



OFFICE OF SPONSORED PROGRAMS

Charles R. Drew University of Medicine and Science

Guidance on Award Transfer

It is not unusual for funded Principal Investigators (PIs) to move from one institution to another. However, the process of transferring awards from one institution to another is not a simple matter and requires negotiation between the sponsor, the old institution and the new institution. The negotiations are facilitated by the two sponsored projects offices in consultation with the principal investigator.

Matters of concern are the form of transfer, determination of the unobligated balance, differences in F&A rates and the funding gap created by the time required to closeout and re-award the grant. The time involved can be several months depending on the complexity of the project being transferred.

Awards are made to the university, rather than to individuals. The Principal Investigator (PI) is responsible for notifying the Office of Sponsored Programs (OSP) about any changes in the Terms and Conditions of an award specifically change in key personnel status. A written letter of notification signed by the PI, cluster leader and relevant Dean explaining the changes in status and direction of the project should be submitted to OSP. Upon receiving notification from PI, OSP will review the sponsor's requirement for the specific situation and negotiate the appropriate changes with the sponsor. When a supervisor receives a letter of resignation from a PI, the sponsor of any funded grant for which that person is PI must be notified. This normally means: 1) replacing the PI; 2) transferring the project to a new institution; or 3) terminating the project.

Specific scenarios are discussed below.

Short-term leave of absence

The PI can usually take a leave of absence up to three months (90 days) without a sponsor requiring a replacement. In most cases, if a sponsor requires that an alternate PI is named for shorter absences, then the procedures under "Long-term leave of absence" will be followed. The PI must still inform OSP as stated above so that the University and the sponsor can take the necessary steps to ensure that the project continues to progress as expected.

Long-term leave of absence

For an absence over three months (e.g., a sabbatical/professional/personal/medical leave of absence) an interim PI may be required by a sponsor. The letter to the sponsor must include a justification and description of the substitute's qualifications and be authorized with a Request for Modification through OSP. OSP will prepare the letter to the sponsor. The PI must also provide written notification to any compliance committees.

Guidelines for Replacing a PI within the University

The University may elect to request that a new PI be named for a funded project (sponsor approval is required). The request for approval of a substitute PD/PI or senior/key person should include a justification for the change, and the biographical sketch of the replacement individual proposed. This

requires the approval of the new PI. A plan should be submitted to OSP as early as possible to insure timely completion of the process; OSP will communicate with the sponsor. If the arrangements proposed by the University, including the qualifications of any proposed replacement are not acceptable to the sponsor, the grant may be suspended or terminated. If the grant is suspended or terminated for any reason, proper closeout is required.

Guidelines for Terminating and/or Suspending a Project

The University, in consultation with the original PI, Co-PI's, and relevant Department Chair(s), Program Director(S), and Dean(s) may choose to terminate a project if the project cannot be transferred to a new institution, if there is no appropriate and willing substitute PI, or for other reasons. If this is the case, OSP will transmit the request to the sponsor.

Guidelines for a PI leaving the University

The process of transferring awards from one institution to another is not a simple task and requires negotiation between the sponsoring agency, the former institution and the new institution. The arrangements are made by the two offices of sponsored programs in consultation with the PI and his/her department or program at both the former and new institution. Matters of concern include the form of transfer, determination of the unobligated balance, differences in facilities and administrative (F&A) rates, and the funding gaps created by the time required to closeout and re-issue the project. The transfer process can take several months depending on the complexity of the project being transferred and the number of parties involved.

If the PI is leaving the University to go to another institution, CDU can request to transfer an externally funded project even though the project is awarded to the University (sponsor approvals are required). The University may allow transfer of the project to the PI's new workplace if the sponsor and the new institution agree. A sponsor's guidelines may vary regarding the transfer of a project and attendant equipment to a new institution and guidelines specific to the transfer can be obtained from OSP.

The process of transfer begins with the written PI notification of resignation. Documentation is submitted to OSP describing his/her intention to leave the University and his/her desire to continue the project at another institution. The documentation should include a conservative estimate of the dollar amount to be transferred, and must also identify any equipment to be transferred. The documentation must be approved and signed by the PI, cluster leader, and relevant Dean and then forwarded to OSP. If CDU Co-PI's are involved, they should also approve of the transfer. The appropriate documentation is submitted to the sponsor for approval. If approval is granted, the sponsor will begin procedures to close out the project at the University with OSP and Finance. The sponsor will also inform the PI of the steps necessary to reissue the award to a new institution. In some instances the process may require a new, competitive application submitted on behalf of the PI by the new institution.

Remember: Grants are awarded to institutions, not individuals; therefore the grantee institution must "relinquish" the grant. The sponsor must approve all grant transfers from one organization to another.

Things to Consider When Transferring to a New Institution

1. Does the grant stay or go?

When a Principal Investigator (PI) changes institutions, a decision must be made about whether the grant stays at the current institution or is transferred to the new institution. At Charles R. Drew University of Medicine & Science, the PI, the Executive VP for Research and Health Affairs, and the relevant Dean must agree whether or not the award should transfer with the PI. All Co-PIs must be notified of the grant transfer.

2. Is any intellectual property (IP) involved?

If the project being transferred requires the use of any idea, invention, software or other IP that previously created, then a license must be obtained. Most university policies provide that IP you create while working there will be owned by that university. So, if any work at the new institution uses previous patents, copyrighted works, or other intellectual property, you must have a research license from that institution. Even though your name is on the patent or you developed the software, you can't use it in further research without a license. The Patent Administrator, CDU Legal Counsel and the Office of Sponsored Programs (OSP) will work with the other institution to acquire this license.

3. Is cost sharing involved?

The PI should confirm the status of any cost-sharing commitment made by the original institution. Has the cost sharing obligation been met? What cost sharing requirement will transfer with the grant?

4. Are there subcontracts?

Review the award for subcontracts. Have the subcontract agents completed their portion of the project? Active subcontractors must be notified of the impending move and that their current award may be terminated.

5. Are there equipment purchases?

Review the award agreement for equipment purchases. Equipment purchased on the current award is vested with CDU, but may move with the PI to the new institution based upon an established agreement. Any transfer of equipment which has not been purchased with this award must be approved by the Office of Research and the Department. All equipment transfers must be coordinated accordingly.

Principal Investigator Responsibilities during Transfer

1. Contact the Office of Sponsored Programs at the former and new institution as soon as possible, well prior to the anticipated transfer date so that the various offices of record can begin the transfer process, including contacting the sponsor's Grants Management Specialist or Contracting Officer.
2. Notify the Vice President for Research and Health Affairs and the Program Officer at the awarding agency of the anticipated transfer.
3. Review the original award documentation for sponsor requirements, including cost sharing requirements if applicable. Determine the amount of cost sharing commitment to be transferred to the new institution with guidance from OSP if applicable.
4. Work with OSP to close out any subcontracts or other agreements related to the award if applicable.
5. Work with former institution to prepare relinquishing forms (NSF and NIH have standard forms for this process).
6. Follow proposal submission guidelines of the new institutions in preparing and routing new proposals.

7. Advise the Patent Administrator, CDU Legal Counsel and OSP if there is any intellectual property involved in the project.

Transferring Project to CDU

To transfer awards received from another institution to CDU, a new faculty member should discuss the status and future plans of their awards with their sponsors, new and former department or program, and the Office of Sponsored Programs (OSP). The new faculty member must prepare a new proposal (after receiving the unobligated balance from the former institution) for each sponsored project. These proposals usually consist of:

1. A revised budget showing CDU salaries, fringe benefits, and F&A costs.
2. A budget justification.
3. A project description that usually consists of a progress report and a description of the work that remains to be done on the project.
4. Internal Approval Forms with appropriate signatures.

A transfer can take several forms:

1. **New award to CDU** - When an award is to be transferred in its entirety to CDU, the principal investigator's previous employer must formally relinquish the award and state the unobligated balance, and the PI must submit a new proposal to the sponsor with CDU as the grantee. The sponsor then awards the project to CDU.
2. **Subcontract to CDU** - When only a portion of the work is to be transferred, a new principal investigator is named at the former institution (with the concurrence of the sponsor) and the original PI submits a proposal through OSP to his or her former institution which will then issue a subcontract to CDU.
3. **New award to CDU with a Subcontract** - Similar to a new award to CDU, except: when the majority of the work will take place at CDU, but a portion remains at the former institution, a principal investigator at the former institution submits a proposal to CDU which is then incorporated into the proposal submitted by CDU to the sponsor. When the award arrives at CDU, a subcontract is written to the former institution.

Procedures for Transfer of an *Incoming* Award to CDU

New Award to CDU

1. Identify the name of the contact person at the PI's former institution. This contact person is usually someone in the Office of Sponsored Programs.
2. Obtain the estimated funds to be transferred for the current budget period (with a relinquishing statement or documentation such as a budget or other formal document). Also ask for copy of their final SF 269A Financial Status Report, if applicable.
3. Determine if succeeding years of the current project period need to be budgeted.
4. Work with OSP to develop a budget (showing CDU salaries, fringe benefits, and F&A costs).
5. Prepare a budget justification.
6. Prepare new proposal (project description, progress report and a description of the work for the remaining duration of the project).
7. Submit entire package along with the internal approval forms with appropriate signatures to the Office of Sponsored Programs for transmittal to the sponsor agency.

Subcontract to CDU

1. Obtain approval from the sponsor to name a new principal investigator for the portion remaining at the former institution.
2. Prepare a proposal (statement of work, budget, budget justification, and internal approval forms with appropriate signatures) to OSP at CDU for transmittal to the PI's former institution.
3. Subcontract is issued to CDU from former institution.

New award to CDU with a Subcontract

1. Identify the name of the contact person at the PI's former institution. This contact person is usually someone in the Office of Sponsored Programs.
2. Former institution obtains approval from the sponsor to name a principal investigator at the former institution.
3. Former institution submits a proposal for the portion to remain at the former institution.
4. CDU incorporates that portion into a new proposal submitted to the sponsor.
5. CDU awards a subcontract to former institution when new award is received.

F&A Rate Issues

If a project is being transferred in its entirety to CDU and CDU's F&A rate is significantly higher than that of the previous institution, the PI is required to complete an F&A Waiver and CDU may accept a lower rate for the remainder of the budget year. It is expected that the full rate will be used in proposals for all subsequent years of the project.

When only a portion of the project is to be transferred, if adding a subcontract to CDU places a burden on the original project budget, CDU might be willing to negotiate F&A rates with the former institution, but this will need to be discussed and pre-approved. This will be approved by the Executive VP for Research and Health Affairs.

Procedures for Transfer of an Award to New Institution

The faculty member needs to communicate and request prior approval for the transfer from the Vice President for Research and Health Affairs before proceeding with the transfer. Depending upon the type of award, sponsors policies, the relationship of the project to CDU, and the expectations of the new institution, there are several alternatives for the disposition of active awards when the principal investigator leaves the University.

Alternative 1:

Awards may remain at CDU in their entirety when the award is tied closely to the University. For example: 1) if the award is for equipment; or 2) if the primary purpose of the award is to fund students, e.g. a training grant may have a group of students at CDU in various stages of training; or 3) Infrastructure.

Alternative 2:

In some circumstances the award may be transferred entirely to the new institution. This is the most likely outcome when the project is identified exclusively with the principal investigator and does not fund graduate students or other personnel.

Alternative 3:

The project may remain at CDU and a portion of the award may be transferred to the new institution through a subcontract.

Alternative 4:

The award may be moved with its original principal investigator, and a subcontract may be issued to CDU for the project work remaining here.

Principal investigators should discuss the status of their awards and their plans for the future with their sponsors, relevant department or program heads, and the Office of Sponsored Programs (OSP). OSP will discuss the transfer with the sponsor's administrative staff to find out how the sponsor would like to proceed.

Action to Take (Transferring Award to another Institution)**Alternative 1:**

The entire award, with a new principal investigator, stays at CDU which continues to receive funding directly from the sponsor.

1. CDU along with a recommendation from the PI must identify a new principal investigator and request written approval by the sponsor.

Alternative 2:

The entire award is relinquished by CDU and is transferred to the principal investigator's new institution.

1. Funds available for transfer – the unobligated balance – must be identified. This can take time as costs must be allowed to post against the original project and the corresponding F&A cost must be applied.
2. OSP representing CDU must formally relinquish the award in writing. (NSF and NIH have standard forms for this process).
3. The project will be closed at CDU in accordance with CDU and sponsor policies.
4. Upon receipt of a proposal from the investigator at his/her new institution, the sponsor will re-issue the award to the new institution.
5. Determine disposition of equipment previously purchased with funding from this project. Who has title: CDU or the Sponsor? If title goes to CDU, does the equipment stay at CDU, or does it get transferred to the new institution?

Alternative 3:

The award stays at CDU which continues to receive funding directly from the sponsor. A portion of the project work is transferred to the new institution using a subcontract agreement.

1. The sponsor must approve a new CDU principal investigator.
2. The CDU budget must be revised to include a subcontract and any F&A cost issues must be negotiated by OSP.
3. Using the figure provided by CDU, a subcontract proposal must be prepared by the departing principal investigator's new institution and submitted to CDU.
4. The subcontract and new budget must be approved by the sponsor.
5. When approval is received, OSP will issue the subcontract.

Alternative 4:

The award is transferred to the principal investigator's new institution, which will receive funding directly from the sponsor. The new institution will issue a subcontract to CDU.

1. Funds available for transfer – the unobligated balance – must be identified. This can take time as costs must be allowed to post against the original project and the corresponding F&A cost must be applied.

2. OSP representing CDU must formally relinquish the project (NSF and NIH have standard forms for this process).
3. CDU must identify an appropriate principal investigator and submit a subcontract proposal to the departing principal investigator's new institution based on figures provided by the new institution.
4. Any F&A cost issues must be negotiated by OSP.
5. The sponsor will re-issue the award to the new institution, which will then issue a subcontract to CDU.

Identifying Funds Available for Transfer

The principal investigator and the department must work closely with the Office of Finance, notably the Account Manager assigned to the award, to calculate the amount of funding that remains and is available to be transferred. If CDU relinquishes too much funding, because an outstanding commitment wasn't made known, it is very difficult to recover those funds; likewise, if CDU underestimates the funds to be relinquished.

F&A Cost Issues

When a budget is revised to include a new subcontract, the cost of the subcontract should be included in the indirect cost calculations. However, the institution preparing the new subcontract proposal could also reasonably expect to include F&A costs in its calculations. This creates a burden on the original budget. Any reduction of direct costs to cover the F&A cost burden could affect the outcome of the project and would probably not be allowed by the sponsor.

Below is a typical checklist used by Sponsored Programs in transferring NIH grants from another institution:

Former institution:

- Relinquishing statement
- Final invention statement
- Final Financial Status Report

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- Application Face Page
- Project Performance Site Primary Location information
- Progress report
- Description of facilities at new institution
- Research Plan Statement
- Biosketches
- Other Support Pages
- Checklist Page
- List of equipment to be transferred
- List of Key Personnel
- Budget
- Regulatory Compliance (Human and animal compliance information), if applicable