

Applies To:

TITLE:	MICHIR Guidance: Budget Carry Forward Policy	Guidance Number:	MICHIR-OPS-OFC10
		Version:	1.0
Approve Date:	10.25.2024	Effective Date:	10.25.2024
Review Date:		Revision Date:	

Purpose & Scope:

This policy establishes guidelines for fund carry forward for MICHIR programs. By delineating the requirements and limitations associated with NIH policy for MICHIR awards, reporting obligations, and handling Dean's funds, this policy ensures compliance with award regulations and promotes efficient grant administration. This policy applies to all MICHIR operational groups included in the annual budget and any awards administered by MICHIR, particularly non-SNAP awards.

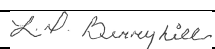
Definitions:

- **Annual Federal Financial Report (FFR):** A standardized financial document required by NIH. It provides a comprehensive overview of the financial activities related to the awarded federal grants or cooperative agreements over the previous grant year. The FFR serves multiple purposes, including Financial Accountability, Transparency, Monitoring and Oversight, and Compliance Reporting.
- **Authorized Organizational Representative (AOR):** An individual authorized by U-M, particularly a member of the Office of Research and Sponsored Projects (ORSP), to act on U-M's behalf in matters related to grant applications, awards, and administration.
- **Carry forward:** The process of transferring unspent funds from one budget period to the next, subject to grant terms and conditions.
- **Dean's Funds:** Institutional funds allocated by the Dean for departmental use, subject to specified limitations and guidelines.
- **Institutional Funds:** Funds that are generated through U-M operations and allocated to U-M departments. Funds are usually discretionary and can be used for different types of expenses.
- **Prior Approval Request:** A formal request submitted to NIH for approval of changes or actions requiring prior authorization, such as alterations to key personnel, human and animal subjects modifications, and carry forward requests.
- **Non-SNAP Grant:** A grant awarded through the non-Streamlined Non-Competing Award Process (SNAP), as specified in the Notice of Award, which prohibits carry forward of unspent funds. Examples are a R01 award or a non-federal award.

Background:

MICHIR funding consists of two sources: Federal and Institutional funding. Neither of these sources permits carry forward.

1. **Federal Funding:**

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- a. Clinical and Translational Science Awards (CTSA) are classified as non-SNAP awards according to the specifications outlined in the Notice of Award. Therefore, carrying forward funds from one funding year to the next is not permitted.
- b. Per the Notice of Award specifications regarding submitting an Annual Federal Financial Report where we report on the spending rate for the previous grant year and deobligate any unspent funds, it is stated that: *“ANNUAL FEDERAL FINANCIAL REPORT: The FFR must be submitted electronically through the HHS Payment Management System, available at <https://pms.psc.gov/>. Additional information on electronic submission of FFRs is available on the PMS Program Support Center Homepage or by contacting the PMS Helpdesk at: PMSSupport@psc.hhs.gov or (877) 614-5533. For additional information on the change in submission requirements view NOT-OD-20-127 and related announcements.”*
- c. Additionally, per the Notice of Award specifications in regard to Prior approval requests that include carry forward requests, it is stated that: *“Any prior approval request (e.g., changes to key personnel as noted on the award, changes in human and animal subjects requiring prior approval, carry forward requests) must be submitted in writing by the AOR to NCATSPriorApprovalRequest@mail.nih.gov with a copy to the assigned Grants Management Specialist and Program Official. Please refer to Part II Chapter 8 the NIH Grants Policy Statement for the activities and/or expenditures that require NIH approval at <http://grants.nih.gov/grants/policy/nihgps/nihgps.pdf>.”*

2. Institutional Funds:

- a. MICHR’s institutional funds are committed to MICHR through a memorandum of understanding (MOU), which explicitly prohibits carry forward of funds, as stated: “Unspent funds in the MICHR commitment **will not carry forward from year to year.**”
- b. Furthermore, the MOU specifies that only actual expenses incurred during the year will be funded, as stated: “Michigan Medicine will fund the **actual operating costs** of MICHR.”

Budget Carry Forward Policy

This policy applies consistently to all MICHR programs and emphasizes that funds cannot be carried over from one grant year to the next. Each grant year is a stand-alone budget, independent of other budget periods.

Exception to Policy: Carry forward Allowance for Specific Circumstances

1. An exception to this policy pertains to SNAP awards managed by MICHR (such as a R01 or non-federal awards), which may allow for the carry forward of funds in accordance with the specifications outlined in the Notice of Award.
2. In the case of K12 or T32 awards having residual funds eligible for carry forward, at the discretion of the project director(s) and discussed with NIH program official, a formal carry forward request must be submitted to NIH following the guidelines outlined previously.

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