SIUe

MANAGEMENT OF SPONSORED PROJECTS

For Principle Investigators & Fiscal Officers

August 2, 2021

Table of Contents

CONTACTS

Graduate School
https://www.siue.edu/graduate/contact/index.shtml

You will be assigned one of the Grant Accountants once your award is finalized and executed.

Purchasing
https://www.siue.edu/purchasing/

Accounts Payable
https://www.siue.edu/ap/contact_us.shtml

Payroll
https://www.siue.edu/human-resources/about-contact/index.shtml

AWARD NEGOTIATION

- A project or program does not begin when a notice of award is received.

- All agreements for external funding must be reviewed and in some cases negotiated to ensure SIUE is protected.

    - This includes all grants, contracts, clinical trials, fee-for-service agreements, etc.

    - The level of negotiation depends on the nature of the award and sponsor type.

- Only the Associate Provost for Research can sign agreements for externally-sponsored funds!

    - Signing an agreement yourself would make you personally liable.

- To prevent delays in your project, submit agreements to RPFM for review as soon as possible!

ISSUANCE OF SUBAWARDS

- On awards that involve federal dollars, SIUE is required to determine whether the relationship with the lower-tier recipient of funds is a *SUBAWARD* or *CONTRACT.*

Subaward	Contract
• Recipient is another institution and will be performing a significant portion of the project • Recipient personnel are listed as Key Personnel • Recipient has responsibility for programmatic decision making • Recipient's performance is measured by whether the goals of the overall project are met	• Recipient is performing a small or non-essential part of the project • Recipient has no personnel listed as Key Personnel • Recipient provides similar goods/services to many different customers and within normal business operations • Recipient normally operates in a competitive environment

- The determination is completed at the proposal stage within the Kuali Research questionnaire.

- At the post-award stage:

  – Subawards constitute a flow-through partnership (not a procurement action). The subaward recipient is subject to the same terms and conditions as SIUE. Subawards will be negotiated and executed by Post-Award on your behalf

  – Contracts constitute a procurement action. Contract recipients are not subject to the terms and conditions of the award. You will complete forms that will be processed through SIUE's Purchasing Department.

    - https://www.siue.edu/graduate/pdf/Subrecipient-vs.-Contractor-Determination-Form.pdf

POST-AWARD SERVICES

- Each new award comes with a unique set of terms, conditions, and requirements.

  - Additionally, there are broader regulatory policies and procedures that must be adhered to, including Federal Uniform Guidance, State of Illinois requirements, and SIUE policies.

- Post-Award takes the lead in interpreting all applicable rules, regulations, and requirements to ensure the greatest level of compliance to protect the best interest of SIUE as well as that of the PI.

  - Lack of compliance seriously impacts SIUE's ability to secure future funding, including student financial aid.

Specifically, Post-Award does the following:

- negotiate (if necessary) and execute awards

- prepare, negotiate (if necessary), and issue all subawards

- set up an SIUE account for award funds

  - Check for Financial and Ethical Compliance

- input project budget into SIUE accounting system

- review all expenditures including personnel expenses

- prepare and submit all financial reports in a timely manner

- ensure SIUE is reimbursed in a timely manner

- appropriate verb Federal Compensation Compliance, if relevant

- contact sponsor for items that require prior approval

- provide support and guidance to PI on fiscal and compliance matters

- close-out the account at the end of the award.

ACCOUNT AND BUDGET SETUP

- Once an award is fully approved, you'll receive an email from Kuali Research to approve your award and the account creation.

  - As PI, you are the fiscal officer (FO).

  - You can add a delegate by contacting the Grants Administrator prior to the award being created.

- Post-Award will input the approved budget into SIUE's accounting system (AIS) and this budget will appear on the monthly financial statements the PI has access to (more on this later)

REVIEW OF PERSONNEL HIRING AND ALL EXPENDITURES

- Prior to approving a request to hire or a contract/change of assignment, any required financial conflict of interest disclosure and training has to be completed.

  - Responsible Conduct of Research (RCR) Training is required for all students paid on a research project.

  - See (point to compliance website) for additional information.

- Your grant accountant reviews all expenditures to ensure that they are allowable under the award's terms and conditions as well as any applicable regulations.

- The following types of expenses require your grant accountant's approval before they can be charged to a sponsored account:

  - salary and changes to salary

  - payment of invoices for goods or services

  - purchase requisitions

  - travel reimbursements.

- The following types of expenses can be charged to a sponsored account without prior approval, *BUT* they are reviewed by your grant accountant *AFTER-THE-FACT:*

  - p-card transactions

  - internal billings.

  - Because they are reviewed after-the-fact, your grant accountant may need additional information to allow them and may disallow them.

FINANCIAL REPORTING AND INVOICING

- Your grant accountant will submit financial reports and invoices per the terms of the approved award agreement.

- Little to no effort is typically required from the PI in respect to these functions of award management.

- However, in some cases, your grant accountant may need your timely response to questions.

- Do not send financial reports and invoices without coordinating with your grant accountant!

SIUe

FEDERAL COMPENSATION COMPLIANCE

- The federal government and certain other project sponsors mandate that a person in responsible charge of the project review the salary paid to each person on the project to determine if it reasonably reflects the work expended on the project. For compliance purposes, SIUE has determined that the PI is the person in responsible charge and is responsible for reviewing the compliance reports.

- SIUE provides a compensation report annually and at project close-out that the PI is to review. However, PIs are to monitor their project budgets and charges throughout the project period to correct errors as they arise. Failure to comply with requirements may result in personnel expenses being removed from the grant account and charged to a unit account.

- Go to **Compensation Reports Login**. See the **FCC webpage** for background and instructions. If you have additional questions, email **postaward@siue.edu**.

CONTACT WITH SPONSOR

- Typically, sponsors will have a programmatic contact as well as an administrative/financial contact.

  – Coordinate with your grant accountant on all communication made with your sponsor's administrative/financial contact.

- Your grant accountant will formally communicate with the sponsor on your behalf for matters that require *PRIOR SPONSOR APPROVAL.* Examples include:

  – changes to the approved goals and objectives of the project or program

  – changes to the approved period of performance (including requests for no-cost time extensions)

  – changes to the approved budget

  – changes to the PI, co-Is, or key personnel of the project .

RESPONSIBILITIES OF THE PI

- Meet the approved goals and aims of the project.

- Follow the approved budget.

- Supervise and monitor your project team (including external collaborators).

- Prepare and submit all required programmatic/technical reports.

  - Let your grant accountant know when you have submitted required reports.

- Regularly review and reconcile expenditures to ensure your project remains within the budget and that expenses are allowable.

- Meet any other requirements outlined in the approved agreement, such as milestones and prior review of publications and presentations.

- Conduct the project or program in accordance will all applicable terms, conditions, guidelines, SIUE policies, and laws.

  - Make sure to complete all necessary internal forms and requests in a timely manner.

- Coordinate with your grant accountant on other administrative and fiscal issues related to your award management.

OTHER FINANCIAL THINGS YOU NEED TO KNOW

- **Budget basics**
    - **Indirect cost policies at SIUE**
    - **Fringe benefits**
- **Cost sharing**
- **Monthly review of expenditures and budgets**
- **Cost principles**
- **Salary guidelines**
- **Purchasing guidelines**
- **Travel guidelines**

BUDGET BASICS

- **A budget consists of direct costs and indirect costs (if allowable by the sponsor).**

  - **Direct costs**

    - **wholly benefit the award**

    - **can be directly attributed to the project**

    - **are available to the PI to spend on the project.**

  - **Indirect cost (a.k.a., Facilities & Administrative or F&A cost):**

    - **supports the "overhead" needed to administer external awards at SIUE**

    - **are recovered by the Office of Research and Projects and distributed based on a formula (see next slide)**

    - **are charged as a percentage of expended direct costs.**

SIUE POLICIES ON INDIRECT COSTS

- SIUE has a federally-approved indirect cost rate. This approved rate MUST be used on all proposals and awards except in the following cases.

  - When the sponsor has a PUBLISHED rate that is less than the SIUE full rate, then the published rate is used.

  - The Associate Provost for Research allows a reduced rate of 15% for non-federal proposals and awards under $50,000 when the sponsor does not have a published rate.

- Distribution of indirect costs

  - Indirect costs are recovered by the Office of Research and Projects on a monthly basis.

  - Policy 5D1 outlines how the recovered funds are to be used and distributed.

    - A small percentage is retained to be used for the salaries and other expenses of ORP.

    - A portion is returned to the schools/college based on the type of project.

      - Research Projects receive 40% back.

      - All other projects receive 67% back.

SCHOOL/UNIT POLICIES ON ICR

SCHOOL/UNIT	DISTRIBUTION		
	PI/Co-PI	Department	School/Unit
Arts & Sciences	10%	0%	90%
Graduate School	100%	100%	0%
Library	25%	25%	50%
Business	25%	25%	50%
Dental Medicine	10%	0%	90%
Education, Health, & Human Behavior	20%	40%	40%
Engineering	10%	40%	50%
Nursing	25%	25%	50%
Pharmacy	30%	20%	50%

SIUE FRINGE BENEFIT RATES

- To eliminate the need to calculate every individual's benefits on a proposal, SIUE negotiates federally-approved fringe benefit rates. Check with Pre-Award for the current rates.

- The following costs are included in the calculation of these rates:

    – employer group insurance

    – FICA/OASDI/Medicare

    – tuition waivers for employees (dependent tuition waivers are unallowable.)

    – health, life, and dental insurance

    – retirement benefits.

COST SHARING

- Cost sharing, or matching, is the practice of contributing internal institution funds to a project.

- There are two types:

    - mandatory –required cost-sharing by the sponsor as a condition of submitting a proposal

    - voluntary – included in the proposal with Associate Provost for Research approval.

        - If a proposal with voluntary cost sharing is funded, the cost sharing becomes mandatory.

        - Therefore, it must tracked and met

- The most common expenses cost-shared are tuition waivers and unrecovered indirect costs.

- Cost-sharing CANNOT come from another externally-sponsored award.

MONTHLY REVIEW OF EXPENSES/BUDGET

- First time fiscal officers will need to complete an AIS Request Form and the AIS Overview Course to gain access to monthly statements. Instructions and forms can be found on the Administrative Accounting website: http://www.siue.edu/its/ais/

- Once you have access, the following monthly statements are available for download:

    - General Ledger Summary

    - Funds Available Report

    - Report of Transactions.

GENERAL LEDGER SUMMARY

- The GL Summary details the cash inflows and outflows of the account. This report is used to determine actual cash-on-hand for the account.

- A PI generally does not need to worry about having enough cash on hand to spend on the project, as long as expenses are within the approved budget. Sometimes there are delays in payment, but they do will not impact the timeline of the project or program.

- A PI's primary <u>fiscal</u> responsibility is ensuring that the project stays within the approved budget.

	Date: 02-APR-15	SOUTHERN ILLINOIS UNIVERSITY				Page:	1013 of 1489	
		GENERAL LEDGER SUMMARY				Fiscal Officer:		
		AS OF 31-March-2015				Department:		
	Fund :					Mail Code:		

					Current Fiscal Year			
				Previous	Current	Year to	Ending Balance	
	Description		Balance July 1	to Date	Period	Date	31-MAR-15	
Natural Account								
11000	Cash (ASSETS:)		17,909.00	(10,718.17)	0.00	(10,718.17)	7,190.83	
	Total Assets		17,909.00	(10,718.17)	0.00	(10,718.17)	7,190.83	
Natural Account	LIABILITIES/FUND BALANCE:					**Available Cash**		
22100	Accrued Payroll		(2,044.70)	2,044.70	0.00	2,044.70	0.00	
23010	Unearned Revenue		(17,909.00)	17,909.00	0.00	17,909.00	0.00	
31000	Fund Balance		2,044.70	(9,235.53)	0.00	(9,235.53)	(7,190.83)	
	Total Liabilities/Fund Balance		(17,909.00)	10,718.17	0.00	10,718.17	(7,190.83)	
Object	REVENUES:							
	Total Revenues			0.00	0.00	0.00		
Object	EXPENDITURES:							
4100	SALARIES			7,500.04	0.00	7,500.04		
4200	WAGES			1,466.45	0.00	1,466.45		
4500	COMMODITIES			1,177.93	0.00	1,177.93		
5630	FRINGE BENEFITS (NON-STATE ACCOUNTS)			573.75	0.00	573.75		
	Total Expenditures			10,718.17	0.00	10,718.17		
	Subtotal (Net Revenues/Expenditures)			10,718.17	0.00	10,718.17		
Object	REVENUES - BRS ACCOUNTS RECEIVABLE:							
Object	EXPENDITURES - BRS ACCOUNTS RECEIVABLE:							
	Subtotal (Net Revenues/Expenditures)			0.00	0.00	0.00		
	YEAR-END ACCRUALS			(19,953.70)	0.00	(19,953.70)		
	Fund Balance Change			(9,235.53)	0.00	(9,235.53)		

SIUe

FUNDS AVAILABLE SUMMARY

- The FA Summary is the primary report used by the PI.

- This report summarizes expenditures against the approved budget of the award.

- Make sure that expenditures within each broad category does not exceed the budgeted amount.

- Any significant deviation from the budgeted amounts usually requires PRIOR SPONSOR APPROVAL.

REPORT OF TRANSACTIONS

- **This report provides a detailed listing of all expenditures that occurred in the previous month.**

- **This report is useful for tracking down specific expenditures as it provides p-card transaction numbers, invoice IDs, etc.**

COST PRINCIPLES

- Cost principles are the set of standards used to determine whether an expense can be charged directly to an award.

- Generally, an expense is allowable if it is:

    – REASONABLE – the nature and amount of the expense is prudent and practical

        - An example of an unreasonable cost would be a first class airplane ticket.

    – ALLOCABLE – the expense directly benefits the award and an appropriate amount can be reasonably attributed to the award

        - An example of un-allocable cost would be a printer for the entire department. While it could benefit the award to some degree, how do you reasonably determine what amount to charge to the sponsored award?

    – TREATED CONSISTENTLY– similar costs must be treated in the same manner

        - An example of an inconsistent cost would be the monthly utility bill. While it does benefit the project, utilities are part of SIUE's indirect cost base. Charging them as a direct cost would be inconsistent.

- Other examples of generally unallowable costs include but are not limited to:

    – alcohol

    – entertainment expenses

    – a majority of food costs

    – lobbying

    – automobiles for personal use

    – costs from another project

    – costs that fall outside of the period of performance.

- If you are unsure about the allowability of an expense, contact your grant accountant for guidance prior to spending the money!
- Unallowable expenses will be removed from your grant account to another account, typically one of your unit's accounts.

- Transfer of expenses onto an externally-sponsored award

    – must be fully justified and documented

- and approved by your grant accountant as they are heavily scrutinized by auditors.

- All requests must be submitted in writing by the PI to your grant accountant and must include all of the following:

  - original date of expense

  - dollar amount of expense

  - description of expense

  - original account it was charged to

  - new account it should be transferred to

  - written approvals from the FO of each account

  - explanation of why the expense was charged to the wrong account

  - a corrective action plan stating how this will be prevented in the future,

- In general, no cost transfers will be approved if more than 90 days have passed since the original date of the expense.

- Review account statements monthly!

SALARY GUIDELINES

- If an external award contains salary in the budget, the PI must ensure that the correct HR forms are completed in a timely manner to ensure that the salary is correctly charged to the account.

- The JOB CHANGE REQUEST Form is used for faculty and professional staff.

- The REQUEST TO HIRE OR CHANGE THE STATUS OF CIVIL SERVICE PERSONNEL Form is used for civil service employees.

- Graduate assistants are hired through the epaf system.

- Forms and instructions can be found on the HR website:
  http://www.siue.edu/humanresources/forms/

PURCHASING GUIDELINES

- The State of Illinois requires agencies to competitively bid purchases over a certain threshold.

- See https://www.siue.edu/purchasing/ for the current limits.

- IMPORTANT TIP: Purchasing typically waives competitive requirements on external awards if the purchase is *SPECIFICALLY NAMED* in the approved proposal.

- Payment of invoices are accomplished through two methods at SIUE, depending on the amount.

    - Cost less than or $5,000 – can be paid through Accounts Payable using an Accounts Payable Invoice Distribution (APID) Form.

    - Costs more than $5,000 – must be paid through Purchasing using a Purchase Requisition (for which you will receive a Purchase Order).

- For professional and artistic services (which includes consultants and evaluators), you must complete:

    - an Independent Contractor/Consultant Service Agreement AND

    - an SIUE Independent Contractor Analysis Form.

- More information can be found at: http://www.siue.edu/purchasing/.

EQUIPMENT

- SIUE defines equipment as tangible property with a useful life of more than one year and has an acquisition cost of $5,000 or more.

- Equipment purchased with external funding is the property of <u>SIUE</u> and not the PI or anyone else on the project!

- The equipment must be tagged and entered in the University's official equipment inventory.

- The Purchasing department will reach out to you.

TRAVEL GUIDELINES

- Budgeted lodging, airfare, and any applicable registration fees are charged directly your grant account.

- Expenses incurred during travel (such as mileage, per diem, portage, and ground transport) will be reimbursed after a Travel Expense Voucher Report is completed. .

- IMPORTANT REMINDER: Travel Vouchers MUST be submitted to Accounting within 60 days of travel. If not, it is reimbursed as income and is subject to taxes!

- SIUE utilizes the per diem method to reimburse meals during travel (current rates can be found at https://www.siue.edu/ap/.

    - If you have a p-card, do not charge meals directly to a sponsored account!

- If federal funds are used for international travel, the Fly America Act mandates that a U.S. flag air carrier or a flight operated under a U.S. flag code share agreement to travel to the foreign destination must be used, regardless of cost or convenience.

REMEMBER…

- **If you have any questions or concerns about your award, contact your grant accountant!**
- **Your grant accountant is ready to guide you through all of the processes and procedures related to award management.**