

RESEARCH ADMINISTRATION

Everything you should know

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Society of Research Administrators International

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- Determine what to do once you receive a grant award
 - Identify what to look for in a grant award document
 - Identify what regulations apply
 - Identify what is a subaward
 - Understand the budget
 - Understand the importance of reports and preparing for close out

OBJECTIVES

Topics to be covered

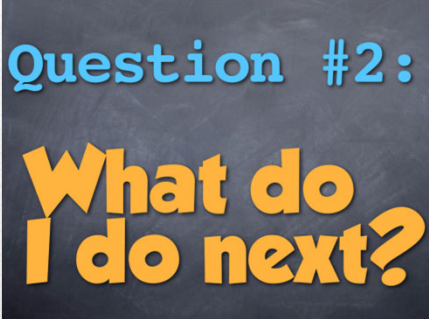
- APPROVED PROPOSAL GRANT AWARD AND ITS BUDGET
- APPLICABLE REGULATIONS: Institutional Policies & Federal Regulations
- SUBAWARDS AND SUBCONTRACTS
- EFFICIENT USE OF FUNDS-IT'S ALL ABOUT THE MONEY: Allocable, Reasonable, Consistency and Sponsor Specific Allowability
- COST SHARING
- TIME AND EFFORT REPORT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

What must I know as a Research Administrator



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

Approved Proposal, Grant Award and Budget

A graphic with a dark blue background. The text "Question #2:" is in light blue, and "What do I do next?" is in large, bold, yellow letters.

Question #2:

What do I do next?

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

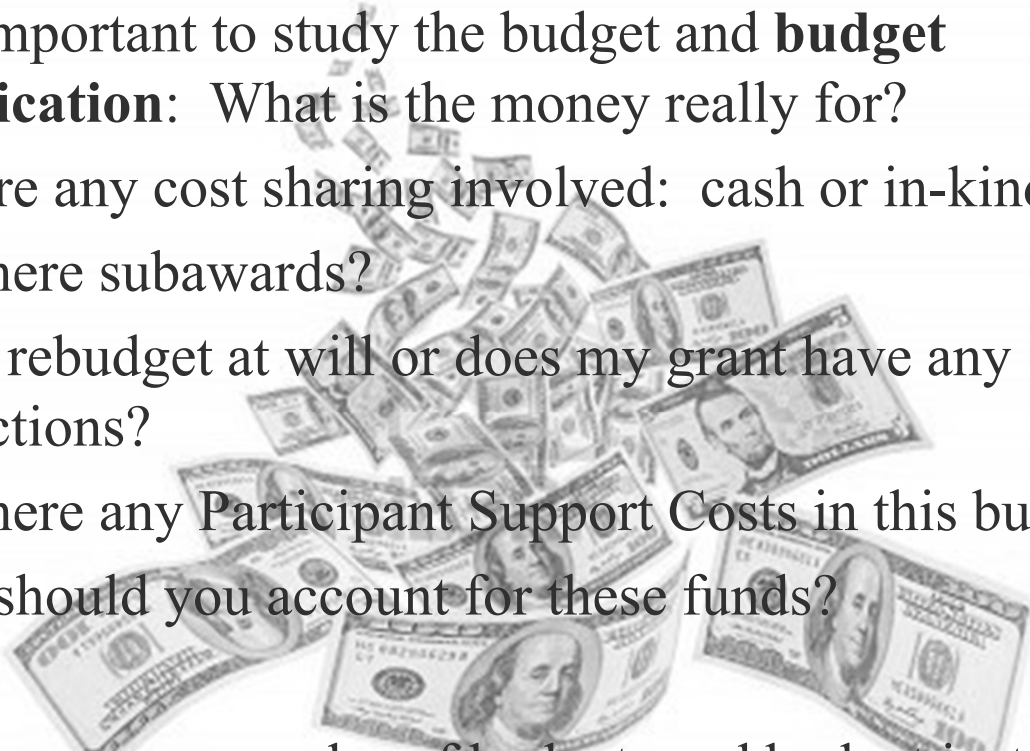
This knowledge allows for a more effective administration and to better help the PI achieve their goals within the rules and regulations applicable to the grant. Working *together* with your PI should be a priority in your work.

Study the proposal

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

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

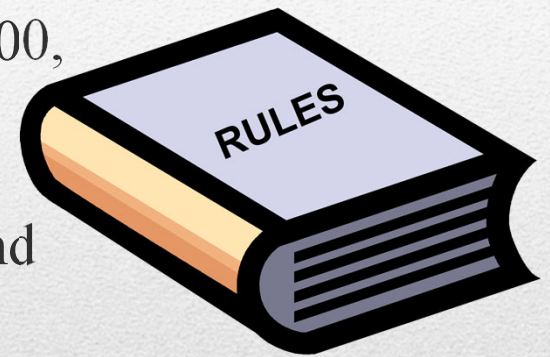
Study the Grant Award Document

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

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

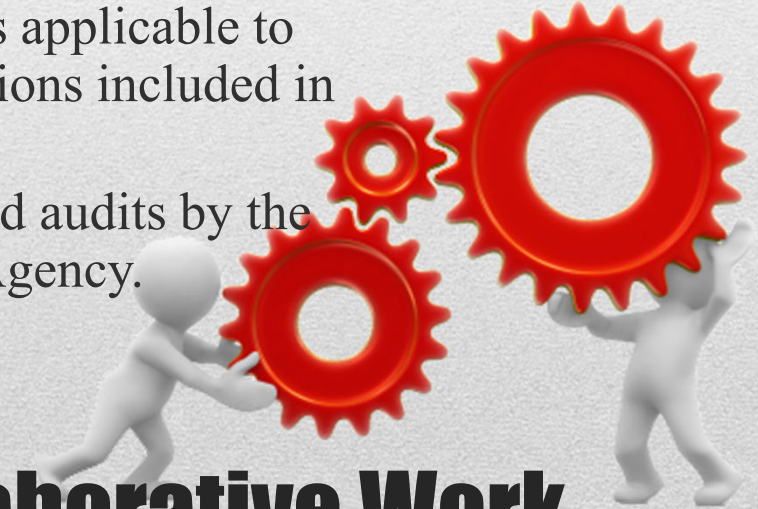
Study The Budget

- What regulations apply to your grant award:
 - Office of Management and Budget: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (2CFR Chapter I, Chapter II, Part 200, et al.)**(if federally funded)**
 - Sponsoring Agency Rules and Regulations: Grant Award will indicate which rules apply and if there is a waiver regarding the OMB Regulation or General Agency Regulations
 - State and Institutional regulations applicable, which can be more restrictive, not less than the sponsoring agencies



APPLICABLE REGULATIONS

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



SUBAWARDS **Imply Collaborative Work**

- Awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the federal award
- Accountability is based primarily on performance and results (service offered)
- Need prior approval of sponsoring agency
- Can't be used in program which require mandatory cost sharing or match.

Fixed Amount Subawards

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



Monitoring of Subawards



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

EFFICIENT USE OF FUNDS: It is all about the money



**YES, I
CAN
DO THAT.**

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

ALLOWABILITY

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

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

Cost Share



CAUTION

- Costs Transfers:
 - Must be fully justified
 - Should be approved by an authorized official
 - Must be done within 90 days of being aware of the issue as established by federal regulations
- Participant Support Cost:
 - Must be treated as restricted
 - They are costs for participants
 - Can't be reallocated to any other budget item category without prior written authorization from sponsoring agency
- Consultants:
 - ARE NOT INDIVIDUALS WITHIN YOUR ORGANIZATION OR INSTITUTION
 - They provide guidance or assessment on project implementation or performance.
- Meals:
 - Allowable provided that the it is allowed by the sponsoring agency, they involve a formal meeting, workshop or training, it is an significant activity of the project and it involves external participants
 - NOT ALLOWABLE IN STAFF MEETINGS

Other special items

- You need to be able to balance your “check book” with your official accounting records
- You need to be able to provide a forecast of expenses in order for the PI to know how much money he can still use
- You need to know what your encumbrances are in order to provide a more certain data regarding uncommitted funds
- It's the project administrators responsibility to provide assertive data to the PI regarding where he stands in regards to his budget.



THE IMPORTANCE OF A GOOD “BOOKKEEPING”

- **It is a requirement of the Federal Government**
- Who needs to report time and effort?
 - Key Personnel with effort commitment (be it directly charged to the project or release time)
 - Any personnel whose salary is directly charged to the project must be supported by documentation indicating payroll distribution consistent with the effort dedicated.
- Note: if there is a decrease in effort commitment of a key personnel of more than 25%, this needs to be approved by the sponsoring agency

Suggestion: Don't name someone senior key personnel or key personnel if they really are not, this when preparing a budget for a proposal. Any changes in these positions will most likely require authorization from sponsoring agency. *Clue: If the project can continue without this person in it, then this person is **not** a key person.*

TIME AND EFFORT REPORTING

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

- When should you start preparing for your projects' close-out?
As soon as it starts....
- Have a close-out checklist, this will help.
- Send out notifications to your PI's and project administrators at least 3 months before end of grant in preparation for your close-out. Remember they need to do their part to.
- Make sure you comply with all reporting requirement established by the sponsoring agency.
- Submission of late reports risk the loss of current and future funding and they have an impact on the A-133 audit.

Close-Out, Audits and Reporting



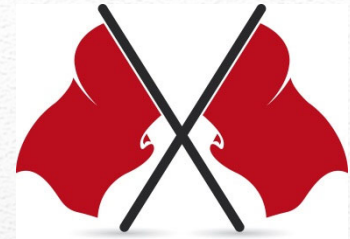
- Assign responsibilities to everyone involved in the close-out process
- Don't try to spend unused funds at the last minute, this is going to be a red flag in an audit and could do more harm than good.
- You should be prepared for an audit before it begins!
- Auditors look for:
 - Financial statements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



ARE WE
READY?

Close-Out, Audits and Reporting

- Red flags that may lead to additional scrutiny:



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

RED FLAGS TO AUDITORS

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

Tips for Audits



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

Audits: Risk of Non-Compliance



