Grant Award Administration

Financial Management

1. Monitoring Expenses

The Principal Investigator is responsible for controlling expenditures and remaining within the budget awarded by the sponsor and in adhering to any specific terms and conditions documented in the grant award letter. The accuracy of both the budget and expenditure information is the responsibility of the principal investigator. Any corrections should be directed to the appropriate office as noted below. Expenditures over the budget and for disallowed costs are strongly discouraged, as they will ultimately be charged to the PI’s Faculty Research and Travel account or to the PI's department.

1-A. The Four Guiding Cost Principles

Most of these policies pertain to all grants and other sponsored agreements. If you have any questions, consult the Grants Accountant. These four criteria are used to determine whether costs can be charged to grants (or other sponsored agreements).

Costs must be:

Reasonable – necessary to perform the project, consistent with the way similar charges are handled, related to an action and/or in an amount deemed within the norms of business conduct (i.e., the “prudent person” test)

Allocable – incurred solely to advance the work funded by the grant (or allocable to more than one grant or college activity in proportions that can be approximated using “reasonable” methods)

Consistent – the cost must be treated in the same manner (i.e., as either a direct or indirect cost) when used in like circumstances

Allowable – must not be designated as “unallowable” under federal cost principles (OMB Circular A-21), must adhere to agency-specific policies and award-specific terms and conditions; must follow college policies regarding the specific cost item

1-B. Assistance

PI’s are required to check grant expenditure information regularly. An e-mail is sent monthly to all Account Director's, reminding them to review their accounts in IFAS, Union’s financial software system. If changes or corrections are necessary, contact the appropriate office:

The Payroll Office will handle payroll corrections. Unless there was an input error, corrections require revised personnel action forms.

The Accounts Payable and Purchasing Department will handle changes to purchase orders, requisitions or payments to vendors.

Journal Entry Requests to transfer expenditures other than payroll can be sent to the Grant Accountant. This office is also responsible for grant accounting including invoicing sponsors, preparing financial reports, and coordinating sponsored program audits.
2. Budget Revisions

The PI and the College are both responsible for adhering to the conditions of the sponsored agreement and obtaining required approvals for changes. PI's are responsible for completing and submitting the Budget Revision Form when needed. (See Exhibit A) The most common changes needed are:

- Re-budgeting within the approved budget lines.
- Re-budgeting to lines not in the original budget. *
- Change in PI or other significant personnel or level of effort. *
- No-cost extension of the project period.

* These changes generally require written approval of grant sponsor organization.

3. Cost Transfers

Union expects its faculty and staff, when dealing with federal or other sponsored programs, to comply with all government or sponsor rules and regulations regarding expenditures. Union expects that costs be charged to the appropriate account when first incurred but understands that there are situations where it may be necessary to transfer expenditures to another account after the fact.

Cost transfers should be initiated as soon as possible after the original transaction, preferably within 90 days of incurring the expense. The Grant Accountant is obligated to immediately remove or dis-allow incorrect charges made to any grant account, regardless of the time frame.

PI's may request a cost transfer by e-mail to the Grant Accountant, indicating the amount, description of the charge, date of transaction and a detailed explanation of the circumstances. The Grant Accountant may request more information if necessary and will determine if the transfer is allowable.

4. Travel

The College’s Travel and Expense Policy and College Credit Card Policy both provide guidelines for the accounting and reporting of travel and other business expenses. Please consult these policies for details regarding travel advances and expense reporting.

In general, the College will reimburse employees for reasonable expenditures incurred while traveling on College business.

Foreign travel may require additional approval, even when the funds for such travel were listed in the approved budget. PI's should contact the Grant Accountant if there are any questions about what is required under a specific sponsor agreement. Except in extraordinary circumstances, all air transportation must be on a U.S. flag carrier.
5. Purchasing

Union College must conform to federal procurement standards in order to maintain its federal research funding. Applicable federal guidelines must be applied to all purchases regardless of the funding source.

The Purchasing Department is responsible for ensuring that adequate competition is sought, that prices are fair and reasonable, and that supporting documentation is maintained. Purchasing will help you negotiate the best terms for your purchases. They will also help you locate small and minority businesses and complete subcontracting reports.

The Purchasing Policies and Procedures Manual contains detailed information about supplier selection, procurement procedures, special procurements, and sample forms.

6. Equipment

Union College is responsible for maintaining an Inventory of equipment purchased with Federal Funds. A bi-annual written inventory is sent to all PI’s to identify the location and condition of the equipment.

The Grant Accountant should be notified promptly when equipment is altered or modified in any way, incorporated into another piece of equipment, or lost or stolen, so that records are kept up to date.

Disposition of all Union College owned equipment is handled through the Finance Office. In some cases, title to equipment purchased or acquired for sponsored research activities will be vested in the sponsor.

7. Subcontracts and Consultants

7-A. Subcontracts

A subcontract is necessary when Union College requests another organization to perform a significant portion of the work under a sponsored award. Sponsor approval to enter into a subcontract is usually required, if not approved at the time of the award. Federal Regulations require additional FFATA reporting for sub-awards made from any Federal Grant. The Grant Accountant will draft the Subcontract agreement which will specify all necessary information and documentation required. The subcontract will incorporate all terms and conditions required by the prime grant or contract. A subcontractor is not authorized to begin work until a subcontract has been fully executed by an authorized representative from Union College and the subcontracting organization.

All subcontract invoices are approved by the PI and submitted through the Grant Accountant for payment.

7-B. Consultants

The services of an individual who is not an employee of Union College, is sometimes needed to perform a portion of the work under a sponsored award.

Sponsor approval is generally required for use of a consultant. In many cases, issuance of an award by the sponsor constitutes approval of consultants listed and justified in the proposal. The Grant Accountant will advise you if additional approval is needed.
8. Time and Effort Reporting

Each principal investigator on a federal or state grant must sign a Time and Effort Report certifying the amount of time and effort devoted to each sponsored (grant-funded) and institutional activity. The Grant Accountant will send report forms out at the end of each academic year and at the end of the summer to each PI of a grant that had non-hourly payroll charges. The PI will complete the form for each employee with the percentage of effort devoted to the grant project and then return the signed forms to the Grant Accountant.

9. Interim Reports

If the sponsor requires submission of interim technical, financial, and invention reports, the type, form, and frequency of reports will be specified in the award.

Failure to submit required reports can jeopardize future funding to the PI or the College and can delay payment from the sponsor. Therefore, it is imperative that PIs submit required reports in a timely manner.

9-A. Technical

Technical reports and progress reports are the responsibility of the PI. Reports should be sent directly to the sponsor.

9-B. Financial

Financial reports will be prepared and submitted by the Grant Accountant. Any unusual information or detail required by the sponsor should be provided by the PI.

10. Project Termination and Close-Out

10-A. Transfer of PI

Sponsored project awards are made to the College, not the individual PI. When a PI moves to another university during the course of an award, Union has the choice of nominating a substitute PI or transferring the award to the new institution.

In most cases Union supports transfer of the award and will cooperate fully in the transfer process so that the research may be continued with the least possible disruption. However, sometimes it may be advisable to subcontract, rather than transfer, the remaining work to the new institution. The sponsor should be consulted for the specific process to follow.

A transferring faculty member may wish to take equipment purchased under a grant or contract to the new laboratory, and, under certain circumstances, may be able to do so. In fact, many sponsors, NSF and NIH in particular, prefer that equipment be moved with an active project and expect the college to cooperate fully in such a transfer.

PIs wanting to transfer equipment, when title belongs to Union, must discuss this issue with their dean, or Department Chair. This will be followed by a formal approval process.
11. Final Reports

The College is usually required to submit final reports to the sponsor when a project is completed. The types of reports and the level of detail required will depend upon the sponsor and the terms of the award.

11-A. Technical

Technical reports are the responsibility of the PI. Sponsor forms and format must be used, if required.

Failure to submit required reports in a timely manner can affect final payment and future funding to the PI or the College. If you cannot meet a report due date or your report is not accepted by the sponsor, please contact the Grant Accountant so we can assist you in addressing the situation.

11-B. Financial

The PI has online access to the grant account in IFAS. The PI must provide the Grant Accountant with any information that is not available on IFAS.

11- C. Invention

Invention reports are prepared and submitted to the sponsor by the PI, in conjunction with Academic Affairs, after verification of whether or not there were any inventions made under the project.

12. Project Audits

Most projects may be audited by the sponsor, if the sponsor chooses. The sponsor may disallow charges which are determined to be in violation of the award terms. The PI and department are normally responsible for covering disallowed costs.

Union College complies with federally required institutional standards. Union's financial statements and internal control structures are audited by independent auditors to ensure compliance with laws and regulations as required in Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions.

13. Record Retention

Most sponsors require Union to retain all files and documents for three years after the termination of the award and completion of an audit, or for five years if an audit has not occurred. If the sponsor requires a different retention period, Union will comply.

The Finance Office is responsible for retaining purchase orders, invoices, personnel files, payroll records, and other official documents. It is not necessary for PIs or department offices to keep such documentation. PIs need only retain financial transaction documentation that might not be available to the Grant Accountant, such as handwritten records of telephone calls to sponsors or correspondence with the sponsor's technical staff. PIs are responsible for maintaining all technical reports and supporting documentation.
## Allowability of Selected Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Allowability</th>
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</thead>
<tbody>
<tr>
<td>Alcoholic Beverages</td>
<td>Unallowable</td>
</tr>
<tr>
<td>Entertainment</td>
<td>Unallowable. This includes meals that aren’t eligible for reimbursement under Meetings and Conferences.</td>
</tr>
<tr>
<td>Foreign Travel</td>
<td>Depends. Many funding agencies require prior approval for or do not even allow foreign travel. If foreign travel is not specified in the awarded budget, check with the Grant Accountant.</td>
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<tr>
<td>Meetings held at Union</td>
<td>Unallowable: “lab group” meetings, even if you are disseminating technical information (unless the expense is included in the grant budget as part of activities that are consistent with the purpose of the grant – this might be true for training grants but probably not for research grants). Allowable: In some circumstances grant funds may be used to cover the expenses for an outside expert who comes to Union to learn or advise about the research or project. If this expense is included in the awarded budget, it’s generally allowable.</td>
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<tr>
<td>Meetings, Conferences</td>
<td>Allowable: The primary purpose of the meeting or your participation at the meeting must be “the dissemination of technical information” related to the project. This can be informal discussion of your work in progress, but if the specific conference is not included in an agency-approved budget, provide justification details to Grant Accountant. Reimbursement for meeting expenses follows the same policies as reimbursement with college funds for similar purposes (except that grant funds can’t be used to pay for alcohol).</td>
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<tr>
<td>Meetings, Conferences (continued)</td>
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<tr>
<td>Memberships</td>
<td>Unallowable: Membership in civic, community, and social organizations Unallowable as a direct cost: Institutional memberships. These expenses are built into the indirect rate. Depends: Membership in professional organizations. Grant funds may be used for professional memberships only if the expense is included in an approved budget or can be specifically allocated to the grant. If the expense meets one of the following criteria it is automatically allowable (if you provide the details outlined below); otherwise you will need additional justification: The membership is required in order to present grant-related research at the conference (provide the name and dates of the conference on the receipt or in email to Grant Accountant) The total cost for membership and discounted conference registration does not exceed the regular cost of conference registration (provide these details on the receipt or email to Grant Accountant) If you can document that you need to be a member of the professional organization in order to conduct the research or carry out the project AND would not otherwise be a member, the membership may be an allowable expense; check with the Grant Accountant.</td>
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<tr>
<td>Office Supplies</td>
<td>Unallowable (unless the expense can be allocated to a specific grant and is justified as being a direct cost of the project and not routine college support – check with Grant Accountant).</td>
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<tr>
<td>Professional Services</td>
<td>Unallowable: Professional and consulting services rendered by employees of the college, except in certain specific situations, which should be explained in the awarded budget.</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>Unallowable: Subscriptions to professional journals, because the expense can’t be allocated specifically to one research project. Subscriptions are an expense built into the indirect cost (F&amp;A) rate. Allowable: If you can document that you need the subscription in order to conduct the research or carry out the project AND would not otherwise subscribe, it may be allowable expense; check with the Grant Accountant.</td>
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