

CSP-6-01 Post-award Management of Grants and Sponsored Programs

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CSP-6-01 Post-award Management of Grants and Sponsored Programs

CSP-6-01.01 Introduction

This policy establishes procedures and guidelines for the management of grants and sponsored programs after an agency has awarded resources to The University.

CSP-6-01.02 Phases of research funding

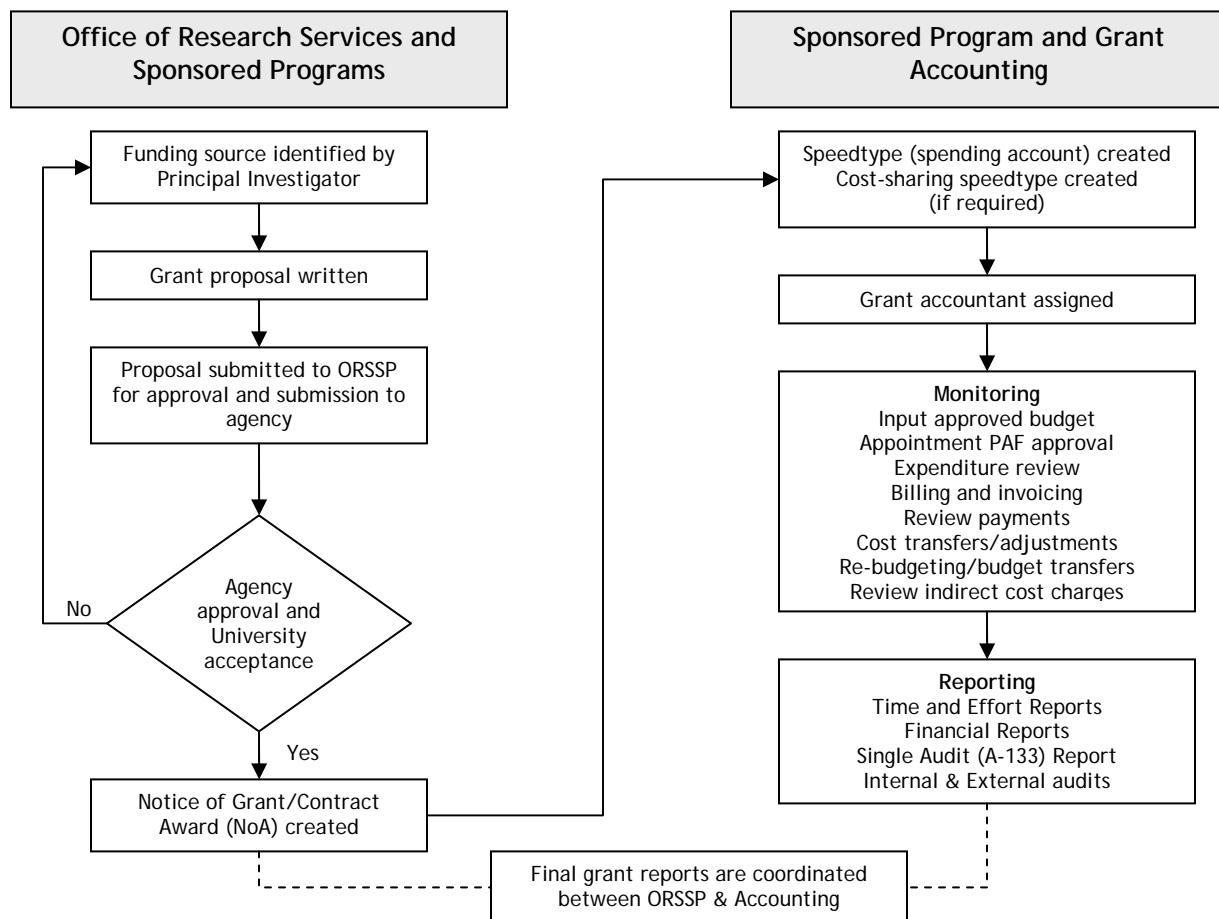
The process of obtaining research funding is distinguished by two separate phases: pre-award and post-award.

1. Pre-award

The Office of Research Services and Sponsored Programs (ORSSP) facilitates faculty research by identifying funding sources, assisting in proposal development, reviewing and endorsing proposals, negotiating agreements, accepting and authorizing awards, and interpreting guidelines on compliance with agency and University policies. ORSSP reports to the Vice President for Research and Dean of the Graduate School.

2. Post-award

Sponsored Program and Grant Accounting monitors the post-award grant activity of The University and reports to the Associate Vice President/Controller. This area receives final grant award documents from the ORSSP and performs all post-award duties. These duties include the initial setup of a spending account and approved budget, reviewing expenditures for appropriateness, billing and invoicing, tracking payments received, and reporting to agencies.



CSP-6-01.03 Assigning a University speedtype for an award

When the Notice of Grant/Contract Award (NoA) is sent to the Office of the Associate VP/Controller, the project will be assigned a University speedtype. If cost sharing is required for the project, a separate speedtype will be assigned.

Research speedtypes following this general convention:

5xxxxx - Budgeted sponsored research - University (532000 to 534999 range)
535xxx - Budgeted sponsored research - Research Foundation (535000 to 535998 range)
6xxxxx - "Unrestricted" gifts or grants

23xxxx - Cost sharing (last five digits will match the project speedtype)

The Principal Investigator(s) (PI) will receive notification of the speedtype(s) along with the name and telephone extension of the grant accountant assigned to the project via email. For additional information, contact the grant accountant who has been assigned to your project. A directory of grant accounting personnel is also on the Associate Vice President/Controller's website.

These speedtypes and the brief project title should be used on all communications for expenditures incurred in connection with this project.

CSP-6-01.04 Cost sharing

Guidelines and policies for cost sharing are located on the ORSSP website under the "Frequently Requested Information" link.

If cost sharing is required for the project (as indicated in the project budget and transmittal notes regarding basis of University approval for project), the cost sharing should be supplied as indicated at the time the project is setup. Documentation and accounting for cost sharing is as important as documentation of costs charged to the sponsor.

Cost sharing reporting requirements:

1. Cash contributions

Cash cost sharing contributions should be transferred to the cost share speedtype. All direct expenditures from these resources should be charged to the cost sharing speedtype.

2. In-kind contributions

If cost sharing is to be provided by a third-party agency (other than through a subcontract), PIs must submit to their project grant accountant a copy of the documentation annotated with those items to be reflected as cost sharing. The PI is required to obtain this documentation. The grant accountant will report third-party cost sharing to sponsors but will not post these expenditures to the project financial statements.

Please maintain adequate records to prove that this contribution was made to the project as such records will be required during an audit (sometimes years after a project officially ends). An audit covers both how the funding agency's funds were expended and how The University contribution as promised to the funding agency was provided.

Contributions of employee time on federal grants will be reported on the time and effort reports.

CSP-6-01.05 Grant and Sponsored Program Costs

A. Allowable Costs

The Office of Management and Budget (OMB) Circular A-21 establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. The principles deal with the subject of cost determination, and make no attempt to identify the circumstances or dictate the extent of agency and institutional participation in the financing of a particular project.

Circular A-21 is available at www.whitehouse.gov/omb/circulars/a021/a21_2004.html

All sponsored projects are considered to be restricted funds and charges must be:

1. reasonable, allowable, and allocable to the project
2. in accordance with program plans and objectives
3. clearly required for the project
4. consistent with the budget established for the project (in total, by category, or by line item, depending on sponsor requirements)
5. incurred within the project time period
6. in accordance with all applicable government, sponsor, and/or University regulations

Any deviations from the above require justification and/or additional sponsor approval. The responsible grant accountant can provide information and advice on what may or may not be charged to a sponsored project and they can assist in seeking required approvals.

B. Unallowable Costs

OMB Circular A-21 states that costs expressly unallowable or mutually agreed to be unallowable shall be identified and excluded from any billing, claim, application, or proposal applicable to a sponsored agreement.

C. Partial list of allowable and unallowable costs

The following is a partial summary from OMB Circular A-21, Section J:

Expenditure type	Allowable	Unallowable
Advertising	Only costs necessary to meet the requirements of the sponsored agreement such as recruitment of personnel, procurement of goods or services, or disposal of surplus materials.	Costs of meetings, conventions, convocations, or other events related to other activities of the institution. Costs of promotional items and memorabilia. Advertising designed solely to promote the institution.
Alcoholic beverages		All alcoholic beverages are unallowable.
Alumni activities		All Alumni activities are unallowable.
Audit costs and related services	The costs required by, and performed in accordance with, the Single Audit Act or if specifically approved by the awarding agency as a direct cost to an award.	
Bad Debt		Losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collection costs, and related legal cost.
Commencement and convocation costs		All commencement and convocation costs are unallowable.

Expenditure type	Allowable	Unallowable
Communication costs	Costs incurred for telephone services, local and long distance telephone calls, telegrams, postage, messenger, electronic or computer transmittal services which are specifically identifiable to the project.	
Compensation for personal services	See section CSP-6-01.06	
Contingency provisions		Contributions to a contingency reserve are unallowable.
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement		<p>Generally unallowable.</p> <p>Costs incurred by the institution for defense of suits brought by its employees or ex-employees are unallowable if the institution was found liable or settlement was reached.</p> <p>Legal, accounting, consulting, and related costs incurred in defense against government claims or appeals, or in prosecution of claims or appeals against the government, are unallowable.</p> <p>Legal, accounting, consulting, and related costs incurred in connection with patent infringement litigation are unallowable unless provided for in the sponsored program agreement.</p>
Donations and contributions		Contributions or donations, including cash, property, and services, made by the institution, regardless of the recipient, are unallowable
Entertainment		Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs are unallowable
Equipment and other capital expenditures	Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior approval of the awarding agency	<p>Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except where approved in advance by the awarding agency.</p> <p>Capital expenditures for improvements which materially increase their value or useful life</p>
Fines and penalties		Costs resulting from violations of, or failure of the institution to comply with, Federal, State, and local or foreign laws and regulations unless specifically approved by the agency
Fund raising and investment costs	Costs related to the physical custody and control of monies and securities	Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions

Expenditure type	Allowable	Unallowable
Goods or services for personal use		Costs of goods or services for personal use are unallowable regardless of whether the cost is reported as taxable income to the employees
Housing and personal living expenses		Costs of housing, housing allowances and personal living expenses for institutional officers
Insurance and indemnification	Costs of insurance required or approved, and maintained, pursuant to the sponsored agreement	Actual losses which could have been covered by permissible insurance unless expressly provided for in the sponsored agreement Costs of insurance with respect to any costs incurred to correct defects in the institution's materials or workmanship
Lobbying		Costs incurred in attempting to influence, either directly or indirectly, an employee of the federal government regarding a sponsored program
Losses		Any losses on other sponsored agreements or contracts
Material and supplies	Costs incurred for materials, supplies, and fabricated parts necessary to carry out a sponsored agreement	
Meetings and Conferences	Costs of meetings and conferences, the primary purpose of which is the dissemination of technical information	
Memberships, subscriptions and professional activity	Costs of the institution's membership in business, technical, and professional organizations Costs of the institution's subscriptions to business, professional, and technical periodicals are allowable.	Costs of membership in any civic or community organization Costs of membership in any country club or social or dining club or organization
Pre-agreement costs		Costs incurred prior to the effective date of the sponsored agreement, whether or not they would have been allowable, are unallowable unless approved by the sponsoring agency.
Professional service costs	Professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the institution For employees - See CSP-6-01.06	
Scholarships and student aid costs	Only when the purpose of the sponsored agreement is to provide training to selected participants and the charge is approved by the sponsoring agency Tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work	
Selling and marketing		Costs of selling and marketing any products or services of the institution

Expenditure type	Allowable	Unallowable
Student activity costs		Costs incurred for intramural activities, student publications, student clubs, and other student activities unless specifically provided for in the sponsored agreements
Training costs	Training provided for employee development	
Transportation costs	Freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered	
Travel costs	Charges consistent with those normally allowed in like circumstances in the institution's non-federally sponsored activities	

D. Purchases

All purchases regardless of the funding source must be administered by the Department of Purchasing in accordance with University Purchasing procedures and policies. Some agency policies may be more restrictive than those of the University and those conditions will also have to be met. When purchasing equipment on federal grants, the PI needs to conduct a prior review before purchasing to ensure that the property needs cannot be met with property already in the possession of and reasonably available for sharing at the University. Likewise, equipment acquired under such federal grants and contracts should be made available for use on other projects or programs if such use will not interfere with the work on the project or program for which the property was originally acquired.

CSP-6-01.06 Handling personnel costs

A. General guidelines

All appointments for personnel are made through the Human Resources Office. You may need to complete a Job Requisition Form (JRF) to request a new position. If a JRF is not required, a Personnel Action Form (PAF) should be prepared by the department/dean's office for the person being appointed to your project. Postdoctoral fellowships are subject to all federal, state, and local taxes.

The salary will also be subject to the appropriate retirement system [except non-resident aliens who enter the U.S. on an F, J, or M visa] with a contribution both from the employee and from your grant or contract budget, AND insurance benefits if full-time. Under no circumstances should the individual begin work until the PAF has been approved and the appropriate hiring documents completed. Questions regarding hiring an employee and related documentation should be directed to Human Resources.

All PAFs for research projects will be forwarded to the responsible grant accountant for approval and certification of available funding prior to review by the Provost and/or any other review.

B. Faculty Appointments

1. Academic Year

A PAF for faculty appointments during the academic year should be prepared and processed immediately after the effective date of the grant award. You should request in writing, through your department chair or equivalent, that a PAF be prepared by your academic dean or institute director for the time you will devote to the project (and will be released from teaching) during the academic year. Please indicate if your department is voluntarily contributing a portion of your academic year time to the project as a match.

1. Academic Year (continued)

You should supply the dean or institute director's office with details regarding: (1) the amount to be charged to your project for your academic year time based upon your current academic year salary; (2) the percentage of effort (10%, 25%, etc. considering 12 semester credit hours as 100% load for full-time faculty per semester) you will devote to the project each semester; (3) the period of time (generally September through May for the entire academic year, but in no case earlier than the beginning or later than the ending date of your grant or contract); and (4) general information such as your current home address, EMPLID, and project title and speedtype. Please work together with your faculty co-investigators or co-directors to prepare their request for a PAF for appointment to your project as well.

2. Summer

A Personnel Action Form for faculty appointments should be prepared and processed immediately after the effective date of the grant award. The Personnel Action Form, which authorizes payment for summer effort, is prepared and processed by your academic dean or institute director through their normal processes for summer faculty pay.

Please note that summer research or sponsored program activities must be coordinated with summer teaching, workshops, student supervision, and all other summer duties at the University. University policy (as well as funding agency policy) places limits on how much activity you may be compensated for in the summer. If you expect to teach during the summer, the information listed in the paragraph above should be noted on your summer teaching contract for your department chair or institute director to approve before it is submitted to the academic dean and then to the Provost's Office. Contact your dean and/or Human Resources about maximum effort allowable in summer.

C. Graduate Research Assistants

Graduate Research Assistants (graduate assistants and/or research fellows registered for at least nine (9) credit hours each semester and three (3) credit hours a summer session) are appointed through the Dean of Graduate School. Initiate the appointment process by completing the appropriate form available from the Graduate School.

D. Research Associates/Technicians/Secretaries/Other Staff

The federal government has disallowed costs related to clerical support on sponsored projects. Before planning to make salary appointments for support staff on a project, contact your grant accountant to see if your project's circumstances qualify for an exemption from this general prohibition. Even temporary staff employees (research associates, technicians, etc.) on grants and contracts may qualify for vacation, sick leave, and other benefits. These must be allowed for as they will be charged to your grant in most cases. Please contact your grant accountant and Human Resources in advance to verify what leave will be due them and to plan accordingly.

Note: If a full time non-exempt employee (normal staff appointment), devotes extra hours to your project, the employee must be paid at time and a half for all hours worked above 40 per week, and that federally-funded projects prohibit any payment at overtime rate. Advice from your grant accountant and Human Resources should be sought before you attempt to appoint a current University employee to your project. A regular University staff employee must turn in separate time records for the time devoted to the regular job and for the time devoted to your project. Fringe benefits must be charged to your grant for staff employees.

E. Temporary Employees

If you intend to hire a temporary employee, follow the procedures established by Human Resources to initiate and complete the employment process. Persons who receive such appointments are in the unclassified civil service. A Temporary Requisition Form (TRF) must be completed for each position. Instructions are available on the Human Resources website.

F. Student Assistants (Hourly)

Student assistants employed to work on grants/contracts are actually employees of The University of Akron. As student employees, they are covered by Workers Compensation, although they do not receive additional employee fringe benefits. Any student hired must meet the qualifications for campus student employment. A Student Employment Form should be completed by the student and department before the student begins working. Students may also be funded through the Federal Work Study Program (FWSP). FWSP student appointments must be approved by the Student Financial Aid Office. Regular student appointments must be approved by the Student Employment Office.

G. Non-Resident Alien Personnel

The University is required by the IRS to follow complex rules and regulations for payments to international visitors whether students, faculty or staff. The Form W-4 you or your project personnel receive as part of your employment packet has a non-resident alien self-identification section. Please pay close attention to this section as it may allow your qualifying project personnel to receive Tax Treaty benefits and will allow the Payroll Office to ensure that all IRS rules are followed depending on your appointment at the University. Even if they receive only a tuition scholarship with no stipend, the University must report the scholarship to the IRS. A U.S. Social Security number must be obtained as soon as possible after arrival in order for the University to process any appointment.

H. Submission of Weekly Time Records

Non-exempt staff personnel and student assistants must submit weekly time records showing actual hours worked. These time records must be submitted with all other such records for your department and must be approved by the official University department chair. The PI should initial or sign the time record also to assure the department chair that it is appropriate to pay, and to confirm hours worked.

I. Fringe Benefits

University employees are eligible for UA choice fringe benefits. However, individuals funded on grants/contracts should not be influenced by PIs to decline benefits they need in exchange for additional salary, etc. Please do not attempt to make such well-meaning suggestions, which may not be in the best interest of the employee. The employee must discuss options with the Offices of Human Resources and Benefits Administration.

Fringe benefit charges will be made periodically against your project account. Estimated rates for proposals are available on the ORSSP website. Student assistants and graduate research assistants usually do not receive ordinary fringe benefits; however a very small charge will be made for Workers Compensation for them as well as for other personnel. Graduate assistants have the option to be enrolled in the State Employees Retirement System (SERS) and may have to be budgeted accordingly.

An additional employer charge is levied on the salaries of lower-paid SERS members. The minimum annual compensation is determined annually by SERS' actuaries. The surcharge is figured at 14% of the difference between the member's annual compensation and the minimum compensation level.

Consult Human Resources, Benefits Administration, and your grant accountant regarding the cost/scheduling implications for benefits to which each of your grant/contract employees are entitled and which will be charged to your grant or contract, and plan accordingly.

J. Equal Employment Opportunity/Affirmative Action

The University strives to maintain full compliance with all federal and state regulations regarding equal employment opportunity, affirmative action, and other related issues. All University activities fall under these requirements. If you have questions or concerns, please contact the University's Director of Equal Employment Opportunity.

CSP-6-01.07 Consultants

If you are using the services of a Consultant on your project, and this item is included in your grant budget, contact your Grant Coordinator in the Office of Research Services to initiate the Consultant Agreement. This should be done before the services of the Consultant are needed, as it takes some time for the paperwork to be processed. You will need to provide a scope of work detailing the services to be provided and the rate and total amount of compensation to be paid. You must also provide the address and social security number of the Consultant.

Note that if any University employee is to be hired as a "consultant" on your project, they must appear under the personnel block and be compensated in accordance with University policy/procedures and at their regular rate of pay. If a person being hired as a "consultant" is not currently an employee, but was on in the past, that person may still be considered an employee for payment purposes. It does not matter if they have their own consulting firm, for example, if they are (or determined to be) a University of Akron employee, they are to be treated as such. University employees cannot be paid through Accounts Payable. Payment for their services must be made through payroll. In addition, fringe benefits will be charged against your project on any salaries paid to University personnel, and in some cases to consultants who are not University employees, but who are covered by the State Teachers Retirement System (STRS), for example.

Please note that some federal agencies fix the maximum allowable consultant rate for non-UA personnel at no greater than the current rate for a federal GS- 18's (currently about \$453 per day). Contact the grant accountant for advice on these matters.

CSP-6-01.08 Re-budgeting

If you require re-budgeting of line items within the project budget (for example, you need more money for supplies and can take it from your travel funds), you should contact your grant accountant to discuss. If a Budget Change and /or Time Extension Request form is required, your grant accountant can assist you in completing the form, which is available from Sponsored Program Accounting. (Do NOT use the form provided by the Office of Resource Analysis and Budget which is used for internal University accounts).

Note that some re-budgets are allowed with the permission of University administration only. Other changes must also receive agency approval in advance. Re-budgeting between line items is rarely allowable solely on your own initiative. Your grant accountant can assist you in determining which approvals are required. Do not rely entirely upon verbal assurance from a funding agency officer that permission for re-budget is granted. Submit the necessary paperwork outlined above including the justification for changes sought.

CSP-6-01.09 Time and Effort Reporting

Time and Effort reporting is a federal requirement for all federal projects. It is vitally important that your time and effort reports show that the appropriate amount of time was devoted to your project. The amount shown should agree with the amount listed in your project budget and the amount shown on your PAF plus any required contribution of academic year time as cost sharing. Please consult with your department chair, dean, or institute director, and grant accountant to be sure your time is properly reported. Sponsored Program Accounting can advise you about proper documentation of time and effort.

CSP-6-01.10 Retroactive Cost Transfers/Adjustments

Adjustments or corrections in the accounting system must be made on a timely basis and must be adequately explained. Work with your grant accountant to be sure these are handled appropriately. Sponsored Program Accounting has forms and guidelines available to accomplish this.

The allowability of journal entries is affected by the timeliness of the adjustment or the correction. Federal guidelines provide 90 days to record adjustments and corrections to a project subsidiary account. It is important that a timely follow-up be made to ensure that correcting and adjusting entries do not become delinquent and risk potential audit disallowance. Should a PI determine that the books and records of his/her project require adjustment or correction, it is important that a complete and accurate explanation be provided in the request. Explanations do not need to be overly complex. If pertinent correspondence is on hand detailing the need for a correction or adjustment, this correspondence should be attached and forwarded to the grant accountant.

Grant policy regulations state, in part, that transfers of cost to grants by grantees, subgrantees and contractors under grants that represent correction of clerical or bookkeeping errors must be made promptly after the error is discovered. The transfers must be supported by documentation that contains a full explanation of how the error occurred. An explanation which merely states that the transfer was made to correct the error or to transfer to correct project is not sufficient. It should be noted that frequent errors in the recording of cost may indicate the need for improvements in the record keeping of the PI and could cause auditors to question costs in general.

When closely related work is supported by more than one funding source, costs may be transferred from the originally charged funding source when all the following conditions are met:

1. the cost is a proper and allowable charge to the grant;
2. the transfer is supported by documentation from the PI containing a full explanation and justification for the transfer;
3. the transfer is made within 90 days of the original charge;
4. in extraordinary cases where a transfer is made after the 90 day period, then the Cost Transfer Request Form must be completed. This will give explanation of why the transfer was so late, in addition to, the explanation and justification indicated previously.

Documentation of cost transfers generally will be maintained and made available for audit and other review purposes in accordance with regulations.

CSP-6-01.11 Time Extensions

Agencies may limit the number of time extensions you may receive. Most agencies require that requests for time extensions be submitted 90 days or more (preferably more) before the scheduled termination of the project.

Contact the Office of Research Services and Sponsored Programs for assistance with extensions. A simple time extension with no additional funds required from the agency or from the University can usually be accomplished by a letter from the PI to the sponsor, including justification for the change requested (generally addressed to the technical officer with a copy to the grant/business officer of the funding agency), but which is also countersigned by an authorizing University official. Some agencies permit limited time extensions to be granted by University administration with advance notice to be sent to the agency. Do not rely entirely upon verbal assurance from a technical officer that a time extension is permitted. Follow up with the necessary paperwork and keep the ORSSP and Sponsored Program Accounting informed.

CSP-6-01.12 **Continuations**

If you wish to continue the project with additional funds from the agency, you must plan well in advance. It is not uncommon for funding agencies to request that continuation requests be received by them at least six months before the termination date of the current project. Contact the Office of Research Services and Sponsored Programs for clarification if needed. Continuation requests are generally written as short proposals with the addition of a progress report for the current work. Please contact the Office of Research Services well in advance to obtain assistance in budget preparation and in securing University approval for continuation of your project.

CSP-6-01.13 **Indirect Cost/Overhead**

Indirect cost charges will be made monthly against your project account to the extent allowed in the project award. Current DHHS federally-audited indirect cost rates effective July 1, 2001 for The University of Akron are 47% of Modified Total Direct Costs (MTDC) for on-campus and 26% MTDC for off-campus projects. MTDC base means that indirect cost recovery by UA is permitted on all items except: permanent equipment (over \$5,000 per item cost and life of more than 1 year), alterations and renovations of facilities, tuition scholarships/non-service fellowship stipends, and the cost of subcontracts over \$25,000 (indirect costs are permitted on the first \$25,000 of any subcontract).

CSP-6-01.14 **Receiving payments from agencies**

Sponsored Program Accounting handles the receipt of payment from granting agencies. Federal, state, and local agencies, as well as foundations and corporations, differ in the way they pay the University for sponsored projects. Payments are made by wire transfer or check, and can be handled using the following methods:

1. Letter of Credit - The monthly expenditures for a certain sponsored program will be determined and that amount will be withdrawn directly from the granting agency's account. All awards from the U.S. Department of Health and Human Services, the National Science Foundation, NASA, and the U.S. Department of Education are funded in this manner.
2. Monthly Invoice (Voucher) - Invoices (vouchers) are submitted to the sponsor for payments of expenses already incurred based upon the terms of the sponsored agreement. The invoice may be created on a pre-determined schedule, or as needed based on reports of the types of expenditures and the total spent to date. The sponsor then reimburses the University for these costs.
3. Prepayment - At the beginning of the project, the sponsor sends the full amount for the award, which is credited to the project account.
4. Advance Payments - Payment is made following the filing of an advance cash request, usually quarterly or monthly, or is sent automatically in accordance with the original agreement.

If a payment is received by your department on behalf of the grant, please contact your grant accountant for specific deposit instructions.

CSP-6-01.15 Reporting

A. Technical Reports

Technical reporting requirements are outlined in your grant and/or contract document. If you are in doubt, please contact your project officer at the funding agency for clarification. It is an absolute requirement that these reports be submitted to the agency in a timely fashion. Final reports, especially federal grants that require patent reports, should be filed by the PI even if they are negative.

For a Department of Defense agency or NASA grant or contract, a copy of the transmittal letter which accompanies every technical report, and is submitted to the funding agency, should be forwarded to the grant accountant AND to the ONR Resident Representative in Chicago.

For final reports, a copy of the cover letter/transmittal sheet correspondence indicating the final report has been submitted and/or a complete copy of the final report, for every project regardless of source of funding, should be forwarded promptly to the Office of Research Services and Sponsored Programs. A full copy of the technical report, OR the abstract/executive summary and the cover letter/transmittal sheet for final reports, as required by the fund agency, MUST be submitted to your grant accountant in Sponsored Program Accounting for orderly closeout of the grant or contract, in addition to all required copies sent by you to your sponsoring agency. A complete copy of each report to the Department of Defense agencies and NASA must be sent also to the ONR Resident Representative. Note that NASA also requires a full copy of your technical report to go to the Center for Aerospace Information. Those addresses are available from your grant accountant if it does not appear on your award document.

B. Financial Reports

Most agencies require the grantee to submit reports on the financial status of the grant, either at the end of the grant period or periodically during the grant period. These reporting requirements are generally included in the grant agreement. It is University policy for Sponsored Program Accounting to prepare all financial reports based on transactions as recorded in the general ledger. Once prepared, the final financial reports are mailed or faxed to the PI for approval before being submitted to the sponsoring agency. It is the PI's responsibility to verify that the information is correct and agrees with his/her records. It is also the responsibility of the PI to submit all items for payment so that they are recorded in the grant account in a timely manner to be included in the financial report.

Financial reports need to be filed on a timely basis as stated in the grant or contract and must be accurate. Failure to submit reports can result in withholding of advances or reimbursements, and suspension or termination of awards. If a grantee provides an acceptable explanation of why a report cannot be submitted on time, the sponsoring agency may waive that report or extend the deadline. Generally, however, such action has to be justified by reasons that demonstrate problems beyond the control of the grantee.

CSP-6-01.16 Responsibility for unrecoverable costs resulting from sponsored agreements

A. Responsibility

Sponsored research is conducted as a college and department function. The department and college are responsible if a sponsored agreement results in unrecoverable costs. Unrecoverable costs may be a result of project overexpenditures, disallowed costs, or sponsor non-payment.

B. Overexpenditures

One of a PI's responsibilities is to monitor project expenditures and commitments to ensure that they do not exceed the project budget. Current project financial data as well as month-end financial statements are available through PeopleSoft Financials. While a PI may designate other persons as "authorized signers" for the project, he or she retains responsibility for ensuring that the project is conducted within the authorized budget. If a project ends with an overexpenditure, the direct cost portion of the overexpenditure will be transferred to the PI's unrestricted research funds, indirect cost funds, or to the department. Please contact your grant accountant to have any overexpenditure transferred to the proper fund.

It is not allowable to place charges against one sponsored project in anticipation of another sponsored project with the intent of transferring those charges once the new award is made. Even where projects are related, sponsor approval may still be required in order to expend funds in this manner.

In order to minimize the possibility of an overexpenditure in the last month of a project, PIs should limit the submission of requisitions for items that are not available for immediate delivery. The PI must further review open commitments at the end of the project to determine whether they are still valid or should be canceled.

B. Disallowed Costs

Sponsors that pay on a cost-reimbursement basis may require that expenditures be limited to approved budget categories (usually with some flexibility between certain line items). When expenditures are incurred outside of sponsor approved categories, the sponsor has the right to disallow costs by removing this cost from the amount requested for payment. If the University, in cooperation with the PI, is unable to justify these expenditures, the department is responsible for covering such disallowed costs. Maintaining a good relationship with the sponsor by meeting all administrative requirements in a timely manner can be as valuable in obtaining future support for sponsored programs as the results of the research effort itself.

C. Sponsor Non-Payment

There are numerous reasons that sponsors may not make payments as specified in a sponsored agreement. In accounting terms, a 'receivable' is the total of scheduled sponsor payments anticipated under an agreement. The PI's department will be notified by the grant accountant when a problem receivable exists. If a receivable remains unpaid after several attempts to collect, the unpaid balance may be transferred to the department or other PI research funds.

A sponsor may withhold payment pending submission or acceptance of technical progress reports or a final technical report. The PI is responsible for preparing and reporting the technical results of the research effort in accordance with the terms of the agreement. This is especially important where sponsor payment is contingent on submission of technical progress or final reports.

Closing projects is an essential part of the overall research management process. PIs are expected to cooperate with their grant accountant and their grants coordinator to ensure that all closeout requirements are accomplished on schedule. Some sponsors will withhold final payment pending the receipt of required final reports and, in some cases, may not pay at all if a technical report is overdue. Future awards from a sponsor could depend on properly meeting sponsor closeout requirements. If a receivable is unpaid due to improper closing of a project, the unpaid balance will be transferred to the department.