

GUIDELINES



REGIONAL MEDICAL PROGRAMS SERVICE

FOR MULTI-PROGRAM SERVICES PROJECT GRANTS

(Section 910 of Title IX of the Public Health Service Act)

AUGUST 1970

Health Services and Mental Health Administration
U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

DISCRIMINATION PROHIBITED

Section 601 of Title VI of the Civil Rights Act of 1964, 42 USC 2000d, provides that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Regulations implementing the statute have been issued as Part 80 of Title 45, Code of Federal Regulations. The regional medical programs provide Federal financial assistance subject to the Civil Rights Act and the regulations.

Each grant for construction is subject to the condition that the grantee shall comply with the requirements of the Executive Order 11246, 30 F. R. 12319 and the applicable rules, regulations, and procedures as prescribed by the Secretary of Labor.

G U I D E L I N E S

MULTI-PROGRAM SERVICES

PROJECT GRANTS

(Section 910)

Regional Medical Programs Service
Health Services & Mental Health Administration
Public Health Service
Department of Health, Education, and Welfare

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PROJECT GRANTS FOR MULTI-PROGRAM SERVICES

I. PURPOSES AND POLICIES FOR MULTI-PROGRAM SERVICES PROJECTS

A. BACKGROUND

The addition of Section 910 to Public Law 90-574, the first extension of Public Law 89-239 which established Regional Medical Programs, provided a new grant authority designed to promote interregional cooperation and facilitate the funding of services needed by, or of substantial use to, any two or more Regional Medical Programs.

This authority was planned to be used for grants to support activities of interest and service to all of the country's Regional Medical Programs, as well as activities designed to serve two or more geographically related Regions.

A significant aspect of this added Section is its provision of authority to the Regional Medical Programs Service to make grants to "any public or nonprofit private agency or institution," as well as to Regional Medical Programs as defined in the law, for the purposes stated.

B. PURPOSES

Section 910 authorizes an additional mechanism for carrying out the broadly stated purposes of Regional Medical Programs as set forth in the Public Health Service Act.

The more specific purposes for which this Multi-Program Services authority is particularly appropriate are identified under the following four headings:

1. To identify and develop special techniques and methodologies for Regional Medical Program approaches to specially identified national goals and regional objectives.
2. To provide services of highly specialized individuals and institutions which do not and need not exist within every Region, by making it possible for Regional Medical Programs to join together in the more economical use of existing resources, and to avoid unnecessary and costly duplication of new facilities and services.

3. To provide for the training of personnel in special fields which are essential to the purposes of Regional Medical Programs, and in which the supply of personnel is determined to be critically short.
4. To evaluate programmatic activities of Regional Medical Programs common to many Regions and of critical national significance in order to provide Regions and RMPS with measures for and of program progress and the efficacy and impact of specific kinds of activities.

In addition to the projects which are expected to develop in response to the needs and priorities of neighboring Regional Medical Programs, the Regional Medical Programs Service will also, from time to time, identify areas of national concern, needs, and priorities. The latter group may also be developed as project activities by appropriate institutions or agencies, or by an individual Regional Medical Program, and undertaken as a service to the entire nation through the 55 operational Regional Medical Programs. All Regional Medical Programs and other potential applicants will be kept apprised of these areas of emphasis to insure that the Multi-Program Services project grant authority of Section 910 may be as effective a mechanism as possible to support the plans and efforts of each of the 55 operational Regions as well as the goals and priorities of the Department of Health, Education, and Welfare and Health Services and Mental Health Administration.

C. TYPES OF PROJECTS

Multi-Program Services activities will be considered in the following two categories:

CATEGORY A Projects arising from the initiative of, and designed to serve, two or more Regional Medical Programs.

CATEGORY B Projects arising from the initiative of a single agency and designed to serve the objectives of Regional Medical Programs nationally.

D. ELIGIBLE APPLICANTS

Applications for Multi-Program Services project grants may be developed and submitted by any operational Regional Medical Program; jointly by several, with one Program designated to be

the official grantee; or by any public or nonprofit private agency or institution which is judged to be qualified to provide the service in question.

E. RELATIONSHIP TO THE 55 REGIONAL MEDICAL PROGRAMS

Category A projects, designed to serve two or more Regions, must be conjointly planned and developed with the active participation of the core staff of all of the Regional Medical Programs in the Regions to be served. Their plans must be reviewed and approved by each of the Regional Advisory Groups before submission to Regional Medical Programs Service. The activity must be consistent with the general plan of each of the Regions involved as reflected in its annual application for Anniversary Review and Award, and the relative priorities indicated in that application.

In addition to determining the Regional priority of the service to be obtained via a Multi-Program Services grant, each Regional Medical Program involved must consider the relative merit of the specific project and the competence and capacity of the resources it will represent. It must be the most appropriate way to obtain the service which has been found to be "needed by or of substantial use to. . .the Program making the application and the other Regional Medical Programs involved."

Projects in Category B, proposed in response to a nationally recognized need, will not require participation and approval of the core staff or Regional Advisory Group of any Regional Medical Program. However, all such projects will be designed to meet the identified needs of all Programs, and applications will be strengthened by evidence of consultation with Regional Medical Programs personnel and advisors in both planning and evaluation of project activities.

A Multi-Program award made to a Regional Medical Program acting individually on behalf of a group of cooperating Regions will be made under the authority of Section 910 of the Law. It will be administered separately from the funds awarded to Regional Medical Programs under the operational grant authority. The amount of the grant award, the total amount given to a Region serving as a grantee or the portion of the funds accruing to cooperating Regions, will not be considered a part of a Region's operational funding base.

II. APPLICATION AND REVIEW PROCEDURES

A. SCHEDULE FOR SUBMISSION OF APPLICATIONS AND ANNOUNCEMENTS OF AWARDS

Applications may be submitted at any time, but will be reviewed four times each year on the following schedule:

CUTOFF DATE	DATE OF NOTIFICATION OF AWARDS
December 1	March 1
March 1	June 1
June 1	September 1
September 1	December 1

B. REVIEW OF APPLICATIONS

Each application will be reviewed for its individual merit as well as for its relevance to the program needs it proposes to serve. In the case of projects designed and submitted by groups of Regional Medical Programs, the relative importance of the activity to each of the participating Regions will be carefully considered.

The final review and recommendations for approval will be made by the National Advisory Council of the Regional Medical Programs Service. The consideration of the Council will be based on its assessment of the projects; the relevance of the projects to the purposes of Regional Medical Programs, in groups and nationally, and to the objectives of the Health Services and Mental Health Administration; and on the comments and findings of preliminary reviewers. Preliminary review will be developed in a number of ways, depending on the kind of project being reviewed and the kinds of judgments required. These will include the Regional Medical Programs Review Committee; ad hoc panels of experts on specific medical specialities and health-related disciplines; and individual specialists both within and without government. In addition, projects proposed in response to national Program needs will also be reviewed by representative Coordinators and other selected staff of the 55 operational Regional Medical Programs.

C. PREPARATION OF APPLICATIONS

A complete application will be presented in two sections:

1. Forms

Application form HSM-99-1 Rev. 7/70 is used for all Multi-Program Services project grants and may be obtained on

request from Regional Medical Programs Service, Parklawn Building, 5600 Fishers Lane, Rockville, Maryland 20852. Specific instructions for completion accompany the form.

A specific justification of the budget estimate must be supplied and must include enough information to support the amounts requested. In all requests for support beyond one year, the projected amounts for the subsequent years should be estimated as realistically as possible on the basis of the first year level, less non-recurring costs. Increases to provide program expansion, regular salary increments and phasing of projects should be fully explained. The budget for the initial year of a project should make realistic allowance for anticipated delays in recruiting staff for the project.

2. Narrative

The body of each application will consist of a narrative, which provides the full justification for the request and relates the proposal to the objectives of Section 910 - Title IX of the PHS Act.

III. GRANTS ADMINISTRATION

The following paragraphs set forth the administrative and fiscal policies which govern project grants for Multi-Program Services as authorized by Section 910. The grantee is held responsible for administering the grant in accordance with the purposes of the award. This imposes the obligation to expend funds in accordance with this statement, Title IX of the Public Health Service Act, the Regulations, and the DHEW and HSMHA requirements. The policies contained herein pertain to Regional Medical Programs Service Multi-Program Services projects and are effective for all action concerning these project grants. The basic Guidelines (Revised May 1968) for RMPS operational awards with the implementation of Anniversary Review and Award remain effective and may be referred to for background and general information concerning Regional Medical Programs.

A. GRANTEE RESPONSIBILITIES

1. General

The applicant, when applying for the Multi-Program Services project grant, agrees to administer any ensuing award in accordance with the governing HSMHA policies in effect at the time of the award. A policy of the grantee prevails if it is more restrictive than the HSMHA policy, or if the

grantee has a policy not covered by a HSMHA policy. If it is an affiliated institution that does not have an officially stated or an applicable policy, then the policy of the grantee institution prevails. The grantee assumes responsibility for fiscal, administrative, and program management and fulfillment of all special conditions which may be prescribed for the conduct of the project. This applies to both itself and to any affiliated institution, which in the case of Section 910 grants may be other Regional Medical Programs.

2. Civil Rights

Multi-Program Services project grants must be administered in conformance with Title VI of the Civil Rights Act of 1964; the regulation (45CFR, Part 80) issued pursuant thereto by the U.S. Department of Health, Education and Welfare; and the grantee's Assurance of Compliance (Form HEW-441), on file with DHEW.

It is the responsibility of the grantee to insure that each affiliated institution is in compliance with the foregoing and to maintain a copy of the form which insures that institution's compliance with Title VI of the Act and the Regulations.

3. Institutional Assurance Involving Human Subjects

An applicant for a Multi-Program Services project grant which includes investigation involving human subjects must include an assurance that the institution conducting the research has complied with the HSMHA policy concerning a satisfactory institution-wide agreement on the use of human subjects. It will be the responsibility of the grantee to insure that affiliated institutions which will be involved in these investigations secure HSMHA approval and to provide a copy of the approval to the Regional Medical Programs Service.

4. Surveys and Questionnaires

Surveys or questionnaires arising from and supported by a Multi-Program Services project grant should include a positive statement clearly setting forth that the contents are in no way the responsibility of HSMHA. They should conform with Bureau of the Budget, Circular #A-40.

5. Confidentiality of Information

When Multi-Program Services project grant activities involve obtaining information about or from individuals, the grantee is responsible for ensuring that such personal information is treated confidentially to protect the individual's right to privacy.

6. Publications and Copyright

Grantees and/or affiliated institutions may publish materials relating to the grant without prior Regional Medical Programs Service review. Any such materials shall be subject to a royalty-free, non-exclusive, and irrevocable license to the Government to reproduce, translate, and publish them, and to authorize others to do so. (See Section E)

7. Patents and Inventions

The Department of Health, Education and Welfare Regulations (45 CFR, Subtitle A, Parts 6 and 8) provide that all inventions arising out of the activities assisted by HSMHA grants must be promptly and fully reported to the Assistant Secretary for Health and Scientific Affairs, U.S. Department of Health, Education and Welfare, 330 Independence Avenue, S.W., Washington, D.C. 20201. They shall be simultaneously reported to any other Federal agency meeting the requirements of Executive Order 10096, as amended.

A complete written disclosure of each invention in the form specified by the Assistant Secretary for Health and Scientific Affairs shall be made by the grantee promptly after conception or first actual reduction to practice, and, in any event, prior to publication. Any process, art or method, machine manufacture or improvement thereof, may constitute an invention if it is new and useful and would not have been obvious to a person having skill in the art to which it relates.

The grantee and the project director shall neither have nor make any commitments or obligations which conflict with the requirements of this policy.

The grantee must include a certification of invention (Form PHS-3945) with the submission of each continuation or renewal application whether or not an invention has occurred. Where there are no inventions to report, a

single form PHS-3945 is all that is required for the grantee and for all affiliated institutions. Where there are inventions to report, a separate annual invention statement must be filed for each one. A final invention statement and certification must be submitted after termination of project support.

8. Conflict of Interest

Each grantee receiving Federal support is urged to have written guides for staff members (administrators, professional, or other project staff), which explain the conditions under which outside activities are proper, and which require notification of such activities to a responsible representative of the grantee.

9. Wage Rates

Any laborer or mechanic employed by any contractor or subcontractor in the performance of work on any construction aided by payments pursuant to any grant under this section will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5); and the Secretary of Labor shall have, with respect to the labor standards specified in this paragraph, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and Section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 27c).

B. FUNDING

When a Multi-Program Services project grant is approved for the project period, which may be up to three years in duration, funds to support the project are awarded for each budget period, normally twelve months. The initial award reflects the determination of funds approved for the conduct of the project for the first budget period and the amounts recommended for future years, if any, are subject to the availability of funds. Funds remaining unobligated at the end of any budget period may be requested for use in a succeeding budget period. (See Section G). Continuation grants are subject to evidence of the satisfactory progress of the project and to an appropriation of funds by Congress.

Funds for subsequent years within the approved project period must be requested in a continuation application with Progress Report, 45 days in advance of the beginning date of the subsequent budget period. The level of funding for the ensuing budget period will be determined from a review of the continuation application,

within the framework of the support previously recommended for the remainder of the project period and in conjunction with the availability of appropriated funds. If funds in addition to those budgeted and approved are required and not available to the grantee in any portion of the project period, the grantee may submit an application for supplemental funds. If approved and awarded, the additional amount becomes a part of the base grant. Supplemental applications are processed in the same manner as new applications and must compete for available funds. If additional support is desired to continue the project beyond a project period, an application for renewal will be reviewed in the same manner as a new application and will compete for available funds with other applications. If approved, an initial grant for a new project period will be awarded.

C. PROJECT CHANGES

If project changes which require RMPS approval are proposed, request for approval should be made.

1. Change in Project Period

Normally expenditures should not be incurred prior to the beginning date of the project period. Any such expenditures are subject to audit disallowance and are made at the grantee institution's own risk.

Extenuating circumstances may require a change in the project period beginning date subsequent to receipt of the Notice of Grant Award or other official notification. This change may be negotiated by the grantee institution and subject to approval by RMPS. Appropriate expenditures incurred between the original beginning date and the changed beginning date are usually allowable, subject to RMPS approval.

When additional time is requested to insure completion of a project, the project period may be extended up to 12 months without additional funds, if requested by the grantee before the end of the project period.

The RMPS may, on its own initiative and with concurrence of the grantee, extend the project period, provided that such extension is made before the termination date of the project period.

2. Changes in Scope of Project

The grantee shall be permitted to change the methodology, approach, or other aspects of the approved project that

would expedite achievement of the project objective, provided such changes do not conflict with RMPS policies.

Requests for substantial change in the approved scope of a project must be submitted to Regional Medical Programs Service for prior approval. No substantial change can be made without specific written approval from RMPS.

3. Change of Director of Project

A change of Director of project or other key official requires the written approval of Regional Medical Programs Service. A request for such a proposal change must be signed by an authorized official of the grantee.

4. Change of Grantee Organization

If for any reason the grantee proposes to relinquish its responsibility for a Multi-Program Services project grant to another grantee institution, it must immediately notify Regional Medical Programs Service. The new grantee must submit a grant application for the remainder of the program period. The application should include the reasons for transferring the project and the probable effect of the move on the project. Administrative approval may be given by the Regional Medical Programs Service to continue the project with a new grantee. Applications, however, that reflect major project changes will be referred to the National Advisory Council on Regional Medical Programs Service for recommendation.

D. EARLY TERMINATION OF GRANT

1. By the Grantee

A grant may be terminated or cancelled at any time by the the grantee upon written notification to the Regional Medical Programs Service stating the reasons for termination.

2. By Regional Medical Programs Service

A grant may be revoked or terminated at any time within the program period whenever it is determined that the grantee has failed in a material respect to comply with the terms and conditions of the grant.

E. PUBLICATION AND PUBLICITY

1. Grantee Activities

The work of Multi-Program Services project grants must be conducted in an atmosphere of complete openness with the public as well as all participants. Therefore, publication and publicity are project functions.

Regional Medical Programs Service approval is not required for publications or other materials produced by the project. For major publications, however, acknowledgement of Regional Medical Programs Service support should be made as follows: "This project was supported under Section 910 of the PHS Act, Grant No. _____, awarded by Regional Medical Programs Service, Health Services and Mental Health Administration." Questionnaires used for surveys or studies must not be attributed to HSMHA.

2. Release of Information by Regional Medical Programs Service

Upon request, certain information relating to individual grant awards shall be released by the Regional Medical Programs Service to recognized information media, and, where appropriate, to an individual member of the public in accordance with the Public Information Act (P.L. 90-23) and DHEW implementing regulations, "Availability of Information to the Public Pursuant to P.L. 90-23."

F. COSTS

Expenditures must receive consistent treatment in the allocation between direct and indirect costs through application of established policies applicable to all work of the grantee organization. Funds granted may be used only for purposes required to carry out the approved project. Circular A-21 of the Bureau of the Budget should be used to the extent practical in determining allowable costs related to project grants for Multi-Program Services.

1. Direct costs

The list below includes allowable and unallowable expenditures most frequently encountered as direct costs in project grants. Determination as to allowability of cost items not listed here should be referred to Regional Medical Programs Service.

a. Alterations and Renovations

Allowable if in accord with Supplement 2 to basic Regional Medical Programs Service Guidelines

b. Bonding Costs

Allowable

c. Books and Periodicals

Allowable

d. Communications

Unusual cost resulting from local and long distance telephone calls, telephone surveys, telegrams, postage, etc., necessary to the project are allowed provided such costs are not duplicated as indirect costs.

e. Computer Time

Allowable if required for the conduct of the project.

f. Construction of New Buildings, Additions, or Extensions

Not Allowable

g. Consultant Fees

Grant funds may be used to pay consultant fees and supporting costs such as travel and per diem and payment for services related to the project.

Consultants may be selected from both within and outside the grantee or affiliated organization, providing that these services are the most effective means of accomplishing a particular purpose.

It is expected that the grantee organization will normally have their own policies with respect to consultant services, that those policies will apply to the use of consultants paid for by grant funds and that they will include, as a minimum, the standards for documentation described below. However, in the absence of such policies, the following documentation in support of the use of consultants must be provided:

- (1) Statement of the services to be performed and evidence that they cannot be provided by payment of direct salaries to staff members of the grantee or affiliated institution;

- (2) Brief description of the process of selection of the individuals most qualified to provide the required services;
- (3) Evidence that the fee is appropriate considering the qualifications of the individuals, the nature of the services performed, and in the amount normally paid for such services from sources other than Regional Medical Programs.

As a general rule when services of a salaried staff member of the grantee or affiliated institution are to be provided full time for periods of two weeks or more, on a regularly occurring basis throughout the year, the individual should be compensated on a part-time salary basis rather than as a consultant. Consultant fees, and supporting costs, may not be paid to full-time Federal employees regardless of their leave or pay status.

h. Contracts for Services

Allowable

i. Depreciation and Use Allowances

Depreciation and/or use charges should usually be allocated to research and other activities as an indirect cost.

j. Dues

Allowable only by grantee institution when incurred because membership in professional organizations and societies is required to obtain publications necessary to the project

k. Entertainment

Not allowable for cost of amusement, social activities, entertainment or incidental costs related thereto.

l. Equipment

Allowable. Rental and purchase of equipment may be charged to the grant. When acquiring equipment consideration of the relative advantage of lease versus purchase should be considered. Charges for equipment maintenance and repairs are allowable on equipment used on the project.

m. Expenses of Policy Board or Committee Members

If it is the policy of the grantee to make reimbursement to policy board members for out-of-pocket expenses, such as travel and meals, these are allowable costs if budgeted and approved.

n. Federal Employees

Use of grant funds to make payments to full-time Federal employees are subject to the restrictions listed below. These restrictions do not apply to part-time Federal employees.

(1) Consultant Fees

Not allowable

(2) Salaries

Allowable when a Federal employee is on leave without pay from his agency or when reimbursement is in accordance with terms mutually acceptable to his Federal agency and Regional Medical Programs Service.

(3) Travel

Allowable only when an employee detailed under direct assistance is on leave without pay status from his Federal agency and when travel is essential to fulfillment of his role in the project.

o. Films

Costs of purchase or rent for use in connection with the purposes of the project are allowable. Costs of providing public showing of films are not allowable.

Grant funds may be used to produce films that will be used only in connection with grant supported activities. Such requests are subject to special approval by the Department of Health, Education, and Welfare and applicants are advised to consult Regional Medical Programs Service before planning film production.

p. Fringe Benefits

The grantee's share of fringe benefits is allowable to the extent that such payments are made under formally

established policies and consistently applied and uniformly charged as a direct cost and on an actual rather than an estimated basis in proportion to the salaries charged to the grant.

q. Honoraria

Not allowable

r. Insurance

Allowable for premiums on hazard and other liability insurance to cover personnel directly connected with the project. Also allowable for premiums on equipment, property, theft.

s. Patient Care Costs

The cost of providing care to patients is payable from grant funds only to the extent that such care is incident to research, training, or demonstration activities supported by the grant. The calculation of a rate of reimbursement will be according to established DHEW policies.

t. Publication Cost

Allowable when necessary to the project

u. Recruitment Cost

Allowable only for full-time employment on project including charges for want ads, transportation and other costs, if payment of such cost is normally made by the grantee regardless of source of funds.

v. Rental of Space

Allowable when charges are made in conformance with grantee policies and in the same manner when similar charges are made to any account. Cost may not be in excess of comparable rentals in a particular locality and may not be charged for space owned by the grantee.

w. Salaries and Wages

Allowable in proportion to the time or effort expended on the grant. These costs must be in accordance with applicable institution policy. Overtime pay is allowable

for non-professional personnel only at overtime rates or time spent on a project in excess of an individual's basic work week provided payment is made in accordance with institution policy; payment is not used to increase an individual's base salary or corresponding benefits entitlements; and the individual's basic work week was devoted to the same project.

Payroll distribution records, time and attendance records, or stipulated salary amounts as stated in grant agreements are required for personnel working on a project to substantiate salaries charged to the grant.

x. Sub-granting

Grantees may make grant funds available for participation in activities, but such action must be taken through an affiliation agreement or contract or other written instrument which clearly indicates relationship or responsibilities. The grantee may not delegate or transfer responsibilities for the use of grant funds to any other organizations for purposes over which the grantee institution cannot maintain scientific and financial responsibilities.

y. Supplies

Allowable

z. Training Activities

Allowable (See supplement 1 to revised RMPS Guidelines)

aa. Travel

Allowable for domestic travel when such travel is essential to successful progress of project including attendance at meetings. Per diem reimbursement for travelers, personal transportation charges, and reimbursement for authorized use of personally owned automobiles are chargeable to the grant. First class travel accommodations shall not be used except in extenuating circumstances. Automobile mileage must be in accordance with institution policies.

Foreign travel must receive prior approval from Regional Medical Programs Service.

2. Indirect Costs

Indirect costs related to the conduct of a project grant for Multi-Program Services are reimbursable. The same policies apply as published in the January 16, 1970, News Information, and Data release for operational RMPS awards.

G. UNEXPENDED BALANCE

Funds not obligated in one budget period may be requested for authorization in a continuation request if the request is justified as follows:

1. They are included as part of the budget of the continuation grant application; and
2. The expansion of the project beyond that upon which the commitment of funds was based is clearly justified in terms of the relevance of the expansion to the project as originally approved. Approval may require action by the National Advisory Council.

H. REBUDGETING OF FUNDS

The grantee is permitted to transfer funds between budget categories without prior Regional Medical Programs Service approval subject to the following restrictions:

1. Grant funds may not be used for any purpose contrary to the policies of RMPS, HSMHA, the grantee, or an affiliated institution.
2. Prior approval is required for transfers from the indirect cost category to a direct cost budget category.
3. A transfer that reflects a change in the scope of the project requires RMPS approval (See Section B).

I. ACCOUNTING, RECORDS, AND AUDIT

1. Accounting for funds will be in accordance with the grantee's accounting practice based on generally accepted principles consistently applied regardless of source of funds. All supporting records of project expenditures must be itemized in sufficient detail to show the exact nature of expenditures. Special grant accounts must be established for the Multi-Program Services grant. The grantee institution is responsible for any expenditure of funds by an affiliated institution.

2. Records

- a. Financial records including all documents to support entries on the accounting record must be kept readily available for examination by authorized personnel.
- b. Records may be destroyed three years after the end of the budget period if an audit by or on behalf of the Department has occurred in that time; but if one has not occurred within three years, records must be retained until audit or until five years following the end of the budget period whichever is earlier. In all cases records will be retained until resolution of any audit questions.
- c. Grant Related Income - The grantee is accountable to the awarding agency for the Federal share of any grant related income. Provision for anticipated income should be included in the application. Additionally, unanticipated income must be accounted for and should be used to reduce continuation requests to further the purpose for which the grant was made.
 - (1) Interest Earned on Grant Funds - Interest earned on grant funds shall be applied to the grant.
 - (2) Royalties and Profits - When the costs of publications or similar materials are provided from a HSMHA grant, any royalties or profits up to the amount charged to the grant for publishing or producing the materials shall be applied to the grant. At the termination of each budget period all income must be returned to RMPS.
- d. Equipment - Inventory records must be maintained by the grantee. Title to equipment purchased with grant funds resides in the grantee. Accountability may be satisfied after the termination of the grant as long as the equipment is used to further the objectives of HSMHA; however, Health Services and Mental Health Administration reserves the right under unusual circumstances to transfer title of equipment to Regional Medical Programs Service or to another grantee.

3. Audits

The Department of Health, Education, and Welfare follows the generally accepted auditing practices in determining that there is a proper accounting in use of grant funds. Failure of a grantee to appeal a proposed audit disallowance within 30 days after receipt of the written notification will make the action conclusive.

J. REPORTS

1. Reports of Expenditures

A single expenditure report is required to be submitted within 120 days after the end of each budget period.

2. Progress Reports

In addition to a complete form HSMHA-123, a progress report is required for continuation application.

3. Invention Reports

A full reporting of all inventions to the Assistant Secretary for Health and Scientific Affairs, Department of Health, Education, and Welfare, 330 Independence Avenue, Washington, D.C. 20201 is required. A final invention report and certification on the form prescribed is required within 30 days after termination of support.

K. MISCELLANEOUS

1. Safety Precautions

Regional Medical Programs Service assumes no responsibility with respect to accident, claims, or illness arising out of any work undertaken with the assistance of a grant. The grantee institution is expected to take necessary steps to insure or protect itself and its personnel.

2. Federal Income Tax

Determination of a tax status of an individual receiving compensation in any form from a Regional Medical Programs Service grant is the responsibility of the Internal Revenue Service.

3. Military Service

Regional Medical Programs Service will not intercede on behalf of an individual in relation to military status.

4. Visa status of non-United States citizens

Regional Medical Programs Service will not intercede in behalf of non-United States citizens who may be participating in a project and whose stay in the United States may be limited by his visa status. For this reason the grantee should determine that any such individual's visa will allow him to remain in the country a sufficient length of time to be productive on the project.