



# The Institutional Prior Approval System (IPAS) at Rutgers

## Background and Purpose

- In 1986 Five Federal Agencies (NSF, NIH, ONR, Dept of Energy, and Dept of Agriculture) along with the Florida State University System and the University of Miami worked together to streamline the administration of federally sponsored research by evaluating and testing the use of a standardized and simplified set of terms and conditions. This initial phase was called the Florida Demonstration Project (FDP).
- In 1988 the second phase of this project was renamed the Federal Demonstration Project (FDP). Other federal agencies and more than 90 other institutes of higher education were added.

## Background and Purpose (cont'd)

As a result of the FDP, most Federal Agency authority for post-award prior approvals was relinquished for those awards granted under “expanded authorities”.

This is known as Institutional Prior Approval.

“Expanded authorities” are typically awarded with grants (not contracts), unless the terms and conditions of the grant agreement specify that prior agency approval is required.

Expanded authorities is a privilege – not a right! If Rutgers does not comply with Institutional Prior Approval Procedures, Federal Agencies can revoke our privileges.

# Expanded Authorities

Grants from the following federal agencies (with some exceptions), are administered under Expanded Authorities as delegated to the University:

- Air Force
- Army
- Department of Agriculture
- Department of Commerce
- Department of Energy
- Environmental Protection Agency
- National Aeronautics and Space Administration
- National Science Foundation
- Navy
- Public Health Service (NIH)

# Expanded Authorities Actions (IPAS Required)

Pre-Award Costs up to 90 days before the award start date.

Initial no-cost extension (NCE) of up to 12 months.

Re-budgeting among budget categories less than \$25,000 or 25% (unless there is a change in scope).

Carry forward across continuation years less than \$25,000 or 25% (non-competitive – i.e. NIH “SNAP”).

Note that while expanded authorities do apply, they can vary somewhat by agency. Any terms included in the Notice of Award from the agency supersede any authority provided by the expanded authorities.

## Background and Purpose (cont'd)

The waiver of Federal Agency prior approvals (Expanded Authority) does **NOT** apply to:

- Changes in the scope of work or objective of the project,
- Changes in the PI or other key personnel,
- Absence of the PI for more than 3 months or a 25 % reduction in effort spent on the project by the PI,
- Any additional NCE requests after the initial NCE request.
- Need for additional funds,
- Rebudgeting of \$25,000 + OR for purchases of equipment, OR for foreign travel, OR other approvals and terms specifically required by the grant or sponsoring agency.

**For any of these instances, prior written sponsor notification and pre-approval is required.**

# Refresher: Pre-Award Spending Under Expanded Authorities

## Definitions:

**IPAS**: Institutional Prior Approval System Form used to request specified actions under expanded authorities, to request HOLD accounts etc.

**HOLD Account**: An account used to record costs prior to the receipt of the official award document from the sponsor.

**\*\*\* HOLD accounts by default do not allow pre-award spending unless the IPAS also indicates that pre-award spending is also requested.**

**Pre-award Spending**: The act of incurring costs on a project up to 90 days prior to the official start date of an award.

**\*\*\* Pre-award spending must be requested BEFORE work begins on the project regardless if a HOLD/grant account is established.**

# Rutgers' Institutional Prior Approval Policy

To carry out its responsibilities for monitoring and adhering to grant terms and conditions, Rutgers has established an Institutional Prior Approval System (IPAS).

**Under the IPAS, Rutgers assures the granting agency that adequate institutional reviews and approvals of decisions affecting the management of sponsored projects have taken place.**

Rutgers' IPAS may **NOT** approve actions retroactively. **The IPAS must approve actions in advance.** Dates when IPAS forms are received are being closely monitored by DGCA and will be rejected when they have not been requested in advance.

The IPAS may NOT be recognized by some sponsoring agencies, in which case, advance written approval from the sponsor may be necessary.



# Rutgers' Institutional Prior Approval Policy

Requests for :

preaward spending, HOLD account establishments, continuations, RIAS end date extensions to allow post closing adjustments, and no-cost extensions(NCE) **are to be requested IN ADVANCE via submission of a completed IPAS form**, identifying the action(s) requested, and including any attached required documentation.

The completed IPAS request form and attached support is to be submitted via PDF electronically to:

**DGCA1@rci.rutgers.edu**

# Rutgers' Institutional Prior Approval Policy

IPAS requests are generally reviewed within 5 business days of receipt. You should receive an email confirmation back if processed. If not, we suggest you follow up by sending an email to [DGCA1@rci.rutgers.edu](mailto:DGCA1@rci.rutgers.edu) if you have not received any communication after 5 business days.

For HOLDS – while the DGCA may approve the request, you should use the DGCA Account Status Query on our website:

<http://dgcamck.rutgers.edu/dashboard/DGCALogin.asp>

to determine when the paperwork to establish the HOLD account has been received from the ORSP. If there is a delay, you must follow up with your ORSP grant specialist.

# Rutgers' Expanded Authority

- Just because Rutgers has been granted Expanded Authority, that does not mean that spending over the budget amount is allowable. The Project Director or Project Investigator is NOT automatically allowed to overspend on the budget categories. Justifications for changes in spending from the awarded budget in excess of \$25,000 or 25% of the budget category MUST be submitted to DGCA .
- As part of Rutgers' Expanded Authority responsibility, DGCA needs to obtain, review and approve these justifications for the award files to document and support the expenditure changes on sponsored programs.

## Pre-Award Spending

This request is used when PIs need to incur costs on a new award, when an official award is delayed. Preaward expenditures are at the department's risk.

- Requests for Pre-Award Spending can NOT occur more than 90 days prior to the actual award start date. Requests > 90 days must be requested of the federal agency in advance of spending.
- Pre-Award spending must be requested BEFORE any work begins on the project. (Requests received after the account has been established and expenses posted will be rejected.)
- Pre-Award spending will only be allowed on Federal awards and only if the sponsor specifically allows it.
- The request must include a non-#4-XXXXX back-up account to cover the costs should the pending award be denied.

# Pre-Award Spending Requests

You do NOT need a Rutgers' account # to submit an IPAS for pre-award spending for a new award – so don't wait! Indicate the ORSP endorsement # on the IPAS and submit it electronically to [DGCA1@rci.rutgers.edu](mailto:DGCA1@rci.rutgers.edu)

Approval of preaward costs by the DGCA does not impose any obligation on the part of DGCA or the awarding agency in the absence of appropriations, if an award is not subsequently made, or if an award is made for a lesser amount than the recipient expected.

If the start date that is requested later exceeds 90 days in advance of the executed award's start date, those expenses will be disallowed and the DGCA will move them to the backup account.

# HOLD Account Requests

A Rutgers' account established prior to receipt of a fully executed award (either a new award or to continue an existing project) when the official award or continuation is delayed. The account is established to allow spending prior to the official receipt of the award.

The account number is established at the Department's risk without an executed award document, or an executed award with insufficient terms and conditions to properly administer it. The request must include a non-#4-XXXXX back-up account to cover the cost should the pending award be denied. The account number assigned will stay the same once the executed award is processed.

The request for a HOLD account **MUST** include a Letter of Intent (LOI) or equivalent documentation from the sponsor. The documentation should include an estimate or approximation of the amount to be funded **AND** the award's proposed start and end dates.

## HOLD Account Requests (cont')

### PLEASE NOTE:

The letter of intent (LOI) for subawards to Rutgers MUST come from the sponsor's grants office (not the sponsor's PI).

Establishment of a HOLD account allows the processing of staff payroll in PeopleSoft.

The DGCA does NOT submit invoices (or financial reports) for HOLD accounts; HOWEVER, there are rare cases where the DGCA will invoice if the sponsor requests an invoice be sent. The reason for this is that since there is no executed agreement; there is no obligation of a sponsor to pay an invoice.

DGCA can't perform a final closeout of an account in HOLD status. Again – there is no executed agreement.

## Continuation (Not to exceed a 3-month extension period from the original end date)

This type of request is used when a sponsor has informed the PI/PD that the sponsor has granted a continuation, but the official notice indicating the continuation has not yet been received by Rutgers.

The request for a Continuation **MUST** include supporting evidence that indicates a sponsor's intent to continue the project. The date extension is established at the Department's risk \* .

DGCA approval of a completed IPAS request for a continuation – DGCA will extend the Active End Date **an additional 90 days**.

This will only allow NON-SALARY expenses to **automatically** continue to post to the account \*\*.



## Continuation Requests (Cont'd)

\*\* The IPAS end date is also extended 90 days to allow salary to process. IPAS end dates can be confirmed by units via the FDW-COA report. The RIAS team is still working on the programming for PeopleSoft to read the IPAS end date rather than the actual end date.

Remember: The IPAS end date/active end date are only extended 90 days. This is the window of time the department should work with the ORSP to ensure the fully executed NCE/Award paperwork is received and processed to DGCA.

The department is responsible for the expenses after the initial award end date if the award subsequently is not continued; OR if the start date of the continuation award does not immediately succeed the prior funding period end date.

# RIAS End Date Extension Request

In rare cases (because this is in violation of Rutgers' cost transfer policy), this action is used to request additional time beyond the initial 90 days given after the award's end date (an additional 90 days past the "Active End Date") to enable processing of closeout adjustments through RIAS.

The request for the RIAS End Date Extension MUST indicate:

- Why the extension is needed (what adjustments need to be processed); and
- Why these post closing adjustments were not processed within the 90 day period after the award end date (by the "Active End Date").

DGCA approval of a completed IPAS requesting a RIAS End Date Extension – DGCA will extend the Active End Date **an additional 90 days.**

## RIAS End Date Extension (Cont'd)

**IMPORTANT:** Don't wait to process post-closing SWRJs and don't submit an IPAS to extend the IPAS end date if that is the only reason you need to extend the end date (don't submit this request if there are no RIAS journals to be processed). You should process the SWRJ ASAP! Once P/R receives the SWRJ and is ready to process, they confirm with DGCA for us to open up the account. DGCA will reopen only if the expense is originally accrued on the final report/closeout or if it does not violate Rutgers' cost transfer policy. If you are moving expenses OFF – we will reopen for the expense removal.

**NOTE:** DGCA is closely monitoring these requests to check for patterns of why these cost transfers were not done in accordance with Rutgers' cost transfer policy or at the very latest within 90 days after the end of the award. More of these requests are being rejected due to non-compliance with the cost transfer policy or due to an inadequate justification. PeopleSoft issues are NOT valid reasons for late cost transfers. Compliance with PeopleSoft SWRJs is based upon the date the SWRJ was REQUESTED, not processed or posted by the Payroll department staff.

# No Cost Extension (NCE) Request

This request is used when:

- The award is under Federal Expanded Authority and you are submitting a NCE request to be processed by the DGCA (Must be requested at least 45 days before the termination date of the award).
- The award is NOT under expanded authority and a NCE has been requested of the sponsor, however, the official notice has not yet been approved and received by Rutgers.
- The NCE request submitted to DGCA MUST include a copy of the request for the NCE.

## No Cost Extension (NCE) (Cont'd)

### Federal Expended Authority:

Recipients may extend the expiration date of the project if additional time beyond the established expiration date is required to assure adequate completion of the original scope of work within the funds already made available. A single extension, which shall not exceed twelve (12) months may be made for this purpose, and must be made prior to the originally established expiration date. The recipient must notify the cognizant awarding agency official in writing within ten (10) days of the extension.

- **NOTE: NSF NCEs** – don't assume these are automatically accepted – NSF officials also review the initial NCE requests that Rutgers has approved; and a couple of been rejected by NSF.

# IPAS Requests – Export Controls

For Federal and Federal pass-through awards export restrictions or controls may be in place. As a general rule, the University will not accept awards with publication restrictions since these are export restrictions.

When submitting an IPAS request, you are providing the University with your positive assurance that the award announcement and expected terms and conditions do NOT require export controls.

OR, in the alternative, if required, that a plan for export controls has been approved by the Office of Research and Sponsored Programs (ORSP) and is in place. In this instance, a copy of that plan MUST be attached and submitted with the IPAS request.

# IPAS Requests - PROTOCOLS

If your project requires an animal and / or human subject protocol that has not been approved or extended, the PI/PD attests by their signature on the IPAS request that s/he will NOT incur any expenditures on animal or human subject related activities until the applicable protocol is approved or has been extended.

# IPAS Requests – Departmental Risk

If the sponsoring agency fails to approve a request for extension or continuation, OR fails to issue an award, OR if the University cannot OR does not accept the award, the DGCA will charge ALL unallowable expenses to the backup account listed on the IPAS form.



# Common Errors to Avoid Which Delay Processing

- Incomplete forms.
- Missing approvals.
- Inappropriate signatures of authority for the request (the approver **MUST** be at least one reporting level above the PI/PD).
- Inadequate sponsor letter of intent (missing the amount or estimate to be funded or proposed start and end dates).
- For Holds: Letter of Intent from the sponsor's project investigator (must be from the sponsor's grant office).
- Inadequate justifications; i.e. "PeopleSoft issues"
- Missing supporting documentation – i.e. sponsor's letter of intent, or the NCE request.
- Using a #4-XXXXX account as a back up account