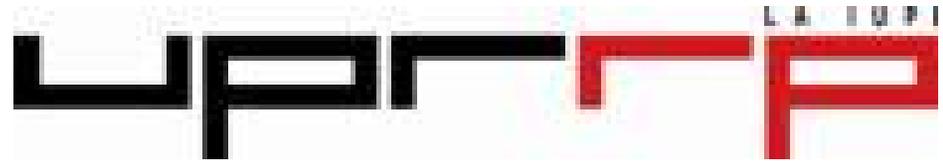


Deanship of External Funds

Ana M. Feliciano

Assistant Dean of External Funds



DECANATO DE ESTUDIOS GRADUADOS E INVESTIGACIÓN

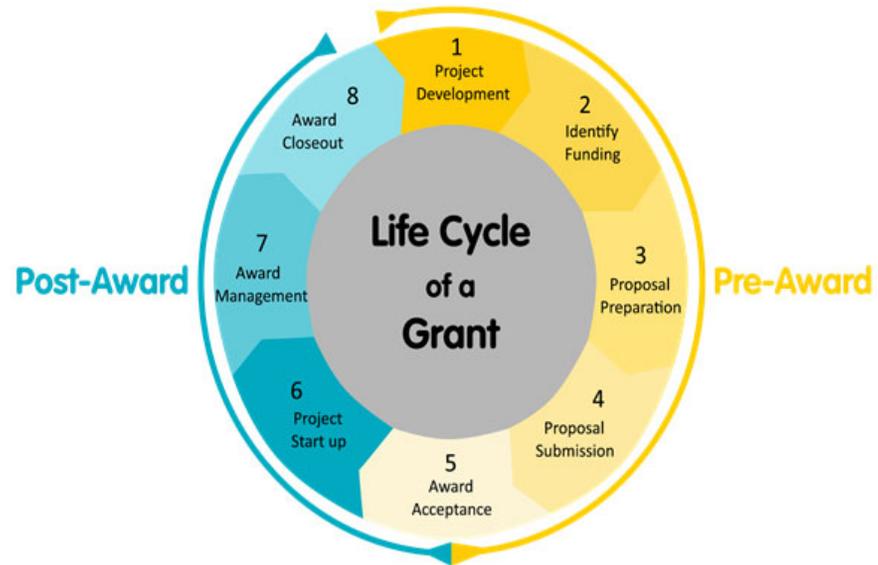
Deanship of External Funds

Ana M. Feliciano-Assistant Dean

- **Pre-Award Division:**
 - 2 Proposal Specialists
 - 2 Budget Specialists
 - 1 Institutional Grant Writer
 - 1 Student
- **Post Award Division:**
 - 1 Administrative Officer
 - 1 Human Resources Analyst
 - 1 Purchasing Agent
 - 1.5 Accounts Payable Accountants
 - 1 Accounting Supervisor
 - 7 Grant Managers (Accountants)
 - 5 Students

Our web page is being updated at this time. We do plan to include the list of all awarded grants as part this page. Web page: <http://graduados.uprrp.edu/fondos-externos/>

Pre and Post Award





Research
Administration:
Everything you
should know



GER

OBJECTIVES



Determine what to do once you receive a grant award



Identify what to look for in a grant award document



Identify what regulations apply



Identify what is a subaward



Understand the budget



Understand the importance of reports and preparing for close out

What must I know as a
Research Administrator

Topics to be covered

- APPROVED PROPOSAL GRANT AWARD AND ITS BUDGET
- APPLICABLE REGULATIONS: Institutional Policies & Federal Regulations
- SUBAWARDS AND SUBCONTRACTS
- EFFICIENT USE OF FUNDS-IT'S ALL ABOUT THE MONEY: Allocable, Reasonable, Consistency and Sponsor Specific Allowability
- COST SHARING
- TIME AND EFFORT REPORT
- HOW TO PREPARE FOR: CLOSE-OUT, AUDITS, REPORTING

Approved Proposal, Grant Award and Budget

- What should I look for in the approved proposal?
 - Goals and Objectives
 - Who is involved, what is their compromise regarding time and effort
 - How did they say they would obtain those goals
 - Grant Award: special terms and conditions
 - Approved budget and budget justification: What is the money for? Does it require cost sharing?



RESEARCHED

Question #2:

What do
I do next?

- Every project administrator should know what the project is about:
 - What does it pursue?
 - What is the project scope?
 - How did the PI and Co-PI say they would achieve their goals and objectives?
 - Who is involved and what is their time and effort compromise?
 - Are they reporting this time and effort as required?

This knowledge allows for a more effective administration and to better help the PI achieve their goals within the rules and regulations applicable to the grant. Working *together* with your PI should be a priority in your work.

Study the proposal

[NIH Proposal Example](#)

Study the Grant Award Document



- It is important to read very carefully each grant award document. You should look for:
 - Award number
 - Named PI
 - Budget Period/Project Period: What is the difference?
 - What amount was approved for this budget period and how is the budget distributed
 - Terms and Conditions: regular and special
 - What rules and regulations apply
 - Who is your program officer & grants officer
 - Is it cost reimbursable, fixed priced or fee for service?

Lets see some examples... [NIH](#), [NASA](#), [NSE](#), [USAF](#), [DE](#)

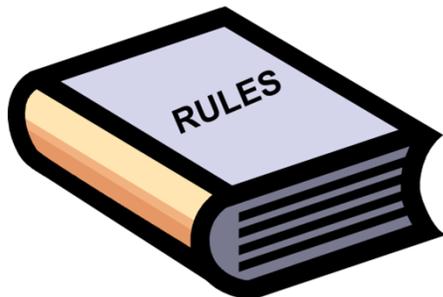
Study The Budget



- It is important to study the budget and *budget justification*: What is the money really for?
- Is there any cost sharing involved: cash or in-kind?
- Are there subawards?
- Can I rebudget at will or does my grant have any restrictions?
- Are there any Participant Support Costs in this budget?
- How should you account for these funds?

Here are some examples of budgets and budget justification documents: [NSF w/subawards](#); [Budget Justification Text](#)

APPLICABLE REGULATIONS



- What regulations apply to your grant award:
 - Office of Management and Budget: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (2CFR Chapter I, Chapter II, Part 200, et al.)(if federally funded)
 - Sponsoring Agency Rules and Regulations: Grant Award will indicate which rules apply and if there is a waiver regarding the OMB Regulation or General Agency Regulations
 - State and Institutional regulations applicable, which can be more restrictive, not less than the sponsoring agencies
 - × Cert. 14, 15 y 16 relacionadas a Tiempo y Esfuerzo
 - × Memorando de Presidencia R-1213-35/R-1213-23
 - × UPR Handbook of Policies and Procedures for Sponsored Programs
 - × Circulares 11 y 12 del 2012-2013 RRP
 - × Procesos de Recursos Humanos, Propiedad, Compras, Viajes, Pre-intervención
 - × Cert. 36 y 37 de la Junta de Síndicos 2009-10

SUBAWARDS Imply Collaborative Work

- Pass-Through Entity is the institution receiving the grant award that will generate a subaward to a subrecipient to carry out part of the Federal program.
- The Subrecipient will be the non-federal entity receiving the subaward to carry out part of a project
- All subawards are required to have been included as part of the proposal .
- Subawards not included in proposal need to be approved by the sponsoring agency.
- Subawards are governed by the same rules applicable to the main grant plus any additional stipulations included in the legal contract.
- Subrecipients are subject to monitoring and audits by the Pass Through Entity and the Sponsoring Agency.



Fixed Amount Subawards

- Awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the federal award
- Accountability is based primarily on performance and results (service offered)
- Need prior approval of sponsoring agency



Monitoring of Subawards

- **Pass-through entity** is responsible for the monitoring of all subawards:
 - Must maintain documentation that supports the monitoring process for at least 3-5 years
 - Must ensure subrecipient is under compliance with all federal and contractual guidelines: must have supporting documentation
 - Must ensure appropriate terms and conditions regarding close-out of the subaward
 - Must ensure appropriate use of funds awarded



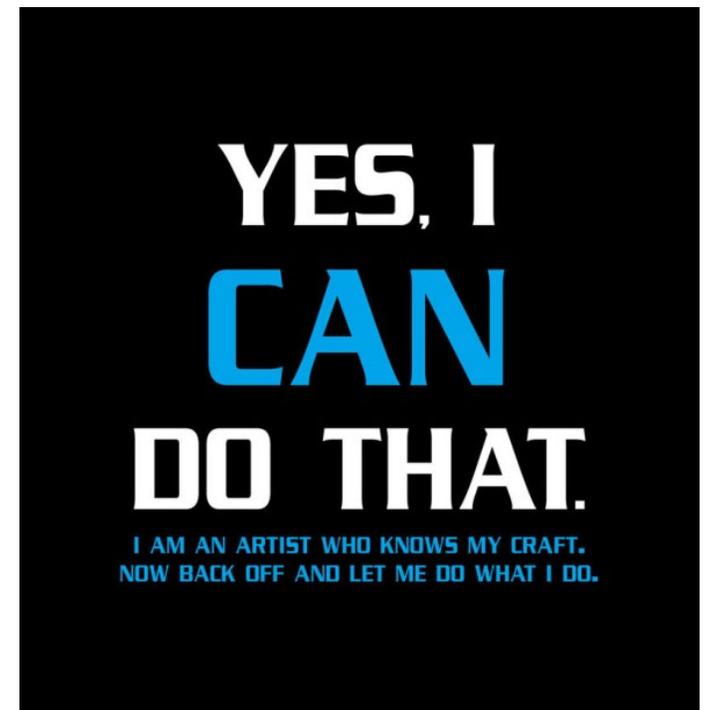
EFFICIENT USE OF FUNDS: It is all about the money

- Financial Award Management:
 - What is considered:
 - **Direct Costs:** Costs that can easily be directly associated with a project: salaries and wages of faculty, research staff, scientific equipment, project travel, etc.
 - **Indirect/Facilities & Administrative Costs (F&A):** Costs that can't easily be associated to a specific project: security, utilities, administrative salaries, office supplies, etc. and that are necessary to support the project
- Work with your PI on creating a work plan to spend the awarded funds wisely
- It is better to return unspent funds than to try to bend the rules to spend these funds incorrectly at the last minute.



ALLOWABILITY

- Four important concepts that need to be considered when determining allowability:
 1. Allocable: Items charged to the project need to directly benefit the project
 2. Reasonable: Need to pass the “prudent person” test. Can you justify the costs allocated to the project in a court to a judge? Will they accept your justification?
 3. Consistency: Treating like costs the same, consistently in like circumstances
 4. Sponsor Specific Allowability: You should read the sponsoring agency guidelines and the terms and conditions of the grant.



Cost Share

- **Cost Share: costs that are not borne by the sponsor**
- They can be institutional funds (cash) or institutional resources (in-kind)
- Institutional contributions or funds not included in the proposal as cost share commitment should not be classified as such.
- Should be verifiable
- Can't be included as contributions to any other federally-assisted project
- Not paid by the federal government under any other award (**except if specifically authorized by federal statute)
- **Same federal and institutional rules and regulations are applicable including reporting requirements**
- Two types of Cost Sharing:
 - Voluntary: not required by the sponsoring agency in submission of proposal
 - Mandatory: required by sponsoring agency in order to be able to submit proposal

***These requirements do not apply if it is a voluntary *uncommitted* cost share

§ 37.1300 In-kind contributions.

The value of non-cash contributions made by a recipient or non-Federal third parties toward cost sharing.

Title

An Overview of In-Kind/Non-Monetary Cost Sharing and Match

Overview

For all Federal awards per Uniform Guidance, any shared cost, matching funds and contributions including cash and third-party in-kind contributions can be accepted as part of the non-Federal entity's cost sharing/matching when the contribution meet all the following criteria:

- Verifiable from the non-Federal entity's record
- Not included as contributions for any Federal awards
- Necessary and reasonable for accomplishing the project program and objectives
- Are allowable under the Uniform Guidance 2 CFR Subpart E - Cost Principles
- Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- Provided in the approved budget when required by the Federal awarding agency
- Conform to other provisions of OMB Uniform Guidance 2 CFR 200.306

Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.

Non-Monetary Contributions and in-kind donations listed here under can be listed as part of a project and proposal funding source for cost sharing and matching purposes and are subject to Federal awarding agency regulations.

⚠ CAUTION



Costs Transfers:

Must be fully justified
Should be approved by an authorized official
Must be done within 90 days of being aware of the issue as established by federal regulations



Participant Support Cost:

Must be treated as restricted
They are costs for participants
Can't be reallocated to any other budget item category without prior written authorization from sponsoring agency



Consultants:

ARE NOT INDIVIDUALS WITHIN YOUR ORGANIZATION OR INSTITUTION
They provide guidance or assessment on project implementation or performance.



Meals:

Allowable provided that the it is allowed by the sponsoring agency, they involve a formal meeting, workshop or training, it is an significant activity of the project and it involves external participants
NOT ALLOWABLE IN STAFF MEETINGS

Other special items



You need to be able to balance your “check book” with your official accounting records



You need to be able to provide a forecast of expenses in order for the PI to know how much money he can still use



You need to know what your encumbrances are in order to provide a more certain data regarding uncommitted funds



It's the project administrator's responsibility to provide assertive data to the PI regarding where he stands in regards to his budget.



THE IMPORTANCE OF A GOOD “BOOKKEEPING”

Workshop on this subject: September 27 from 9 am to 12pm

TIME AND EFFORT REPORTING

- **It is a requirement of the Federal Government**
- Who needs to report time and effort?
 - Key Personnel with effort commitment (be it directly charged to the project or release time)
 - Any personnel whose salary is directly charged to the project must be supported by documentation indicating payroll distribution consistent with the effort dedicated.
- Note: if there is a decrease in effort commitment of a key personnel of more than 25%, this needs to be approved by the sponsoring agency
- **Suggestion:** Don't name someone senior key personnel or key personnel if they really are not, this when preparing a budget for a proposal. Any changes in these positions will most likely require authorization from sponsoring agency. *Clue: If the project can continue without this person in it, then this person is **not** a key person.*

- [Example of our T&E form](#)

Close-Out, Audits and Reporting

- When should you start preparing for your projects' close-out? As soon as it starts....
- Have a [close-out checklist](#), this will help.
- **Liquidate obligations or encumbrances is a very important part of this process**
- Send out notifications to your PI's and project administrators at least 3 months before end of grant in preparation for your close-out. Remember they need to do their part to.
- Make sure you comply with all reporting requirement established by the sponsoring agency.
- Submission of late reports risk the loss of current and future funding and they have an impact on any federal or internal audit.



Close-Out, Audits and Reporting

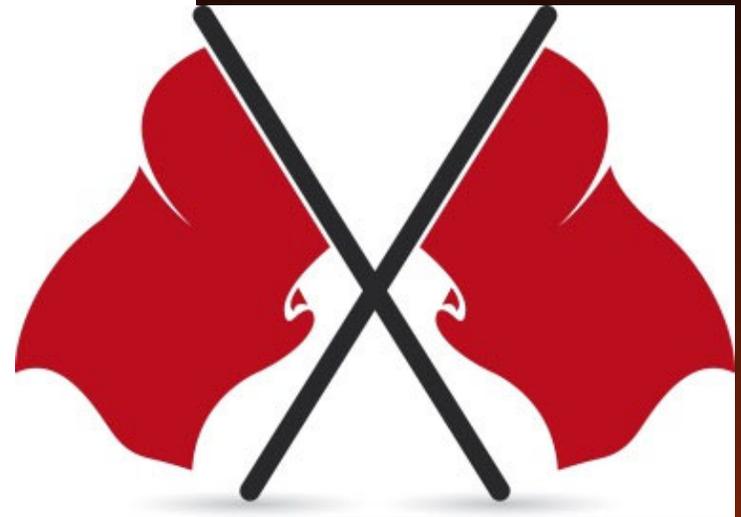
- Assign responsibilities to everyone involved in the close-out process
- Don't try to spend unused funds at the last minute, this is going to be a red flag in an audit and could do more harm than good.
- You should be prepared for an audit before it begins!
- Auditors look for:
 - Financial statements presented fairly
 - Adequate internal control
 - Compliance with laws and regulations
 - Adequate use of funds
 - Prior audit findings, have they been corrected?
 - Subaward monitoring
 - Effort reporting
 - Salaries and Fringe Benefits being directly charged to the project



ARE WE
READY?

RED FLAGS TO AUDITORS

- Red flags that may lead to additional scrutiny:
 - **Late Reports!!!**
 - **Numerous Costs Transfers**, specifically those occurring close to the end of the project
 - **Expenses posted after the award closing date**
 - **Last minute purchases**: remember, the project must not have more than \$5000 in inventory by the closing date.



Tips for Audits

- Have award notices, contracts, A-133 reports, effort reports, project documentation, and institutional policies and procedures readily available and well organized.
- Limit the time between drawing down funds and disbursements (in case you are allowed advance drawdowns)
- Give the auditors **just** what they request, nothing more...**if they are not specific, don't be creative and don't assume, ask for specifics!**
- Grant auditors access to all necessary financials and program records
- Be available
- Provide for an exit conference



Audits: Risk of Non-Compliance

- Risk of non-compliance turns an institution into a “high-risk” auditee with all that it entails:
 - Disallowance of costs, fines and penalties
 - Withholding of current and future support
- Institutions and individuals can be subject to both civil and criminal actions



criminal

