



**Northwest Indian College**

**Office of Sponsored Programs (OSP)**

**Pre- and Post-Award Policies and Procedures**

**(aka Grant Managers Manual)**

Approved by the Board of Trustees on

Wednesday, March 3, 2021

**Pre- and Post-Award are not in the Financial Manual**

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## **Introduction**

Northwest Indian College (herein referred to as ‘College’) conducts research, teaching, and other public service projects funded by sponsors outside the College; that are aligned with the [2017-2024 NWIC Strategic Plan](#) as well as the Institution’s [cultural values](#). These external sources include both governmental and private organizations as well as foundations and corporations (herein referred to as “sponsors.” To ensure that funds provided from these external sources are administered in accordance with College policies and procedures, as well as those of the sponsor, externally funded projects will be administered through the Office of Sponsored Programs (OSP), a division of the Institutional Effectiveness Department (IED).

Funding provided for scholarships, College fundraising priorities and capital projects is administered by the college and NWIC Foundation.

The OSP at the College resides in the Institutional Effectiveness Department and reports directly to the Director of Institutional Effectiveness. The Grants Accountant is housed in the Business Office. The OSP has primary responsibility for:

- Assisting all faculty and staff with initiated projects seeking external funding through the Authorization to Pursue (A2P) process
- Coordinating and approving the preparation and submission of all research proposals to be submitted to government or private funders
- Guiding PIs through the sponsored programs policies and their related procedures
- Supporting new PIs with post-award administration of their grants
- Facilitating communications with grant agencies, PI/PDs and the Grants Accountant
- The ORSP personnel can be contacted at [SponsoredPrograms@nwic.edu](mailto:SponsoredPrograms@nwic.edu).

## **PRE-AWARD**

### **I. Proposal Development, Coordination, and Submission Requirements**

#### ***PI Eligibility***

College employees are eligible to be a Principal Investigator/Program Director (aka PI/PD) or Co-Principal Investigator (Co-PI) on a sponsored project (for either prime or subaward) as approved by their supervisor. All proposed PIs/PDs and Co-PIs must be listed on an A2P form and/or supporting documentation to be vetted by the OSP and the President. Students are not eligible to be a PI/PD but can be a Co-PI/Co-I if working with a College employee who is approved to be a PI/PD for the project.

#### ***PI Authority and Responsibilities***

The PI has the following responsibilities:

- Accountable to the College for the proper management of the grant-sponsored project or program
- Maintains all program records and makes certain that all expenditures are reasonable, allowable, and necessary in the performance of the grant
- Responsible for controlling expenditures and remaining within the budget awarded by the sponsor
- Accountable for the accuracy of both the budget and expenditure information
- Accountable for keeping OSP informed of all changes and correspondence with the sponsoring agency
- Follow all UMB Guidance

Expenditures over the budget and for disallowed costs are not possible and they will ultimately become a department responsibility.

### ***Proposal Process***

All proposals to external sponsors by College faculty or staff require internal approval prior to submission. The process follows these general steps:

- 1) PIs/Program Directors (PIs/PDs) **must** prepare an A2P form for all grant applications, including continuations and supplements, as soon as possible, but no later than two (2) weeks prior to application due date. This should occur before beginning the preparation of a proposal and before contacting the OSP. This form presupposes that discussions regarding the proposal have taken place between the PIs/PDs and the respective supervisor and subsequent Vice President (VP)
- 2) PIs/PDs prepare proposal narratives and budgets
- 3) The PI/PD routes the A2P form with the appropriate documents as follows:
  - a. Project Abstract
  - b. If subaward, completed Subcontractors and Collaborators Contact Form
  - c. Current and Pending for all PIs and Co-PIs, including subawardees
  - d. Notice of IRB approval (if required)
- 4) The OSP, upon receiving the signed A2P Form and necessary documents, obtains approval from the President
- 5) OSP notifies PI/PD and their supervisor of approval/denial of A2P
- 6) If A2P approved, PI/PD prepares the proposal for submission
- 7) The proposal package is then routed to the OSP for review a minimum of 24 hours prior to due date
- 8) The proposal is submitted by the OSP or their authorized designee
- 9) PI/PDs can request assistance in this process from the Grants Coordinator or the OSP staff.

Proposals that are submitted to external sponsors without first completing the internal approval process may be withdrawn at the discretion of the President. The College is not obligated to honor proposals submitted without internal approvals by the designated officials.

### ***Electronic Proposals***

Many agencies, both private and governmental, require that proposals be submitted electronically. The submission may occur via email (attaching all relevant documents), or through a specialized online proposal submission system. Regardless of the type of submission, the policies described in this section apply. Electronic proposals must be routed and approved in the same manner as hard copy paper proposals prior to submission to an external sponsor.

### ***Signature Authority for Proposals***

The OSP personnel generally serves as the Authorized Official Representative (AOR) who is authorized to commit the institution to the budget and scope of work described in the proposal. Online signatory authority has been delegated by the President to the OSP personnel. This policy applies to both hard copy and electronic signatures.

### ***Special Issues Related to Human Subjects***

For the Protection of Human Subjects, the College's Institutional Review Board (IRB) must review and approve any relevant activity that will involve human subjects. PIs/PDs should contact the IRB at [irb@nwic.edu](mailto:irb@nwic.edu) for information on projects that required review as well as all documents that need to be submitted. Review and approval should be completed before final acceptance of the award. The project cannot commence prior to IRB approval.

## **II. Award Process and Budget Development**

A proposal to an external sponsor normally includes a detailed budget. Sponsor guidelines should always be consulted/followed for specific directives on budget preparation. Budget development must occur at

the proposal stage and revised, if need be, at the award stage or as required by sponsor. The following represents general guidance.

The budget is the financial plan for the project or program; it often includes both the sponsored and non-sponsored share of the total project cost. Proposed project costs are comprised of allowable direct costs, indirect costs (also known as facilities and administrative or F&A costs), and cost sharing (ONLY IF REQUIRED). Cost share expenditures must be allowable and incurred during the awarded period of performance. A list of Allowable and Unallowable Costs is in Section V of this document and is also defined in the College's Financial Manual.

For multi-year agreements, the budget should account for expenditures on a project budget year basis. If cost sharing is required, each budget period should include columns for both Sponsor and College costs. Please note that cost share must be approved by the Chief Financial Officer (CFO) and the NWIC executive team.

A budget narrative should be prepared to explain how the budgeted costs relate to the project. The narrative should provide sufficient detail to allow the sponsor to determine whether the proposed costs are reasonable and appropriate. Key elements to include in the narrative are:

- A detailed justification of the expense or service
- How the expense relates to and benefits the project
- The anticipated cost
- The time period in which funds will be utilized
- Other information that will aid the sponsor in evaluating the proposed item

### ***Direct Costs***

Direct Costs are directly attributable and chargeable to a specific sponsored project or activity. Direct costs must be allowable by the sponsor and the College.

### ***Personnel Expenses***

Salaries:

- The salary category should include the names of all individuals job titles of who will be involved in the project, if known, otherwise use To Be Named (TBN) and job classification. Dependent upon specific sponsor guidelines, the percent effort that will be applied to the project would be shown.
- Guidelines should be consulted for special restrictions, such as agency-specific salary caps and/or person month limits supported by the project, including College policies.
- Support for administrative and clerical staff should be detailed in the budget narrative to provide the sponsor with adequate information to evaluate whether these costs are allocable to the project.

Fringe Benefits:

- Fringe benefits are charged as direct costs to the project. The most current College fringe benefit rates should be applied to all College faculty, staff and student salaries. Current rates are available from the Business Office.
- Fringe benefits cover the costs for insurance (health, unemployment, life, short-term and long-term disability), FICA, worker's compensation, and 403(b) retirement plans, EAP, and optional vision and dental.
- Fringe benefits are a real cost to the College and cannot be waived, unless specifically requested by employee and approved by NWIC HR department.
- College is required to use the fringe benefit rate that is established annually.
- Rates usually change each July 1. Please call the Business Office to obtain the current rate.

## ***Non-Personnel Expenses***

### **Consumable Materials and Supplies:**

- Consumable supplies (with life expectancy of one year or less) are items used exclusively in support of project objectives. It is generally acceptable to sponsors to provide a breakdown of materials and supplies by broad categories as opposed to the detailed listing of individual items.

### **Travel:**

- Costs for travel, lodging and subsistence may be charged by a) actual cost basis, or b) per diem or mileage basis.
- Charges incurred by employees for travel, lodging and other subsistence should be reasonable and allowable only to the extent of sponsor and College policy.
- Costs should be calculated using current GSA approved rates, unless sponsor specifies otherwise.
- The narrative should provide information regarding destination and names of conferences, if known and appropriate, number of travelers, duration of travel and estimated total cost.
- Foreign and domestic travel should be itemized and justified separately.
- Foreign travel requires sponsor pre-approval; government funding generally requires travel using United States companies or airlines.
- Sponsor guidelines should be consulted to verify the allowed travel costs.

### **Equipment:**

- Major items of equipment proposed for acquisition should be itemized by descriptive name and estimated cost (based on a quote), and including setup, taxes and shipping. An adequate justification should be provided in the budget narrative.
- Quotes for computer technology equipment will be sought from the Information Services Department. All other quotes will be coordinated through the Purchasing Department.
- Items with a useful life of one year or more and costing less than \$5,000 would be included and justified under "Materials and Supplies."
- If equipment is wholly pledged as cost sharing, it must be purchased by the College during the project's period of performance.
- Because of the bidding procedures required by law and institutional policy, requisitions for equipment must be received by Purchasing at least 60 days prior to the expiration of the budget period. Certain equipment (such as computers or fabricated pieces) may require a longer lead time. Large orders of supplies also require written bids. Consequently, the Purchasing Office should be contacted if there are any questions about enough lead time.

### **Subawards (aka Sub-Contracts):**

The anticipated use of subcontractors should be clearly identified in the text of the proposal; consistent with the NWIC procurement policy.

- Subcontractor/subawards must be included as a line item in the budget.
- A formal proposal from the subawardee, including a statement of work, budget, budget justification, a copy of current negotiated Indirect Agreement, and letter of administrative approval from the subawardee's institution should be provided when the proposal is submitted to the OSP. OSP will not submit proposals without this information from the subawardee.
- A copy of the review of a sub-recipient's Uniform Guidance audit requirements reports must be included.
- If the subawardee organization does not meet the minimum requirements for a Uniform Guidance audit requirement, complete the Audit Certification and Financial Status Questionnaire to determine whether the organization has the policies and procedures in place to adequately assure compliance with subawardee requirements.

#### Professional Services/Consultants:

- Consultants are individuals providing technical assistance who are not College employees. The estimated cost for the consultant may include payment for professional services, up to the sponsor's maximum allowable rate, and related costs such as per diem and travel. The consultant's expertise and the need for obtaining his or her services should be described in the proposal narrative and include a letter of commitment/intent.
- Upon award, the eligibility of the proposed consultant will be evaluated by College; a consultant cannot be contracted without College review and approval.
- Consultants may not be current College employees performing the same or similar duties.
- The maximum allowable amount that can be charged to a federal grant for consulting services changes annually. Flat rates are allowable. Amounts should be based on the rates consistent and reasonable for the service provided and not exceed the federal consulting service rate as applicable.

#### Other Direct Costs:

- Other Direct Costs should be itemized and described in the narrative.
- Telephone service, including monthly service charges, ISDN, calling cards charges typically should not be included as these are normally treated as indirect costs.
- Memberships, postage, and food are typically deemed to be unallowable unless they are going to be main elements of the project.

See Section V. Unallowable Costs in Post-Award section for additional information.

See [IRS 20-point checklist for independent contractors](#) for further clarification.

#### Tuition:

- Unless expressly prohibited by the sponsor, tuition should be included as a direct cost in the budget if the project includes the support of undergraduate assistants.
- Any exceptions to this policy must be approved in writing by the College President.

#### Indirect Costs:

- College maintains federally negotiated indirect cost rates with the Federal government.
- Current indirect costs rates are posted on the NWIC website.
- If allowed, proposal budgets are expected to include indirect costs at the federally negotiated rate in compliance with our indirect cost agreement.
- Any proposal budget that does not include indirect costs at the federally negotiated rate must state so in the A2P.

### **III. Negotiations and Subawards**

#### ***Award Negotiations***

The OSP is responsible for negotiating the terms and conditions of the agreement with the sponsor and coordinating these negotiations with the PI and other College officials when appropriate. Before an award is issued, informal conversations between the PI and the sponsor's program official may take place regarding issues such as the scope of work, project objectives, or budget. Negotiations conducted without OSP involvement are unofficial and not binding.

#### ***Subawards***

A subaward is necessary when the PI/PPD requests another organization to perform a significant portion of the work under a sponsored award. Sponsor approval to enter into a subaward is usually required, unless approved in the award.



College is responsible for preparing and executing all subawards related to sponsored programs. OSP will determine if the subrecipient is an appropriate partner and will work with the PI/PD to obtain the information needed to prepare the subaward.

The OSP will prepare all subaward documents. A subaward must incorporate all terms and conditions required by the prime grant or contract. A subcontractor is not authorized to begin work until a subaward has been fully executed by an AOR (President or designee) from the College and the subawardee organization. All subaward invoices are submitted through OSP for payment.

#### **IV. Award Acceptance**

When a sponsor has approved a proposal for funding, the College will receive notice that an award has been made or a contract is being prepared. This notice may come in the form of a contract, grant, email notification, award letter or an actual check. The award notice may be sent to the OSP, the Grants Accountant, the President, or to the PI/PD. Anyone who receives the notification must immediately assure that OSP and the PI/PD receives a copy of the notice as well. Once received by OSP and the Grants Accountant it becomes part of the formal record of the award. The OSP cannot administratively initiate the project without formal sponsor notification.

The Grants Accountant in conjunction with the PI/PD are responsible for maintaining the official record of grant expenditures. This responsibility involves protecting the interests and reputation of the College and includes monitoring the legality of expenditures and other transactions, clearing up overdrawn accounts, periodic billing on contracts, and preparing expenditures reports to the granting agency.

When the OSP receives notice of an award, the terms and conditions will be reviewed. The OSP will manage any necessary award negotiations and coordinate the preparation of any additional documents requested by the sponsor with the PI during those negotiations.

OSP will then prepare an award package that consists of the award letter, the budget and budget justification and the terms and conditions of the grant. This package will be sent to the PI, the PI's/PD's Supervisor, and the Grants Accountant. The Grants Accountant will set up the grant in the financial system and advise the PI when the funds will be available.

#### ***Signature Authority for Awards***

The OSP officially notifies all relevant parties when an award has been accepted and fully executed. Many award instruments are received which require both sponsor and College signatures (bilateral agreement) before they become effective. Only the AOR is authorized to sign award documents on behalf of the College.

For all contracts and grants that require an institutional signature, the following signature authorities apply:

- Contracts must be written in the name of the Northwest Indian College, with signature lines for the AOR. Only this individual, or her/his designee, can sign sponsored project contracts or agreements on behalf of the College.

#### **V. Applicable Regulations**

The following is a list of some of the College and Federal regulations that apply to Federal awards to college and universities.

- *College Subaward Policy and Procedures*
- College Time and Effort Reporting Procedures for Federally Sponsored Projects
- Federal Office of Management and Budget (OMB) Uniform Guidance (aka UG)

## VI. Certifications and Assurances

The Federal government requires the College to submit several institutional assurances and certifications. OSP prepares any/all required documents regarding:

- Lobbying
- Debarment and Suspension
- Misconduct in Science
- Non-Delinquency of Federal Debt
- Drug-free Workplace
- Affirmative Action

In addition, any required institutional assurances regarding human subjects, biohazards, radioactive materials, and recombinant DNA will be covered in the IRB process after the PI obtains approval of the appropriate College review committee.

## POST-AWARD

### I. Establishing a Grant Account

The Grants Accountant in collaboration with the PI establishes an account code for each new sponsored program award. Expenditures are charged to the account by the PI/PD or authorized individual. This structure enables tracking and reporting of expenditures (and reimbursement received) for each individual award.

The Grants Accountant establishes an account code when a contract award is fully executed. The Grants Accountant assigns an account code and notifies the PI and OSP of the fund number. Once the PI receives the account number, the PI can charge appropriate expenditures to it. Only the assigned budget codes are to be used for expending funds from the grant.

Budget Code Components:

Component	Description	Use No.
1	A two (2) digit number that identifying the funds as belonging to NWIC.	01
2	A one (1) digit number identifying the fund as unrestricted (“1”) or restricted (“6”). Grants are always considered restricted.	6
3	A five (5) digit number assigned to identify a specific grant.	*
4	A three (3) digit number assigned by the location of the grant activity.	*
5	A five (5) digit number identifying the NWIC department that grant is assigned to.	*
6	A four (4) digit number identifying budget categories for expenditures from the grant.	*

(i.e., 01-1-00000-100-00000-0000)

### II. Award Management

The PI has the following grant management responsibilities:

- Accountable to the College for the proper management of the grant-sponsored project or program.
- Maintains all program records and makes certain that all expenditures are reasonable, ordinary, and necessary in the performance of the grant.
- Responsible for controlling expenditures and remaining within the budget awarded by the sponsor

- Accountable for the accuracy of both the budget and expenditure information.
- Be above suspicion of unethical behavior at all times; avoid any conflict of interest or even the appearance of a conflict of interest in accordance with the HR personnel policy.

Expenditures over the budget and disallowed costs are not possible and they will ultimately become a department or College responsibility.

The following sections provide detailed requirements and guidance for post-award administration.

### **III. Award Terms and Conditions**

The grant award notification is the official authorization by the granting agency defining the grant amount and the budget period. The award document must be reviewed by the PI and OSP to determine special terms and conditions, with respect to requirements for non-financial management. The Grants Accountant assists PIs/PDs with financial management. Identifying any special terms and conditions at the outset and communicating those requirements is critical to ensure appropriate management of the award.

The OSP will review award terms and conditions with new PIs. The Grants Accountant provides guidance and assisted with the internal budget for the award.

### **IV. Allowable Costs**

OMB Uniform Guidance identifies direct and indirect costs that may be charged to Federal grants and contracts. The Uniform Guidance also identifies those charges that cannot be charged to sponsored agreements and are considered unallowable expenses. The Uniform Guidance offers four tests to determine the allowability of costs applied to federally sponsored agreements.

Allowable costs must be:

1. Reasonable – For a cost to be considered reasonable, it must be necessary for fulfillment of the agreement, acquired by means consistent with Federal and state laws and regulations, and consistent with College policies and practices.
2. Allocable – A cost is allocable to a sponsored agreement if the goods/services involved are charged in accordance with the relative benefits received by that agreement. To be considered allocable, a cost must be incurred solely to advance the work under the sponsored agreement or benefit both the sponsored agreement and other work of the institution in proportions that can be approximated through use of reasonable cost allocation methods.

*Note:* Any cost that is allocable to a particular sponsored agreement may not be moved (e.g., cost transfer) to another sponsored agreement in order to meet deficiencies caused by overruns or other funding considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.

3. Treated consistently throughout the College – similar costs normally cannot be treated as both direct and indirect costs.
4. Allowable – Conform to any limitations or exclusions in the sponsored agreement.

Additional clarification of allowable costs can be found in the Financial Manual OR reference V. Unallowable Costs section below.

### **V. Unallowable Costs**

There are expenditures that the Federal government deems inappropriate and will not reimburse and should not be directly or indirectly charged to contracts and grants; the government refers to these

categories of costs as *unallowable*, which are identified in OMB Uniform Guidance.

The following table provide guidance on Allowable and Unallowable Costs.

**Table: Allowable and Unallowable Costs**

Type of Payment	Federal Sponsor	State Sponsor	Private Sponsor
Advertising and public relations costs	Allowable when necessary to meet the specific requirements of the sponsored agreement	Same as Federal sponsors	Same as Federal sponsors
Alcoholic beverages	Unallowable	Unallowable	Unallowable
Automobile Costs for Personal Use	Unallowable	Unallowable	Unallowable
Bad Debt	Unallowable	Unallowable	Unallowable
Books and journals	Allowable when necessary to meet the specific requirements of the sponsored agreement; otherwise provided as part of the College's library services	Same as Federal sponsors	Same as Federal sponsors
Consulting services	Consultant services rendered by persons who possess a special skill (not officers or employees of College) are allowed up to a maximum amount of \$540 per consultant per day	Same as Federal sponsors	Same as Federal sponsors
Defense and Prosecution of Criminal and Civil Proceedings, Claims Appeals and Patent Infringement	Unallowable	Unallowable	Unallowable
Donations and contributions	Unallowable	Unallowable	Unallowable
Entertainment	Unallowable	Unallowable	Unallowable
Equipment – special purpose (e.g., scientific equipment)	Allowable provided that items with a unit cost of \$5,000 or more have the prior approval of the sponsor	Same as Federal sponsors	Same as Federal sponsors
Fines and Penalties	Unallowable	Unallowable	Unallowable
Goods and services for personal use	Unallowable	Unallowable	Unallowable
Insurance	Costs of insurance required or approved pursuant to the sponsored agreement are allowable; otherwise treated as an F&A cost	Same as Federal sponsors	Same as Federal sponsors

Interest and Investment Management Costs	Unallowable except for cost related to the physical custody and control of monies and securities and for interest cost paid to external parties for assets (buildings and equipment) used to support government contracts	Same as Federal sponsors	Same as Federal sponsors
Lobbying	Unallowable	Unallowable	Unallowable
Losses on Government or Other Contracts	Unallowable	Unallowable	Unallowable
Materials and supplies	Allowable when necessary to meet the specific requirements of the sponsored agreement	Same as Federal sponsors	Same as Federal sponsors
Meetings and conferences	Allowable provided the primary purpose of the meeting or conference is the dissemination of sponsored agreement-related information	Same as Federal sponsors	Same as Federal sponsors
Memberships, subscriptions, and professional activity costs	Generally unallowable as a direct cost except when necessary to meet the technical requirements of the award. The cost of membership in any civic or community organization is unallowable	Same as Federal sponsors	Same as Federal sponsors
Office Supplies	Unallowable as a direct cost except where extensive use of office supplies is necessary to meet the requirements of the sponsored agreement	Allowable provided the supplies are reasonable and directly related to the work of the sponsored agreement	Same as State sponsors
Personal Housing and Living Expenses	Unallowable	Unallowable	Unallowable
Postage	Unallowable as a direct cost except when extensively used (FedEx, UPS, etc.) or necessary to meet the technical requirements of the award	Allowable provided the postage is reasonable and directly related to the work of the sponsored agreement	Same as State sponsors
Precontract costs	Unallowable unless approved by sponsoring agency	Same as Federal sponsors	Same as Federal sponsors
Prizes & Awards	Unallowable	Unallowable	Unallowable
Professional journal publications	Allowable where the article reports sponsor-supported work, and the costs are levied impartially on all papers published by the journal	Same as Federal sponsors	Same as Federal sponsors
Proposal development costs	Unallowable	Same as Federal sponsors	Same as Federal sponsors
Scholarships – Merit	Allowable only when the purpose of the sponsored agreement is to provide training to selected participants and the charge is approved by the sponsor	Same as Federal sponsors	Allowable when approved in advance by the sponsor

Taxes	Unallowable when exemptions are available to the College or are available to the College based on exemptions afforded the Federal government	Same as Federal sponsors	Same as Federal sponsors
Telephone – local	Unallowable	Same as Federal sponsors	Same as Federal sponsors
Travel – domestic	Allowable provided the travel is reasonable and directly related to the work of the sponsored agreement. Any costs in excess of the lowest available commercial discount or standard coach airfare is unallowable	Same as Federal sponsors	Same as Federal sponsors
Travel – international	Generally unallowable unless specifically approved in advance by the sponsor	Same as Federal sponsors	Same as Federal sponsors
Tuition Remission	The charge must be approved in advance by the sponsor	Same as Federal sponsors	Same as Federal sponsors

<b>Salary, Wages, and Stipends</b>			
<b>Payment to...</b>	<b>Federal Sponsor</b>	<b>State Sponsor</b>	<b>Private Sponsor</b>
Faculty and professional staff	Allowable provided the salary is reasonable, directly related to the work of the sponsored agreement, and documented in accordance with OMB Uniform Guidance	Allowable provided the salary is reasonable, directly related to the work of the sponsored agreement, and documented in accordance with College procedures	Same as State sponsors
Post-doctoral associate	Allowable provided the salary is reasonable, directly related to the work of the sponsored agreement, and documented in accordance with OMB Uniform Guidance	Allowable provided the salary is reasonable, directly related to the work of the sponsored agreement, and documented in accordance with College procedures	Same as State sponsors
Administrative and clerical staff	Unallowable as a direct cost except where a "major project" explicitly budgets for administrative services and the staff involved can be specifically identified with the award. See OMB Uniform Guidance	Allowable provided the wages are reasonable, directly related to the work of the sponsored agreement, and documented in accordance with College procedures	Same as State sponsors
Graduate Assistant wages	Allowable provided the wages are reasonable, directly related to the work of the sponsored agreement, and documented in accordance with OMB Uniform Guidance	Allowable provided the wages are reasonable, directly related to the work of the sponsored agreement, and documented in accordance with College procedures	Same as State sponsors

Graduate Teaching Assistants salary	Allowable only when the purpose of the sponsored agreement is instruction or training, and the charge is approved in advance by the sponsor	Same as Federal sponsors	Same as Federal sponsors
Graduate Research Assistant stipend	[Stipends are no longer allowed, GR must be paid salaries] Allowable when a degree seeking graduate student performs original, professional research related to his or her academic program. The student must be fully matriculated in a graduate or Ph.D. degree program and be under the supervision of an appropriate faculty member	Same as Federal sponsors	Same as Federal sponsors
Other Stipends	[Stipends are not allowed by College] Allowable only when the purpose of the sponsored agreement is to provide training to selected participants and the charge is approved by the sponsor	Same as Federal sponsors	Same as Federal sponsors
Student Wages - Academic Year	Allowable provided the wages are reasonable, directly related to the work of the sponsored agreement, and documented in accordance with OMB Uniform Guidance	Allowable provided the wages are reasonable, directly related to the work of the sponsored agreement, and documented in accordance with College procedures	Same as Federal sponsors

See the [OMB Uniform Guidelines 200.405](#) for further details on allocable costs.

## VI. Financial Management Practices

Charges to a sponsored project should support the project’s purpose and activity and represent those costs necessary to meet the project’s requirements. Such charges cannot be assigned arbitrarily or for the purpose of simplified budget management that is unrelated to the sponsored agreement’s purpose. College follows the OMB Uniform Guidance that states “Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Where an institution treats a particular type of cost as a direct cost of sponsored agreements, all costs incurred for the same purpose in like circumstances shall be treated as direct costs of all activities of the institution.”

See the [OMB Uniform Guidelines 200.302](#) for further details on Financial Management Practices.

## VII. Prior Approvals

Under certain circumstances, prior approvals necessary for project or budgetary changes are required; PIs and their administrators should be aware of when such prior approvals are required and whether they can be granted institutionally or whether agency approval is required.

The PI and the College are both responsible for adhering to the conditions of the sponsored agreement and obtaining required approvals for changes. The most common changes needing approval are:

- Re-budgeting within the approved budget (adhere to funder’s guidelines)

- Purchase of equipment or foreign travel not in the approved budget
- Change in PI or other significant personnel or level of effort
- No-cost extension of the project period

If revisions are necessary, please contact the OSP for assistance. OSP will request the changes from the sponsor on behalf of the PI. Changes in scope of work, key personnel, or level of effort must always be approved by the sponsor.

### **VIII. Budget Reallocation**

In circumstances when PIs wish to make a change in a project budget, staff, scope of work or dates, it may require the sponsor's explicit approval. The PI should prepare the request to the sponsor, providing necessary justification and submit the request to the OSP **before** the change occurs. The OSP will review the request to make sure the content and justification are suitable, and then forward it to the sponsor.

Since either the sponsor may reply directly to the PI or the OSP, each should inform the other when they receive a reply from the sponsor.

Expanded authority is the operating authority provided to grantees by Federal agencies that waives the normally required sponsor pre-approval for specific actions, which is specific to each grant.

Examples of changes **not** covered under expanded authority (i.e., written agency approval is required to do any of the following):

- Change the scope or the objective of the project or program
- Change a key person specified in the application or award document
- Absence of the principal investigator for more than three months
- Reduction in time devoted to a Federal project by 25% or more
- Change in circumstances whereby additional Federal funding is needed to complete the project

### **IX. Cost Transfers**

Many Federal agencies that perform audits of sponsored programs at colleges and universities have focused attention on untimely or unsubstantiated cost transfers (i.e., moving transactions from one sponsored project to another). Funding agencies have questioned and/or disallowed transfers when they occurred frequently on an award, when they were not processed timely, (occurring several months or more after the initial charge was recorded), and/or when there was an inadequate explanation or lack of accompanying documentation. Transfers of this type, particularly when they occur on projects with cost overruns or unexpended balances, cause agencies to question their appropriateness, as well as the overall reliability of the recipient's accounting system and their ability to properly administer sponsored programs.

It is the PI's responsibility to monitor all transactions charged to his/her sponsored project. Per OMB Uniform Guidance, all cost transfers must be reasonable, allocable, treated consistently throughout the College, and conform to any limitations or exclusions in the sponsored agreement. If it is determined that a cost transfer is required, the following should be noted:

- Cost transfers representing corrections of clerical or bookkeeping errors (i.e., transactions inadvertently charged to the wrong project) **must be made promptly** after the errors are discovered. Cost transfers must be made within 90 days of the original transaction. When a transfer is made after 90 days, it raises serious questions regarding the appropriateness and/or allowability of the transfer.
- All transfers **must be supported by documentation** which contains a full explanation of how the error occurred and a certification of the correctness of the new charge. An explanation which merely states that the transfer was made "to correct an error" or "to transfer the charge to the correct project" is not



sufficient. *Note: frequent errors in recording costs may indicate the need for improvements in the academic unit's fiscal administration of sponsored projects and/or its internal control system. Departments may be asked/required to evaluate the need for improvements in these areas and to implement necessary changes.*

- Transfers which involve a change in previously certified effort will require a further statement indicating why the effort reporting was not corrected prior to the original certification. In addition, a statement that the revised distribution of pay accurately represents effort during the period indicated will be required.
- All cost transfers of expenditures to a federally sponsored project will require approval by the Grants Accountant.
- The PI must use the Budget Modification Request form and follow the policy instructions. The form must be signed by the PI and include supporting documentation. The Grants Accountant can assist the PI with the necessary information required on the form, such as the original document reference number, the date in which the transaction posted to the accounting ledger, and a copy of the original ledger documentation.

When a PI processes or requests a cost transfer for a transaction that is 90 or more days after the date the original transaction was posted to the sponsored project, a detailed explanation of why the transfer is late must accompany the request. Note: all cost transfers beyond the 90-day period, are subject to the review and approval of the CFO.

#### **X. Application of F&A Costs**

Institutional F&A rates may not always be allowable on certain sponsored programs awards, or if they are allowable, they may not be allowable at the institution's federally negotiated rates. For example, training awards (e.g., R15, R21, K08) typically have an 8% F&A rate. Consequently, it is important that institutional systems either allow for such variations or that the Business Office be able to appropriately levy the allowable rates.

Some funding sources (such as private foundations) impose a restriction on F&A costs or overhead, by rate or dollar amount, or disallow these costs entirely. Written documentation of such a policy must accompany proposals throughout the proposal approval process. Exceptions to using the federally negotiated rate must be requested in writing and submitted to the OSP for approval prior to the submission of the proposal unless it was explicitly explained in the A2P.

#### **XI. Cost Sharing or Matching**

Some grants require the active financial participation of the College in the funding of the grant project. This cost sharing requirement is usually stipulated as a percentage of the total project costs to be borne by the College.

Cost sharing is defined as all contributions, including cash and third-party in-kind project or program costs, which are not supported by the sponsored agency. The term "Matching Funds" refers to a specific kind of cost sharing known as "Mandatory Cost Sharing" that must be provided to be eligible for an award.

Cost Sharing can take the form of:

- Time contributed by individuals employed under a continuing contract by College,
- Funds designated for non-personnel costs (e.g. supplies, travel, contractual services, and equipment purchases) from a College account,
- Contributions of personnel time or other allowable costs from third parties,
- Project costs financed with cash contributed or donated to the organization by non-Federal third

- parties or other Federal funds specifically authorized by law for matching,
- Project costs represented by services and real or personal property donated to the grantee by non-federal third parties provided such costs are:
    1. Identifiable from grantee records
    2. Not included as cost sharing for any other grant
    3. Necessary and reasonable for proper and efficient accomplishment of project objectives
    4. An allowable cost to the grant

There are two types of cost sharing at the initial proposal stage:

- “Mandatory cost sharing” or “Matching” is cost sharing that is legally required by the awarding agency as a condition of the award. When cost sharing is required, the funding agency is required to specify this requirement in the funding agency’s program announcement.
- “Voluntary committed cost sharing” is not required by the awarding agency as a condition of the award. College does not voluntarily commit cost share on grants when it is not required by the funder.

Mandatory cost sharing must be tracked and reported in the final financial report for the award. Voluntary committed cost sharing also needs to be tracked and becomes part of College’s F&A calculation.

All cost sharing must be approved by the President and Chief Financial Officer. See the Financial Manual for additional information on In-Kind Costs.

All cost sharing and matching funds needs to follow the OMB Uniform Guidance

See the [\*OMB Uniform Guidance 200.306\*](#) for additional details on cost sharing or matching funds.

## **XII. Effort Reporting**

The Federal government requires an effort report when an individual is compensated by or has agreed to contribute time to a federally sponsored project. All faculty and staff that are paid on a sponsored agreement are responsible to certify the amount of effort that they spent on sponsored activities.

Time and effort reporting is a Federal requirement (OMB Uniform Guidance) to ensure that individuals confirm “after-the-fact” any effort they have expended on federally funded activities. The reports are used in the audit process to ensure compliance with the level of effort agreed to in the award document and/or to document any cost sharing effort.

All individuals paid from either Federal or Federal Flow-through funds must complete a time and effort report according to the grant agency’s requirements. Personnel that have received compensation from Federal sources must certify that they have expended effort on the federally funded project, at a minimum, in the same percentage amount that they have paid or have agreed to cost share.

In addition to fulfilling audit and compliance requirements of Federal granting agencies, time and effort reporting is provided to the College’s public accounting firm and is subject to OMB Uniform Guidance. The issuance of quarterly Time and Effort reports will be done by the Grants Accountant. All reports must be signed by the PI or Project Director.

## **XIII. Program Income**

Program income is defined in OMB Uniform Guidance as “gross income earned by the recipient that is directly generated by a sponsored activity or earned as a result of an award.” Program income can come in many forms including the following examples:

- 1) Fees for services performed, such as laboratory tests
- 2) Money received from the use, sale, or rental of equipment purchased with project funds
- 3) Sales of supplies or equipment purchased or fabricated with project funds
- 4) Sale of software, tapes, or publications
- 5) Sale of research materials such as animal models or reagents
- 6) Fees from participants at conferences or symposia

The use of program income is generally defined in the grant agreement. If a research project is being performed, program income is usually additive, meaning that any program income is treated as additional funding available for the conduct of the research project. Other agreements may indicate that the program income is to be treated as deductive (the amount of program income earned is subtracted from the Federal obligation leaving the funding the same, but from two sources), or program income can be stipulated as being used to meet any matching or cost sharing requirements of the project.

When program income is either anticipated as part of a project or begins to be earned as part of a project, a separate account should be established to account for the income. The program income budget period will coincide with the total approved project period of the award. Program income may only be used for allocable project costs in accordance with the costing regulations established by the sponsor.

The amount and disposition of the program income will be reported in the final financial report of the grant to the sponsor. Final disposition of unexpended program income will be made upon termination of the related sponsored project.

See the [\*OMB Uniform Guidelines 200.307\*](#) for further details of program income.

#### **XIV. Equipment**

The accounting staff must approve the following expenditures of sponsored project funds whether the requisition is issued to an internal storeroom or to an external vendor:

- Equipment leases, whether defined as equipment lease-purchases (capital leases) or equipment rentals, and
- Equipment acquisitions of \$5,000 or more on all sponsored projects

Equipment that is purchased with Federal and non-Federal sponsored funds must be recorded in the College's fixed assets ledger.

Title to equipment purchased with sponsored project funds generally vests in the College. If the sponsored project agreement terms or sponsor policy indicate that title to equipment may not vest in the College, then the equipment becomes the property of the sponsoring agency.

##### **a. Grant Equipment Purchases**

Purchase of general-purpose equipment used exclusively or primarily on a sponsored project, special purpose equipment, and supplies is allowable as a direct charge subject to the following conditions:

- College policies related to procurement policies (i.e., the Financial Manual), thresholds and conflict of interest in purchase related matters must be followed
- Sponsors terms and conditions related to equipment purchases must be followed
- Equipment acquisitions of \$5,000 or more per unit must have prior approval from the Federal sponsor. Such approvals may be provided in the grant or contract award document, approved budget, or in written correspondence from the grants/contracting officer
- Purchases of \$250,000 or more require competitive bids (e.g., RFP's) in compliance with College Purchasing and specifically the Procurement Policies, and approval from the sponsor and the Grants Accountant

#### **b. Inventory Procedures for Equipment**

The College's Property Management assigns a control number and tags all equipment (moveable assets over \$5,000), regardless of whether ownership belongs to the College or the sponsor. Property records are maintained for all tagged items.

Property Management administration should be notified promptly when property is purchased, altered or modified in any way, incorporated into another piece of equipment, or lost or stolen, so that records are kept up to date.

Property Management administration is responsible for tagging and maintaining the inventory for all equipment purchased or acquired for use under sponsored projects. Disposition of all College owned equipment is handled through Property Management. In some cases, title to equipment purchased or acquired for sponsored activities will be vested in the government. The College's Property Management maintains the inventory for such equipment and each item is tagged as Government Property. Disposition of government-owned items is the responsibility of Property Management and OSP and will be accomplished at project closeout.

#### **XV. Payment and Cash Management**

The Grants Accountant is responsible for ensuring that all sponsor payments are received on time. The PI is responsible for completing all project requirements of the agreement so the sponsor will make the scheduled payments according to the award terms.

Most awards are made on a "cost-reimbursable" basis and the College is reimbursed for actual expenses incurred, usually on a monthly or quarterly basis, by billing the sponsor or by drawing against a sponsor's letter of credit account. Some awards, usually from private sponsors, are funded by a fixed payment schedule, which typically includes some advance payment.

When a PI receives a sponsor check, a copy should be shared with OSP, and then forwarded to the Grants Accountant for deposit and accurate accounting in the grant account.

Invoicing or cash draws from Federal sponsor projects should be performed on no less than quarterly basis unless otherwise noted in the terms and conditions of the sponsored agreement. The Grants Accountant will perform electronic funding drawdowns from sponsoring agencies.

*See the Contract (and Subaward) Invoicing, section XVII for additional details on invoicing.*

#### **XVI. Monthly Reconciliations (Expenditure Statements and Budget Monitoring)**

A monthly accounting and reconciliation report will be generated by the PIs and, in some cases, in collaboration with the Grants Accountant, to review. The JICS system will also allow both the PI and a Grants Accountant to review monthly or inception to date grant expenditures. It is the responsibility of the PI to review these for accuracy and report necessary corrections, including notice of a no-cost extension if the funds will not be fully expended by the grant close date. The Grants Accountant should be contacted regarding any discrepancies or questions on the report.

#### **XVII. Contract (and Subaward) Invoicing**

##### ***Contract Invoicing***

Invoices are prepared by the Grants Accountant, from financial data that is supported in Jenzabar. Department assistance may be required in cases where the sponsor requires documentation that is extensive or unavailable to the Grants Accountant. The invoice is prepared according to grantor instructions. This includes the timing of the invoice and any required supporting documentation. Billings are usually required on a monthly or quarterly basis for cost reimbursement projects unless the terms of

the award provide otherwise. Other projects may require billings based on a fixed schedule or technical progress. It is important that units provide the PI with any "milestone" or progress information necessary to trigger a bill or financial report, to avoid any possible delays in preparing sponsor billings.

If a sponsor requires supporting documentation such as receipts or special reports, the Grants Accountant would be responsible for pulling the invoices. The PI/College may be asked to provide necessary information to the Grants Accountant to be included with the invoice. The sponsor may also require financial status reports at the end of a specified reporting period, usually annually, and/or at project closeout. These reports are due no later than 60 days after the end of the reporting period unless otherwise stated in the specific award document. The Grants Accountant will request department verification that the reports were submitted prior to sending the invoice to the sponsor.

### ***Subcontractor Invoicing***

The invoicing requirements for subawardees should be clearly outlined in the subaward document. The subawardee will submit invoices and supporting documents (e.g., receipts and justification of expenses) as designated in the subaward agreement. That designee reviews the invoice and submits it to the Grants Accountant for processing. The invoice will not be processed without PI approval and supporting documentation for invoices.

For final invoicing, the College will make the deadline date for invoices 30 days after the project end date, which will provide adequate time to review documentation and payment of the final invoice. Extension of this deadline requires prior approval from the PI, and by subaward modification.

### **XVII. Subaward Monitoring**

Responsibility for monitoring subrecipients is shared among the PI and the OSP. The PI is responsible for approving subrecipient invoices after determining that the progress is satisfactory, and that the cost is reasonable in relation to the work performed. If the PI has concerns about either the performance of or amount requested by the subrecipient, that should be communicated as quickly as possible to the OSP so that the issue can be resolved.

If the subrecipient is not performing satisfactorily, or issues of compliance with the terms and conditions of the award arise, the OSP will work with the department and PI to devise a strategy to correct the problem, including possibly withholding payments to a subrecipient.

In the case where a subrecipient institution fails to comply with relevant audit requirements in accordance with OMB Uniform Guidance, the OSP may withhold new Subawards to that institution and suspend payments under Subawards until the requirements are met.

The PI is responsible for approving and submitting the purchase requisition to the Accounts Payable for payment. OSP assures the Business Office receives copy of Personal Services Contract in order for the invoice to be paid.

### **Financial Reporting**

Financial reports must be submitted to the awarding agency as described in the award documents. Reports of expenditures for Federal grants are required as documentation of the financial status of grants according to the official accounting records of the College. Financial or expenditure reporting is accomplished using the Financial Status Report (FSR) (SF425); the Grants Accountant must use the required SF 425 form to report program income earned and used.

The Grants Accountant is responsible for preparing and submitting the FSR. However, the Grants Accountant may require the assistance of the PI, or other College offices to complete the FSR. The Grants

Accountant is required to sign the FSR on behalf of the College.

For the final FSR, it is important for PIs and administrators to remember that the 60-day limit does not mean expenditures can continue to be incurred on the award during this time frame. Only obligations incurred during the period of the award are allowable as costs. The PI works with subcontractors and vendors and Grants Accountant to ensure that all expenses associated with the award are posted as quickly as possible so that a final financial report can be submitted within the required time frame.

#### **XIX. Technical Reporting**

Technical reports are the responsibility of the PI. The due dates and any required form or formats for technical (i.e., performance or progress reports) are included in the terms of an award. Most commonly, technical reports are due on an annual or budget period basis plus a final report within 60 days following the expiration date of the award. Federal agencies may not require performance reports more frequently than quarterly on Federal grants, and not less frequently than annually. Nevertheless, Federal contracts may have more frequent reporting requirements.

The PI is responsible for submitting the technical report to the funder by the external due date and include the OSP if sent by email. Many funders require reports to be submitted by an AOR. If the report requires a financial analysis, the PI should submit the technical report to the Grants Accountant a week before it is due to the funder.

Generally, OMB Uniform Guidance, Section .51 prescribes that technical reports should include: 1) a comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Where appropriate and feasible, quantitative data should be tied to cost data; 2) reasons why established goals were not met, if appropriate; and 3) other pertinent information, including any necessary explanations of unusually high costs or overruns.

#### **XX. Close-Out**

Generally, within the 60 days after a project has ended the PI must submit a final progress report to the sponsor before an award can be closed out. Sponsors might also require an additional form, report, final invention statement, or final financial status report to officially close out an award. Review the terms and conditions of your award for specific close out procedures.

#### **XXI. Purchases Made at the End of a Budget Period**

Open orders, maintenance agreements, and services such as telephone and office machine rental must specify the services or goods required and the period covered in order to be a valid commitment. Open-order types of services must be canceled with the service vendor by the PI at the end of the grant term. When submitting payment request at the end of a budget period, the PI must indicate on the PR the posting date.

#### ***No-cost Extension***

The College is authorized to request no-cost extensions for eligible Federal and other grants. All no-cost extensions must be coordinated with the OSP.

The extension cannot be exercised merely for the purpose of using unobligated balances. The request requires:

- The PI to complete the no-cost extension (NCE) form providing the length of the extension, the amount to be carried forward, the plans for completing the project, and justification for the request
- The AOR will request the extension of the sponsor by countersigning the letter and forwarding it to the funding agency

## **XXII. Record Retention**

Records, including financial documentation, statistical records, research data including lab books, and scientific papers, pertinent to the project must be retained for three (3) years following submission of the final financial report, unless the terms of the award provide for a different period. Electronic or copied paper versions of records may be used in place of the original records.

Please note that although “missing receipt forms” are allowed for Jenzabar reconciliation reports, they cannot be used when accounting for grant-related expenditures.

Record retention for other sponsors is as specified in the award or in sponsor policy. If litigation commences within three years of the end of the project or project period, records must be retained until the litigation reaches its final outcome.

## **XXIII. Conflicts of Interest**

Conflict of interest arises when a College staff member is in a position to influence, either directly or indirectly, College business, research, or other decisions in ways that could lead to gain for the staff member, the staff member’s family, or others to the detriment of the College’s integrity and its missions of teaching, research, and public service.

In accordance with Federal regulations, College requires that a PI or other responsible person disclose any potential conflict of interest due to a significant financial interest in a sponsored activity to the Dean or Vice President and to the OSP before a proposal for that activity may be submitted to a sponsoring agency. A potential conflict of interest exists when the personal or private interests of an individual, their spouse or dependent might lead an independent observer to reasonably question whether the individual’s professional actions or decisions are influenced by considerations of significant personal interest, financial or otherwise. Significant financial interest means anything of monetary value such as salary or other payments, equity interests, and intellectual property rights. For NIH grants, OSP will require the PI and all research assistants and students to complete Financial Conflict of Interest forms to comply with the Federal requirement.

If the OSP determines that significant financial interests could affect the design, conduct, or reporting of sponsored activities, the OSP shall refer the matter to the College’s Vice President to review.

In addition, it is College policy that PIs shall not hire any family members under their sponsored award.

## **XXIV. Responsible Conduct of Research**

The College requires that all PIs who receive Federal grants requiring mandatory training must undergo training in Responsible Conduct of Research by using the approved/suggested procedures by the federal granting agencies. Expenditures on a grant cannot begin until after the training has been completed by the PI. It is also the responsibility of the PI to train all research assistants on the principles of Responsible Conduct of Research.

## **GLOSSARY**

Budget Period – The interval of time (usually 12 months) into which the grant project period is divided for budgetary and reporting purposes.

Cost Sharing or Match – Cost sharing or match is the portion of the total project costs not borne by the granting agency. It may consist of both cash and in-kind contributions.

Grant Award Notification – is the official authorization by the granting agency defining the grant amount and budget period.

Indirect Costs – Costs incurred specifically for a final cost objective (e.g., a grant, etc.) will be treated as direct cost. Costs benefiting more than one cost objective will be consistently treated as indirect costs. Costs necessary for the overall operation of the organization will be treated as management and general costs. Also known as F&A.

Project Costs – In cost sharing, all allowable costs incurred by the performing organization, including cash expenditures and the value of any in-kind contributions to the organization or by third parties. If the granting agency is a federal agency only non-Federal third-party contributions may be counted. It is acceptable to use BIE funds based on Indian Student Count for cost sharing/matching.

Project Period – is the total time for which support of a project has been approved, including any extensions thereof. This usually does not exceed five (5) years. Approval of a project does not necessarily commit funds for the total period. Each year's budget may require separate approval by the granting agency.