Prior Written Approval

Purpose
This document provides guidance on appropriate budgeting and expenditures of sponsored funds, whether from federal or non-federal sources and whether directed toward research, training, or other purposes.

Who Should Follow This Guidance
All Principal Investigators and administrators at The University of North Carolina at Charlotte within all colleges, units, divisions, University-wide initiatives, and centers who are responsible for budgeting and expenditures charged to sponsored awards must comply with these guidelines.

2 CFR SubPart E §200.407
Under any given Federal award, the reasonableness and allocability of certain items of cost may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, the University of North Carolina at Charlotte may seek the prior written approval of the cognizant agency in advance of the incurrence of special, or unusual, costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described below.

Items requiring prior approval must be requested specifically and approved in the proposal budget or must be requested, in writing, before the expense is charged to the award. In most cases written approval from the program officer is not sufficient; refer to the terms and conditions of the award for information regarding who can authorize changes to the award budget.

Only those costs that meet the criteria for direct expenses on a federal award, per these guidelines, can be directly charged to an award under any circumstances.

Per the Uniform Guidance, prior written approval from the sponsor is explicitly required for:

- Change of key personnel (200.308 (c)(2))
- Change of scope (200.308 (c)(1))
- Cost sharing or matching (200.308 (c)(7))
- Effort reduction of key personnel of 25% or greater or PI disengagement from project of greater than 3 months (200.308 (c)(3))
- Equipment and other capital expenditures (200.313, 439)
- Exchange rates (200.440)
- Fines, penalties, damages and other settlements (200.441)
- Fixed amount subawards (200.332)
- Fund raising and investment management expenses (200.442)
- Goods or services for personal use – housing only (200.445)
- Memberships in any civic or community organization (200.457 (c))

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• Organization costs (200.455)
• Participant support costs, any transfer of budget (200.308 (c)(5)) and (200.456)
• Rearrangement and reconversion expenses (Renovations) (200.462)
• Selling and marketing costs (200.467)
• Travel costs (200.474 (c)(2))
• Use of program income (200.307)

The following require either inclusion in the proposal budget OR prior approval from the sponsor if not originally budgeted:

• Administrative expenses (200.413 (c))
• Entertainment costs (200.438)

• Subawards, any changes or transfers (200.308) (c)(6))
• Supplemental compensation for incidental activities (200.430 (h) (ii))

The following may require prior approval OR be allowable under Expanded Authorities:

• Carry forward (200.308 (d)(3))
• No cost extension (200.308 (d)(2))
• Pre-award Expenses (200.458)