

Award Transfer Guidelines

The process of transferring awards from one institution to another is not a simple task and requires negotiation between the sponsoring agency, the old institution and the new institution. The arrangements are made by the two Sponsored Programs offices in consultation with the principal investigator and his/her department at both the old and new institution. Matters of concern are 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.

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

- **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 Virginia Tech, the PI, his/her department head, and dean must agree whether or not the award should transfer with the PI. All Co-PIs must be notified of the grant transfer.
- **Is any intellectual property (IP) involved?** If the project being transferred requires the use of any idea, invention, software or other IP that you have 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 of your work at the new institution uses previous patents, copyrighted works, or other intellectual properties, 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 Office of Sponsored Programs (OSP) will work with the other institution to acquire this license.
- **Is cost sharing involved?** The PI should confirm the status of any cost-sharing commitment made by the original institution. Has the cost sharing been met? What cost share requirement will transfer with the grant?
- **Are there subcontracts?** Review the award for subcontracts. Have they completed their portion of the project? Active subcontractors must be notified of the impending move and that their current award may be terminated.
- **Are there equipment purchases?** Review award agreement for equipment purchases. Equipment purchased on the current award may move with the PI to the new institution. At Virginia Tech, any transfer of equipment which has not been purchased with this award must be approved by the department head. All equipment transfers must be coordinated with the Fixed Assets Department within the Controllers Office.

Principal Investigator Responsibilities during Transfer

- Contact the Sponsored Programs Office at old and new institution as soon as possible, prior to the anticipated transfer so that the offices can begin the transfer process, including contacting the sponsor's Grants Management Specialist or Contracting Officer.
- Notify your Department Head and the Program Officer at the awarding agency of the anticipated transfer.
- 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.
- Work with OSP to close out any subcontracts or other agreements related to the award if applicable.
- Work with old institution to prepare relinquishing forms (NSF and NIH have forms for this process).
- Follow the new institutions proposal submission guidelines in preparing and routing new proposal at Virginia Tech. These can be found at the following site:
(http://www.osp.vt.edu/funding/rev_nego.html)
- Advise the OSP if there is any intellectual property involved in the project.

Transferring Project to Virginia Tech

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

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

The transfer can take several forms:

Option 1: New award to Virginia Tech – When an award is to be transferred in its entirety to Virginia Tech, the principal investigator's previous employer must formally relinquish the award and state the unobligated balance, and the PI submits a new, Virginia Tech proposal to the sponsor. The sponsor then awards the project to Virginia Tech.

Option 2: Subcontract to Virginia Tech – 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 Virginia Tech.

Option 3: New award to Virginia Tech with a subcontract back – Similar to Option 1, except: when the majority of the work will take place at Virginia Tech, but a portion remains at the old institution, a principal investigator at the old institution submits a proposal to Virginia Tech which is then incorporated into the proposal submitted by Virginia Tech to the sponsor. When the award arrives at Virginia Tech, a subcontract is written to the old institution.

Procedures for Transfer

Option 1:

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

Option 2:

- Obtain approval from the sponsor to name a new principal investigator for the portion remaining at the old institution.
- Prepare a proposal (statement of work, budget, budget justification, and internal approval forms with appropriate signatures) to the Office of Sponsored Programs at Virginia Tech for transmittal to the PI's former institution.
- Subcontract issued to Virginia Tech from previous institution.

Option 3:

- Get the name of the contact person at the PI's former institution. This contact person is usually someone in the Office of Sponsored Programs.
- Old institution obtains approval from the sponsor to name a principal investigator at the old institution.
- Previous institution submits a proposal for the portion to remain at the old institution.
- Virginia Tech incorporates that portion into a new proposal submitted to the sponsor.
- Virginia Tech awards a subcontract to old institution when new award is received.

F&A Rate Issues

If a project is being transferred in its entirety to Virginia Tech and Virginia Tech's F&A rate is significantly higher than that of the previous institution, Virginia Tech 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 work is to be transferred, if adding a subcontract to Virginia Tech places a burden on the original project budget, Virginia Tech is willing to negotiate F&A rates with the former institution. This will be coordinated/approved by the PI's Virginia Tech department, college, and the Office of the Vice President of Research (OVPR).

Virginia Tech Transferring Projects to a New Institution

The faculty member needs to request prior approval for the transfer from their Department Head before proceeding with the transfer. Depending upon the type of award, sponsors policies, the relationship of the project to Virginia Tech, and the expectations of the new institution, there are several options for the disposition of active awards when the principal investigator leaves the University.

Option 1: Awards may remain at Virginia Tech in their entirety when the award is tied closely to the University. For example:

- The award is for equipment.
- The primary purpose of the award is to fund students. For example, a training grant may have a group of students at Virginia Tech in various stages of training.

Option 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.

Option 3: The project may remain at Virginia Tech and a portion of the award may be transferred to the new institution through a subcontract.

Option 4: The award may be moved with its original principal investigator, and a subcontract may be issued to Virginia Tech for the work remaining here.

Principal investigators should discuss the status of their awards and their plans for the future with their sponsors, department 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.

Procedures for Transfers

Option 1: The entire award, with a new principal investigator, stays at Virginia Tech which continues to receive funding directly from the sponsor.

- Virginia Tech must identify a new principal investigator and request written approval by the sponsor.

Option 2: The entire award is relinquished by Virginia Tech and is transferred to the principal investigator's new institution.

- 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.
- OSP representing Virginia Tech must formally relinquish in writing the award. (NSF and NIH have forms for this process.)
- The project will be closed at Virginia Tech in accordance with Virginia Tech and sponsor policies.
- Upon receipt of a proposal from the investigator at his or her new institution, the sponsor will re-issue the award to the new institution.
- Determine disposition of equipment previously purchased with funding from this project. Who has Title: Virginia Tech or the Sponsor? If title goes to Virginia Tech, does the equipment stay at Virginia Tech, or does it get transferred to the new institution?

Option 3: The award stays at Virginia Tech which continues to receive funding directly from the sponsor. A portion of the work is transferred to the new institution using a subcontract.

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

Option 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 Virginia Tech.

- 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.
- OSP representing Virginia Tech must formally relinquish the project. (NSF and NIH have forms for this process.)
- Virginia Tech 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.
- Any F&A cost issues must be negotiated by OSP.
- The sponsor will re-issue the award to the new institution which will then issue a subcontract to Virginia Tech.

Identifying Funds Available for Transfer

The principal investigator and the department must work closely with the Office of Sponsored Programs to calculate the dollar amount that is unspent and available to be transferred. If Virginia Tech relinquishes too much money, because an outstanding commitment wasn't made known, it is very difficult to get that money back. Likewise, if Virginia Tech underestimates the funds to be relinquished there is no mechanism for moving excess funds at a later date.

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. OSP will negotiate a fair distribution of F&A cost recoveries with its counterpart at the principal investigator's new institution. In practice, this usually means that each university will accept a lower rate for the project.