



Post Award Requirements

Part A: Financial and Program Management - Introduction

This topic will address important fiscal and program management issues for the recipients of HRSA awards. As the recipient of an award from HRSA, there is a great deal of information that your organization will need in order to be a successful steward of federal funds.

Recipients are responsible for managing the day-to-day operations of their award-supported activities and are responsible for the performance of the project and the appropriate expenditure of award funds by all parties. Recipients should have systems in place that enable compliance with Federal and HHS award regulations, policies, and procedures. Recipients are also required to communicate to HRSA any changes they propose to make to the approved program and/or budget through a formal process called a Prior Approval Request which is detailed in this section.

The information provided in this section is just a brief overview of selected post-award processes and requirements. For full details on any of these topics, see the HHS GPS and/or 45 Code of Federal Regulations (CFR) 74 or 92, as applicable.

The subject areas to be discussed in this section include:

- [Purpose and Standards for Financial Management Systems \(FMS\)](#)
- [Program Income](#)
- [Non-Federal Audits](#)
- [Allowable Costs](#)
- [Period of Availability](#)
- [Revision of Budget and Program Plans \(Prior Approval \(PA\) Requests\)](#)
- [Expanded Authorities](#)

Financial and Program Management: Overview

The recipient must maintain an Financial Management System which can accurately record, report, and manage HRSA's funds in accordance with the recipient's NoA terms and conditions. Overall, the recipient's FMS must at a minimum be able to account for costs charged to HRSA's program in accordance with HHS GPS, Section II.60 which requires recipients to meet the standards and requirements for financial management systems set forth or referenced in 45 CFR 74.21 or 92.20, as applicable. The following is a list of financial management areas HRSA deems of particular interest.



Standards for Financial Management

Among other things, a recipient’s FMS must have written: policies and procedures; procedures for determining allowability of costs; and procedures to minimize the time between the transfer of HRSA funds and payment of funds.

Program Income and Non Federal Audits

Program Income

A recipient must have a written procedure for accounting for program income. These written procedures should provide reasonable assurance that program income is correctly earned, recorded, and used in accordance with program requirements.

The recipient should, at a minimum: 1) set realistic performance targets for the generation of program income; 2) analyze variances between expected and actual program income; and 3) have an information system that identified program income collections and usage.

Non Federal Audits

An organization that expends over \$500,000 of federal funds (all federal funds including HRSA funds) within a recipients’ fiscal year must have an Office of Management and Budget [\(OMB\) Circular A-133 audit](#) performed.

Allowable Costs

A recipient must have a written procedure for determining allowable costs based the type of recipient and in accordance with one of the three OMB Cost Principles presented below:

Entity Type	Circulars	Grants-wide	HHS Programs
Education Institutions	OMB A-21	2 CFR 220	45 CFR 74.27
State and Local Governments	OMB A-87	2 CFR 225	45 CFR 92.22
Non-Profits	OMB A-122	2 CFR 230	45 CFR 74.27

The chart above shows the location of the cost principles that a recipient must follow when charging cost to its HRSA grant. Although a recipient has an approved budget, the recipient must still charge budgeted costs in a reasonable manner. Costs charged in accordance with the costs principles are considered reasonable.



The recipient must maintain adequate documentation to support all costs charged to its HRSA award.

The recipient should, at a minimum: 1) provide personnel approving and pre-auditing expenditures with a list of allowable and unallowable expenditures; 2) adequate segregation of duties in review and authorization of costs; and 3) provide training on allowable and unallowable costs under, Federal awards to recipient staff.

Period of Availability

When a funding period is specified in an recipient's NoA, the recipient may charge to the award only allowable costs resulting from obligations incurred during the budget/project period and pre-award costs authorized by HRSA.

The recipient should, at a minimum: 1) have a procedure in place to communicate period of availability requirements and expenditure deadlines to individuals responsible for program expenditures, including automated notifications of pending deadlines, if possible 2) review disbursements by persons knowledgeable of period of availability of funds; and 3) have an accounting system in place that prevents obligations or expenditures outside the period of availability.

Part B: Post-Award Changes – Revision of Budget and/or Program Items

Introduction

Recipients are required to report deviations from budget and program plans and request prior approval for certain budget and program plan revisions. Changes in the program plans or budget that may significantly impact the project or materially impair the ability to meet objectives require prior approval from HRSA. HRSA may waive some of these prior approval requirements (see Expanded Authorities below).

Prior approval requests are reviewed by the HRSA PO and GMS, and approval is official when a revised NoA is issued reflecting the approved request.

Post-Award Changes – Revision of Budget and/or Program Items - continued

Prior approval requests must be submitted through the EHB Prior Approval area.

The following screen shots are from the EHBs. To submit a Prior Approval Request, the Program Director or other individual authorized to complete transactions in EHBs opens up the Grant Handbook associated with the award and, as seen on the first screen below, should select "Prior Approval Requests- New Existing". After reviewing the GPS, the recipient should then select the appropriate Prior Approval Request. Subsequently, the



recipient will be able to start the request, upload required documents and when complete, submit to HRSA. Although a Prior Approval Request tracking number is generated at the start of the request, unless the recipient receives an on-screen confirmation message that the request has been successfully submitted to HRSA, it is still in the recipient edit phase and not available to HRSA for review.

- The [New/Existing Prior Approval Request List](#) page lists prior approval request for the grant. Users can click on the "Go" button to start creating a new request.
- The [Prior Approval Submission Screen](#) page allows users to create and submit a new prior approval request.

Most common actions requiring HRSA prior approval:

- Change in project director/other key personnel
 - if the PI/PPD or key personnel specifically named in the NoA will withdraw from the project entirely, be absent from the project during any continuous period of 3 months or more, or reduce time devoted to the project by 25 percent or more from the level that was approved at the time of award
 - may require request from Authorized Representative and resume/CV for proposed staff
- Budget Revisions
 - Unless otherwise restricted by the terms of the NoA, recipients are allowed to make post award programmatic and budget revisions within and between approved budget categories up to 25 percent without prior approval.
 - Significant re-budgeting requires prior approval. Significant re-budgeting occurs when, under a grant with a Federal share exceeding \$100,000, cumulative transfers among direct cost budget categories for the current budget period exceed 25 percent of the total approved budget (which includes direct and indirect costs, whether chargeable to Federal funds or required matching or cost sharing) for that budget period or \$250,000, whichever is less. All budget revisions that exceeds the cumulative 25% budget revision cap, requires prior approval
 - Some programs require prior approval for all budget revisions and this requirement will be noted in the term of your NoA.
 - Where prior approval is needed for re-budgeting, the prior approval request must include a revised SF-424A, line item budget and narrative justification

Most common actions requiring HRSA prior approval - continued

- Carryover of unobligated funds into the subsequent funding period
 - request should be submitted at the same time as the SF-425 FFR or no later than 30 days after the due date of the FFR and must include an SF-424A, line item budget, and narrative justification
 - should indicate why funds remain unobligated



- should include details as to how the carryover will be used to complete the previously approved goals and objectives of the program
- should not be requested solely in order to spend down available unobligated funds
- awardees will be notified via a revised NoA if carryover has been approved or via correspondence generated through the EHBs if it has been disapproved.

Most common actions requiring HRSA prior approval - continued

- An Extension of Time: A request to extend the final project period up to one year beyond the original expiration date shown on the NoA. This is known as an extension without funds or No Cost Extension (NCE) prior approval request.
 - No additional funds are required to be obligated by the awarding agency, there will be no change to the project scope or objectives and any one of the following applies:
 - Additional time beyond the established expiration date is required
 - Continuity of Federal award support is required while a competing continuation application is under review
 - The extension is necessary to complete the original approved aims of the project.
 - Must be submitted no less than 30 working days prior to the end of the project period.

Other actions requiring prior approval

- Change in scope - Change (or changes) to the objectives, aims, or purposes identified in the approved application
- Inclusion of costs prohibited in the Federal Cost Principles
- Equipment purchase - For items of equipment having a unit acquisition cost of \$5,000 or more
- Contracting for substantive programmatic work - Transfer of the performance of substantive programmatic work to a third party through a subaward, contract, or any other means, if the authority for such activities is not included in the approved application.
- Transfer of funds allotted to training - Transfer of amounts for training allowances (stipends, tuition, and fees) to other budget categories
- Need for additional Federal funds - A request for additional funding for a current budget period to meet increased costs that are within the scope of the approved application, but that were unforeseen when the new or competing continuation application (or progress report for non-competing continuation support) was submitted
- Change of recipient organization - The transfer of the legal and administrative responsibility for a grant-supported project or program from one legal entity to another before the expiration of the approved project period
- Pre-award costs – Costs incurred before the effective date of the initial budget period of



a new or competing continuation award unless the authority to approve pre-award costs up to (and including) 90 days before the beginning date is provided as an expanded authority. In either case, the costs are incurred at the applicant's/recipient's own risk.

- Deviation from award terms and conditions – Undertaking any activities disapproved or restricted as a condition of the award

A full summary of actions requiring HRSA prior approval as well as further detail for each action can be found in Part II of the HHS GPS.

Expanded Authority

Is an award management tool which provides certain recipients the ability to perform specific prior approval actions, without requesting permission from HRSA. Recipient's NoA will clearly reflect this allowance in the "Remarks" section if the program has Expanded Authority privileges.

The following actions are covered by Expanded Authority as described:

- Carryovers – up to 25 percent of the Total Amount of the Award of the budget period from which the unobligated funds will be transferred may be carried over into the consecutive budget period for allowable costs within the original scope of the project.
- No Cost Extensions (NCE) – a recipient may perform a one time no cost extension of the budget and project period end dates up to 12 months. If a second NCE is required beyond the initial 12 month Expanded Authority extension, prior approval no-cost extension procedures are to be followed by submitting a request for a second NCE through EHB Prior Approval segment.
- Both Carryovers and NCEs must be submitted in EHB for documentation purposes, and to generate a revised NoA for the NCE.