in principal investigator, project leader, project partner, or scope of the project/program under fixed price awards. | <u>200.201 (b)(5)</u> |
| Fixed Price Sub-Awards | Issuing sub-awards based on fixed amounts up to the Simplified Acquisition Threshold,(\$150K) provided that the Sub-awards meet the requirements for fixed amount awards in <u>200.201</u> | <u>200.332</u> |
| Cost Sharing | Unrecovered indirect costs, including indirect costs on cost sharing or matching direct costs. | <u>200.306</u> |
| Program Income | Program income may be used to meet the cost sharing or matching requirement of the Federal award. | <u>200.307</u> |
| *Revision of Budget & Program Plans | <ol style="list-style-type: none"> 1. Change in the scope or the objective of the project 2. Change in a key person 3. Disengagement from the project for more than three months, or a 25 % reduction in time devoted to the project by the approved project director or principal investigator 4. Inclusion, of costs that require prior approval in accordance with Subpart E 5. The transfer of funds budgeted for participant support 6. The sub awarding, transferring or contracting out of any work under a Federal award 7. Changes in the amount of approved cost-sharing | <u>200.308</u> |
| Direct Costs | Salaries of Administrative/Clerical staff. | <u>200.413 (c)</u> |
| Compensation - Personal Services | Incidental activities for which supplemental compensation is allowable under written institutional policy. Charges for work representing additional compensation above IBS. | <u>200.430 (h)</u> |

| | | |
|--|--|--------------------|
| Compensation - Fringe Benefits | Abnormal or mass severance pay. | <u>200.431</u> |
| Entertainment Costs | Entertainment, including amusement, diversion, and social activities and any associated costs that have a programmatic purpose. | <u>200.438</u> |
| Equipment & Other Capital Expenditures | Expenditures for general purpose equipment, buildings, and Land. Expenditures for special purpose equipment, with a unit cost of \$5,000 or more. Expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life. | <u>200.439</u> |
| Exchange Rates | Cost increases for fluctuations in exchange rates. | <u>200.440</u> |
| Fines, Penalties, Damages & Other Settlements | When incurred as a result of compliance with specific provisions of the Federal award. | <u>200.441</u> |
| Fund Raising & Investment Mgmt. Costs | Fund raising costs for the purposes of meeting the Federal program objectives. | <u>200.442</u> |
| Goods or Services for Personal Use | (b) Costs of housing (e.g. depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses. | <u>200.445</u> |
| Insurance & Indemnification | Costs of insurance or of contributions to any reserve covering the risk of loss of, or damage to, Federal government property. | <u>200.447</u> |
| Memberships, Subscriptions, & Professional Activity Costs | (c) Costs of membership in any civic or community organization. | <u>200.454 (c)</u> |
| Organization Costs | Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselor, whether or not employees of the non-Federal entity in connection with establishment or reorganization of an organization. | <u>200.455</u> |
| Participant Support Costs | Participant support costs. | <u>200.456</u> |
| Rearrangement & Reconversion Costs | Special arrangements and alterations costs incurred specifically for a Federal award. | <u>200.462</u> |

| | | |
|--------------------------------------|---|----------------|
| Selling & Marketing Costs | Costs of selling and marketing any products or services. | <u>200.467</u> |
| Travel Costs | Travel costs of officials covered by <u>200.444</u> “general costs of government”, when they are specifically related to the Federal award. | <u>200.474</u> |

What is meant by “Prior Approval?”

“Prior Approval,” as used in this guidance, means written approval of a specific cost on a particular federal award by an official of the Federal awarding agency who is authorized to grant such approval. This authorized official is usually a Grants Management Officer (GMO), assigned to the award. While communicating with the Program/Project Officer or Grants Management Specialist may be helpful or even a required preliminary step, official approval must be granted by the GMO.

Written approval may be in the form of an e-mail or a document attached to an e-mail, or as a hard copy of a memo or letter from the GMO granting approval. Approval during a telephone or in-person conversation does not constitute written prior approval. In cases where prior approval is (or may be) required, it would be in addition to, or in lieu of, mention of the cost in an agency Funding Opportunity Announcement.

* Revision of Budget & Program Plans

Federal awarding agencies are authorized, at their option, to waive prior written approvals required by 200.308 except changes in scope or objective. In addition to the prior approval requirements noted above, we recommend seeking sponsor prior approval whenever there is a question on the allowability of a cost.

For Federal awards that support research, the following actions may be taken without prior approval, UNLESS the Federal awarding agency provides otherwise in the award or in the awarding agency's regulations:

1. Incur project costs up to 90 calendar days before the Federal awarding agency makes the Federal award. (Effective date of the award.)
2. Initiate a one-time extension of the period of performance by up to 12 months provided:
 - i. The terms and conditions of the Federal award do not prohibit the extension.
 - ii. The extension does not require additional Federal funds.
 - iii. The extension does not involve a change in the approved objectives or scope of the project.
 - iv. The recipient notifies the Federal awarding agency in writing with the supporting reasons and revised period of performance at least 10 calendar days before the end of the period of performance specified in the award.
 - v. The extension is not being exercised merely for the purpose of using unobligated balances.
3. Carry forward unobligated balances to subsequent periods of performance.

[COMPLETE FEDERAL REQUIREMENTS](#)

[PROPOSAL PREPARATION GUIDE](#)