Coffee with ORPA:
Demystifying the OPAR and the Enhanced Budget Form

April 26th, 2022

Presenters:
Samuel Formica
Courtney Kohut
Paula Looney
Eszter Rudy
Agenda

- Introducing the New OPAR Form
- Sponsor Prior Approvals
  - Non-Financial Prior Approvals
  - Financial Prior Approvals
  - Expanded Authorities
- Enhanced Budget Distribution Form
- Q&A
Introducing the New OPAR Form
## ORPA Prior Approval Request

Please complete and sign as required. Email the completed form to your ORPA GCA.

### Award Information

<table>
<thead>
<tr>
<th>Sponsor Award #</th>
<th>PeopleSoft Award #</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Princeton ERA Proposal # (if applicable)</td>
</tr>
</tbody>
</table>

### No Cost Extension Request (please also attach Sponsored Project Summary)

<table>
<thead>
<tr>
<th>Current End Date</th>
<th>Unexpanded Balance</th>
<th>Is this the first NCE request?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>[ ] Yes [ ] No</td>
</tr>
</tbody>
</table>

Justification (include reason for request as well plans for use of unobligated funds)

### Pre-Award Spending or Advance Spending Chartstring Request

Pre-award spending accounts are available for awards having a PeopleSoft Award Number and the sponsor allows for expenses to be applied for a period up to 45 days before the award start date in accordance with Uniform Guidance.

Advance spending accounts are available for those awards that DO NOT have a PeopleSoft Award Number and costs incurred prior to award arrival are required (i.e., equipment purchase, PI summer salary, etc.). This type requires a back-up departmental chartstring and all costs incurred prior to award arrival are at the department’s risk. There must be a strong indication in writing that the award is imminent such as back-up.

<table>
<thead>
<tr>
<th>Princeton ERA Number</th>
<th>Pre-Award</th>
<th>Advance Spending</th>
<th>Pre-Award 30 days or less of 90 days (justification in Other Approval section below)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Start Date

Advanced Spending Backup Chartstring

End Date of request

Cost Limit on Advance Spending

### Other Approval Requests

Complete this section for any special or unusual request that requires either University or Sponsor approval. Please include a concise justification. Please attach additional information as required.

### Approvals

I have reviewed the above request and found it to be necessary, reasonable and allocable to the objectives of the sponsored project.

Advanced Spending Account Approval: **Signature** Date

Backup checking account: **Signature** Date

PI or Designee: **Signature** Date

ORPA GCA Name: **Signature** Date
Non-Financial Prior Approvals
Required Non-Financial Prior Approvals

- PI Transfers to New Institution
- PI or Senior/Key Person Changes
- PI or Senior/Key Person Effort Reduction of 25% or More
- PI or Senior/Key Person Disengagement
- Change in the Scope of Work
PI Transfers to New Institution

> In some cases the PI may transfer an award to their new institution when they leave Princeton

> The following conditions must be met:
  > Since awards are made to Princeton University, Department Chairs must provide approval for the transfer
  > PI must transfer to an institution eligible to receive federal awards
    > Foreign institutions and industry are typically not eligible
  > Sponsor must approve transfer
    > Non-grant awards (cooperative agreements, contracts) are not typically approved for transfer

> Each sponsor has its own process for award transfers, but note that typically this takes several months
PI or Senior/Key Person Changes

What are some reasons why PI or Senior/Key Person may change?

- PI or Senior/Key Person leaves the University and is no longer eligible to continue serving in such a role
  - Move to foreign institution
  - Move to industry
  - Princeton University does not approve the transfer of the award
  - Sponsor does not approve the transfer of the award to new institution
  - Funds are needed to support personnel at the originally awarded institution before an award may be fully transferred to the PI’s new institution
More PI or Senior/Key Person Changes

What are some additional reasons why PI or Senior/Key Person may change?

- PI or Senior / Key Person elects not to continue serving in the PI role on a project for personal reasons
- PI or Senior / Key Person is no longer able to carry out project-related responsibilities
- A new PI or Senior / Key Person is added to a project during the course of the award

All PI or Senior/Key Person changes require sponsor approval

- Keep this in mind when naming individuals in proposal
PI or Senior/Key Person Effort Reduction of 25% or More

- In most cases, committed effort changes of 25% or more require sponsor prior approval
  - This may be an indicator of a change in the scope of work
  - This is separate and distinct from budgeted salary / paid effort!
- Small changes to PI or Senior/Key Person effort can typically be made without sponsor prior approval
  - This includes changes of up to 24.999999%
  - Increasing effort does not normally require sponsor approval...
    - ...unless it results in a residual change which does require sponsor approval
PI or Senior/Key Person Disengagement

- Disengagement from the project occurs when a PI or Senior/Key Person is away from the project for 3 months or more.
- May or may not occur during sabbatical year:
  - Is the PI or Senior/Key Person continuing to carry out the goals of the project?
  - Is the PI or Senior/Key Person continuing to supervise students?
  - Is it realistic to continue to carry out the scope of work in conjunction with the sabbatical plans?
- Other types of leaves such as medical or parental leave might result in PI or Senior/Key Person disengagement.
- External paid appointments of substantial length, especially if industry, are potential indicators for PI or Senior/Key Person disengagement from the project.
Change in the Scope of Work

» During the course of the project, the PI or Senior/Key Person(s) may decide that it is necessary to change the scope of work.

» Some examples of items which may indicate a change in the scope of work:
  » Changing the goals of the research project
  » Changing the methodology
  » Shifting emphasis from one research area to another

» A change in scope may or may not be accompanied by a change in the budget.

» A change in the scope of work always requires sponsor approval.
Requesting Sponsor Prior Approval for Non-Financial Items

- **Complete:**
  - “Award Information”

- **Justify in:**
  - “Other Approval Request”

- **Acquire signature under:**
  - “Approvals”
Financial Prior Approvals
Required Financial Prior Approvals

- Substantial Rebudgeting
- Carry Forward Requests
- Adding an Equipment Purchase
- Adding a New Subaward
- Reducing Participant Support Budget (NSF)
- Adding a Foreign Component (NIH)
Substantial Rebudgeting

Substantial rebudgeting may be an indicator of a change in the scope of work, which requires sponsor prior approval

- A change in the direct cost budget of 25% or more may be such an indicator, but this is not a hard and fast rule
- The best way to determine if the budget change requires sponsor prior approval is by asking the PI whether the scope has changed
- Re-budgeting to include a post-doc that was not in the original proposal will require approval and the delivery of a mentoring plan to the program officer (for NSF awards)
- Each sponsor has its own rules for rebudgeting and some will allow rebudgeting within categories up to a certain percentage or dollar limit
Carry Forward Requests

Some sponsors may require prior approval for carrying over funding from one grant year to the next

- Know your sponsor terms! Restrictions differ from sponsor to sponsor
- Example 1: A sponsor might limit carry forward to under 25% of the total approved budget, including any previously approved carry forward
- Example 2: A sponsor might limit carry forward to under 25% of the originally approved annual budget
- Example 3: A sponsor might require approval for carrying forward any amount from one period to the next (ex. DARPA awards)
Adding an Equipment Purchase

- Equipment is considered to be any tangible item with at least 1 year of useful life with a unit cost of $5,000 or more.
- Equipment items should be included in the budget and well justified in the budget justification.
- If an equipment items needs to be purchased to support the project goals, but was not budgeted in the proposal, sponsor prior approval must be received before the purchase can take place.
- This addition typically results in a change to the budget and possibly a change in scope, which requires additional approvals.
- This includes fabricating equipment!
- Some sponsors do not require approval if the total equipment cost is less than $25,000 – check the Prior Approval Matrix or sponsor terms!
Adding a New Subaward

- A subaward is issued to another entity (typically, but not always, another institution) in order to carry out a portion of the project’s goals.
- A subaward is separate and distinct from service contracts (i.e., using another entity to provide a service benefiting the project).
- Subawards are typically included at proposal stage in a project’s budget.
- The addition of a subaward during the course of the project requires sponsor prior approval.
- This addition typically results in a change to the budget and possibly a change in scope, which requires additional approvals.
Change to the Participant Support Budget

- When participant support costs are changed from the original budget, sponsor prior approval may be required
  - NSF and most other federal sponsors require approval in order to reduce the participant support budget (moving money out to another expense category)
  - NIH requires approval in order to increase the participant support budget
- Bottom line: Know your sponsor & check their guidelines!
- Re-budgeting within participant support cost categories may also require prior sponsor approval (ex. stipend to travel)
Adding NIH Foreign Component

A Foreign Component on NIH awards is defined as the existence of any “significant scientific element or segment of a project” outside of the United States, in other words:

- performance of work by a researcher or recipient in a foreign location, whether or not NIH grant funds are expended and/or
- performance of work by a researcher in a foreign location employed or paid for by a foreign organization, whether or not NIH grant funds are expended

Any Foreign Components added to an active NIH-funded project must receive sponsor prior approval.
Requesting Sponsor Prior Approval for Financial Items

- **Complete:**
  - “Award Information”

- **Justify in:**
  - “Other Approval Request”

- **Acquire signature under:**
  - “Approvals”
Expanded Authorities
Expanded Authorities

- 90 Day Pre-Award
- No Cost Extensions
- Minor Rebudgeting
90 Day Pre-Award

- Some sponsors allow universities to begin spending on an award 90-days prior to the official award start date.
- Some purchases may have a long-lead time requiring the flexibility to encumber expenses early.
- Award documents are normally already at Princeton, however expenses were incurred prior to the performance period.
- In some cases, an award may not be at Princeton from a sponsor that allows 90-day pre-award due to unforeseen delays, but the award is imminent and there is enough documentation to allow award setup.
- The official start date will be reflected on the Notice of Award, and a notation of the pre-award date is reflected.
90 Day Pre-Award Requests

Complete:
- “Award Information”
- “Pre-Award Spending”

Justify in:
- “Other Approval Request”

Acquire signature under:
- “Approvals”
No Cost Extensions

- Initiates a one-time extension of the period of performance by up to 12 months, without sponsor approval.
- Normally these extensions are only for the first NCE under the award, however if the submission of the extension is late as per sponsor guidelines (within so many days of award expiration), then sponsor approval will be necessary.
- Justification on the OPAR for the extension is required.
- There must be a balance on the award in order to request an extension.
No Cost Extensions

Complete:
- “Award Information”
- “NCE Request with SPS, including Justification”

Acquire signature under:
- “Approvals”
Minor Rebudgeting

- No OPAR is needed.
- Most agencies have waived cost-related prior approvals and allow an institution to decide minor budget changes under expanded authority.
- If the single direct cost category change is less than 25%, this is not significant rebudgeting and does not require sponsor approval.
- Some sponsors will allow rebudgeting within categories so long as particular categories are not increased.
- Fluctuations in fringe rates for the life of an award are standard and expected by a sponsor and do not require approval.
Enhanced Budget Distribution Form
Purpose of the Enhanced Budget Distribution Form

- Allocate incremental funding to **budgeted** categories, if prorating is not appropriate
- Transfer funds between various projects under an AWD
  - Separate PI projects, fabrications, participant support costs, special projects, subawards
- Award arrives and the budget varies from what was originally submitted to the sponsor – the proposal was in COEUS so a JIT change is not possible in ERA
- Significant rebudgeting in the event sponsor approval was required and received
Scenario 1: Rebudgeting an Award

- Moving available funds from one expense category to another when sponsor approval was required.
- Can be within a single project, or many projects under an award.
- Rebudgeting is not normally necessary to balance a budget.
- Possible reasons to rebudget:
  - Adding or increasing a subaward
  - Adding equipment costs
  - Received approval to add personnel
Example: Adding funds to an existing subaward

Here you are adding funds to an existing subaward, by reducing costs from other budget categories.

Make sure to fill in all the relevant information at the top of the form.
Example: Adding funds to an existing subaward

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000194</td>
<td>ADD PROJECT</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

**ADD F&A RATE-MTDC (Modified Total Direct Costs-enter rate or 0% if using TDC rate)**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>42060212</td>
<td>Salary &amp; Fringe Benefits</td>
<td>35.60%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>35.60%</td>
</tr>
</tbody>
</table>

**ADD F&A RATE-MTDC (Total Direct Costs-enter rate or 0% if using TDC rate)**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>42060212</td>
<td>Salary &amp; Fringe Benefits</td>
<td>62.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>62.00%</td>
</tr>
</tbody>
</table>

**TOTAL SALARIES/WAGES**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>42060212</td>
<td>Salary &amp; Fringe Benefits</td>
<td>$-12,720.17</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$-12,720.17</td>
</tr>
</tbody>
</table>

**TOTAL DIRECT COSTS**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>42060212</td>
<td>Salary &amp; Fringe Benefits</td>
<td>$-12,720.17</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$-12,720.17</td>
</tr>
</tbody>
</table>

Funds that are being reduced:
- Funds that are being reduced
- Adding funds to the subaward
- Total should be $0 if it balances correctly
Scenario 2: Rebudgeting Across Projects

- Multiple projects are created on a single award or AWD #.
  - May have multiple PI’s
  - Award has a single, or multiple fabrications in which you need to setup an initial fabrication chartstring, or just increase funds
  - Participant support costs need to be isolated
  - Special projects exist requiring isolating costs
  - Multiple subawards
Example: Adding funds to a fabrication

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Amount Distributed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>ADD PROJECT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Project 1</td>
</tr>
<tr>
<td></td>
<td><strong>ADD FABRI</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fabrication</td>
</tr>
<tr>
<td></td>
<td><strong>FABRICATED PRODUCT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ADD FABRICATED PRODUCT**

- Adding a $15,000 fabricated project
- Pulling funds from the main project where equipment costs had been allocated for this expense
- Total should be $0 if it balances correctly
Scenario 3: Reductions in Funding

- At the end of an award, you may need to de-obligate a chartstring if funding remains at closeout.
- Your award specialist will need to know what budget category you wish to reduce.
- The line being reduced must have a balance.
- In the event the sponsor reduces the awarded budget.
Example: Identify the budget line to reduce – have to return a total of $13,527

- $13,527 / 1.62 = $8,350 in direct costs

Amount, minus IDC to de-obligate

Don’t forget to account for overhead costs!

Balance will not be $0 since you are just removing costs
Scenario 4: Receipt of Additional Funding Beyond the Original Budget

› If supplemental or additional funding is received from a sponsor, we must account for it in PeopleSoft

› If the supplement was routed in COEUS, the budget distribution form must be used

› If this is a new supplement, an ERA file is created for the new funding and is routed to your award specialist for processing
  › Anytime new funding is being added to an award, a PI assurance is needed!
Things to Remember!

▷ Do not change formulas and calculations in the budget distribution form
  ▷ For example: Do not overwrite the fringe or F & A costs fields

▷ Distribute your budget based on sponsor approved budget costs
  ▷ Minor rebudgeting under expanded authorities will not be reflected on our financial reports and should not be requested via an OPAR and Enhanced Budget Form
  ▷ Substantial rebudgeting must receive sponsor approval
  ▷ Bottom line: For maintaining budget integrity, our formal records should match the sponsor records

▷ If sponsor approval is not attached to the request, ORPA will send it back to you!
More Things to Remember!

- Remove funds only from an expense category that has a balance
  - Cannot subtract funding from a negative balance!
  - If additional funding increments are anticipated, wait for the funding to be received prior to submitting the OPAR and Enhanced Budget Form

- Run the Sponsored Project Summary to ensure there are available funds when making adjustments

- Attach the Sponsored Project Summary so ORPA can confirm funding availability

- This is *not* an opportunity to budget for costs that were not originally accounted for at proposal stage
  - If the change is minor, it does not require approval and will not be processed on an OPAR and Enhanced Budget Form
  - If the change is substantial, it requires sponsor prior approval and must be processed via the appropriate channels
QUIZ
Quiz Question #1

PI requests to purchase a new piece of equipment not originally in the proposal. What documents are needed once they receive sponsor approval?

- Budget routed in ERA, Statement of Work and OPAR
- OPAR, Budget Distribution Form, SPS, sponsor approval
- OPAR, SPS, Budget and Budget Justification, sponsor approval
- Email from PI saying it’s good to go!
- None of the above
Quiz Question #2

You notice that one of your projects is showing some budget categories with negative balances, while others still have plenty of funding. The variation is well under 25% of the direct cost budget and does not imply a change in scope. What should you do?

- Work with ORPA to request sponsor approval to update the original sponsor budget
- Submit an OPAR and Enhanced Budget Form to request ORPA to update our financial records
- Do nothing, we are allowed to slightly deviate from the originally approved budget under Expanded Authorities
Quiz Question #3

› Your PI tells you that they will be taking an upcoming parental leave of about four months, but they will be able to keep their sponsored projects going without a problem during this time. What do you do?
  › Buy the PI a gift for the baby
  › Figure out who will be in charge of the project(s) while the PI is on leave
  › Review the relevant sponsor guidance demonstrating that PI disengagement of three months or more must receive sponsor approval, and show your PI
  › Mention the situation to your GCA
  › All of the above