NIH Training Grant FAQ

I. What exactly is an NIH Training Grant?

An NIH training grant is a training program that generally supports pre and post-doctoral students to enhance their research training and to ensure there is a diverse and highly trained workforce is available to meet the needs of the Nation.

Training grants come in several forms – the most common at MSU is a T32, which supports both pre and post-doctoral students. The key to this type of training grant is the length of the trainee’s appointment, which should be no less than 9 months. A T35 is another type of NIH training grant, which supports pre-doctoral students in short-term research training; short term is defined as 2 to 3 months.

Training grants are managed differently than a typical research project and involve added elements of difficulty. Specifically, the two areas of risk for training grants are carryforward and period of performance. In general, unencumbered funds in training grants cannot be carried forward into the next budget period without specific agency approval. Regarding period of performance, unlike other grants with specific begin and end dates, a trainee can be appointed in the last few days of the budget end date, and then expenditures for that appointee are allowable for the period of appointment date, i.e., up to an additional year. To manage these two unusual risks, each year of a training is set up in a separate account. If there is any unapproved carryforward, it should be removed by CGA from the KFS awarded budget (so that it doesn’t appear to have available money to spend), or a KFS pre-encumbrance can be created so that Account Explorer (AE) and BI reports like FIN049 and CGA001 don’t show available balances. The department also has increased responsibility due to required entries and monitoring of appointments within the eRA Commons xTrain System, as well as ensuring stipends and insurance for the trainees are applied correctly. Terminations of appointees are maintained using the xTrain system and require training summaries to be completed as part of this process. Additional information can be found on the NIH website, Grants Policy Statement at 11.3 Institutional Research Training Grants.

II. Initial Steps at Award

Once the Office of Sponsored Programs (OSP) has reviewed the new award, they will send it to the Awards Group within Contract and Grant Administration (CGA) for account set up. The Awards Group will follow the established procedures to create a new RC account in KFS and notes in AE.

After the Training Grant has been setup internally, the Department Administrator should work with the Principal Investigator (PI) to determine which trainees will be participating in the project, as well as their applicable start dates and stipend rates.

*Stipend Rates* - NIH annually releases a notice at the beginning of October which provides the predetermined stipend rates for the coming year. These rates are not flexible and should be the basis on which the trainee is paid.

*Appointments* - Training grants have a predetermined number of approved appointments. The Notice of Award includes a chart showing the number of pre-doctoral and postdoctoral trainees that may be appointed for that year. An increase in the number of trainees will require prior approval by the Grants Management Specialist.

Once the trainees have been identified, either the PI or the Department Administrator delegated as an ‘Assistant’ within eRA Commons (ASST role in the system) should route the Statement of Appointment forms through the eRA Commons xTrain system and ensure they are submitted to NIH. Once this has been completed, departments should then process the appointments into the MSU eGraduate Fellowship System for the CGA Transactions Group to review and approve.
III. What Expenses are Allowable?

Allowable expenses as defined by NIH Grants Policy Statement 11.3.8, are also usually listed in the Notice of Award (NoA), and/or the Funding Opportunity Announcement. Typically, the following costs are allowable:

- Stipends: These are payment to trainees. They must be paid in accordance the NIH established stipend levels, which are updated every fiscal year. For appointments less than 12 months, the stipends should be prorated.
- Trainee Tuition and Fees:
  - Predoctoral: An amount equal to 60% of the level requested, up to $16,000 per year. If the program supports formally combined dual degree training, up to $21,000 per year.
  - Postdoctoral: An amount equal to 60% of the level requested, up to $4,500 per year. If the program supports postdoctoral individuals in formal degree-granting training, up to $16,000 per year.
- Travel Costs: Trainee travel to scientific meetings necessary for the training or to research training experiences away from the organization, if justified on the basis of the type of opportunities available.
- Other Training Related Expenses (OTRE): Other budgeted expenses in support of the trainee(s). Some of the highlighted expenses that may require more detailed review include:
  - Health Insurance
  - Medical Liability or Other Special Insurance
  - Staff Salaries – Applicable Cost Principles (as identified in the MSU Federal/State Cost Policy) apply.
  - Speaker Fees – If required for the program.
  - Meals – If provided in conjunction with a meeting providing necessary support to the grant.
  - Extraordinary Costs (i.e. accommodation of trainee disabilities)

If questions remain once you’ve reviewed the applicable terms, please contact the Transactions Group (transactions@cga.msu.edu) for further guidance.

IV. Are There Rebudgeting Restrictions on Training Grants?

Yes – See the NoA for specifics, but in general, re-budgeting between categories is restricted as follows:

- Stipends/Trainee Tuition and Fees – Cannot be used for other purposes except under unusual circumstances and therefore rebudgeting is only allowable with prior approval from NIH. (See NIH Prior Approvals for details) Note: these are not paid through Payroll as salary but rather are paid through the Fellowship system.
- Trainee Related Expenses and Travel - May be rebudgeted into other categories without NIH prior approval.
- Since training grants are for specific trainings, a change to the number of trainees, or their length of appointment can be considered a change to the scope of the project, and therefore needs agency approval.

V. What are Stipend Payments and How are Stipend Payments Processed?

Stipends have a specific definition within NIH awards. They are defined as, “A payment made to an individual under a fellowship or training grant in accordance with pre-established levels to provide for the individual’s living expenses during the period of training. A stipend is not considered compensation for the services expected of an employee.” The trainees are not employees of MSU; they are a unique classification and because of this they require a stipend payment that has specific tax and benefit implications. As a result, effort reports are NOT required for these payments.

Payments to trainees should be processed as stipends, consistent with the award budget. The trainee’s stipend should be processed using MSU’s eGraduate Fellowship system, with amounts identified by the NIH pre-determined stipend levels (i.e. not payroll). If the training grant also includes insurance for the trainee, then the insurance can be included as part of the stipend for the period the trainee is actually appointed on the project.

CGA’s Transactions Group reviews all fellowship appointments that affect an RC account. An explanation regarding how the stipend levels were determined and the period for any applicable insurance should be included in the comments section of the form during submission.
VI. How Do I Properly Submit a Trainee’s Termination Notice to NIH?

Termination notices are required to be completed no later than 30 days after a trainee’s completion of their appointment on the project, and require the approval of the trainee. The termination notice will be initiated by the PI or Department Administrator (with an ASST role) within eRA Commons, specifically xTrain. It is imperative the notices are completely filled out, are routed and completed in the proper sequence of approval within the NIH xTrain system:

1. Initiator to the PI for review
2. Trainee for approval (Trainee must complete required sections)
3. PI for approval
4. Administrator with a Business Official role (CGA) within eRA Commons

If the termination notice was automatically routed and was not approved by the trainee, it will be returned to the PI to ensure the correct route is completed. Once the notice has been received by CGA with the correct approval path completed, the termination notice will be reviewed for completeness/accuracy and submitted to NIH.

All amounts included in the termination notice, such as stipends, should match what the trainee was paid.

If a trainee will be reappointed in the next budget period, a termination notice is not necessary. The termination notice is only routed when the trainee completely finishes their participation in the project.

If termination notices are not routed timely, future funding may be impacted.

VII. I Have a Trainee Terminating Early. What Happens Now?

Early termination of a trainee involves multiple steps:

1. A termination notice needs to be routed in eRA Commons, specifically xTrain, as soon as you are notified of the trainee’s termination, following the same routing and approval path as above.

2. Please send an email to the Awards Group (awards@cga.msu.edu) and the Cash Management Group (cashmanagement@cga.msu.edu) with details, including trainee name and early termination date so that they can facilitate the process for the termination.

It is important to submit early terminations in a timely fashion as travel and OTRE funds can be used by any trainee and rebudgeted without restriction. The stipend and tuition funds can be rebudgeted, with prior approval, either to a different budget category or used for a newly approved trainee appointment.

VIII. Are Progress Reports (RPPRs) required?

Yes – RPPRs are required on NIH Training Grants, and are due 4 months prior to the current budget period end date. They must be submitted using eRA Commons. Unlike typical research grants, training grant RPPRs require a detailed budget by trainee, as this is how NIH will fund the next increment of the project. Proper budgeting of the number of trainees, trainee experience levels and other required expenses is key; any changes after the budget submission need to be reported to NIH as soon as possible. If the budget is incorrect, the project runs the risk of being underfunded and not able to support the number of approved trainees.

IX. We’ve made it through the first year and now have received our 2nd year Notice of Award. Can I continue to apply expenses to the current Year 1 account?

Each year of a training grant will receive a new RC account due to carryover and appointment period restrictions. There are certain expenditures allowable for each trainee that can be applied to the account pertaining to the year they were appointed in, outside of the budget period.
Once the budget period has ended, these allowable expenditures (for those appointed within the budget period) are:

- Stipends
- Tuition and Fees
- Insurance

Additional first year expenses for Other Training Related Expenses and Travel are unallowable outside of the budget period.

The Cash Management Group will complete and submit an annual federal financial report within the required timeframe. At this time, the amount of Stipends, Tuition and Fees, and Insurance to be spent outside the budget period for Year 1 should be known and reported (See Section X). The same process should be applied for any subsequent years of the grant.

*NOTE: Paying for Year 1 appointee expenditures with Year 2 funds is not allowable

X. What is required for an Annual Financial Report and when is it due?

Annual federal financial reports are due 90 days after the end of the calendar quarter in which the budget period ends, and are completed by CGA’s Cash Management Group.

At this time, the amount of Stipends, Tuition and Fees, and Insurance to be spent outside the budget period for Year 1 should be known and reported (See Section X). The same process should be applied for any subsequent years of the grant.

**NOTE: Paying for Year 1 appointee expenditures with Year 2 funds is not allowable**

XI. Can I request carryover on a Training Grant?

Carryover funding is not normally approved for Training Grants; however, CGA will submit a request for NIH’s consideration if requested by the PI. Because the carryover request cannot exceed the amount of unspent funds, the request cannot be submitted until after CGA files the annual federal financial report. A carryover request memorandum must be signed by the PI and addressed to the NIH Grants Management Specialist, with a reference to the award number and justification for the request. In addition, a budget (PHS 2590 Form Page 2), justification (PHS 2590 Form Page 3), and checklist (PHS 2590 Form Page 6) must accompany the request. All documents should be sent to CGA’s Awards Group (awards@cga.msu.edu) for review and submission.

Carryover is considered approved only after a revised Notice of Award is received by MSU.

XII. Are No-Cost Extensions (NCE) allowable at the end of a typical 5-year Training Grant?

Yes – because you are extending your final budget period, you are allowed to continue to spend all of your year 5 funds (including trainee related expenses and travel), that are not normally allowable after the end of the budget period (See Section IX), to be included. However, trainee appointments must end by the end of the NCE. If a NCE is desired for a training grant, please contact CGA’s Awards Group at awards@cga.msu.edu for assistance.