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# **1. AWARD ACCEPTANCE**

## **a. Institutional Review**

Funding agencies award institutional grants to Austin College on behalf of the Principal Investigator (PI), or Project Director (PD), herein called "PI." As such, often the notice of award is sent to an institutional office, such as the Corporate, Foundation, and Government Relations (CFGR) Office, also known as the Grants Office. If the award documents are sent directly to a PI please remember the funds will still be managed by Austin College; therefore, the PI should notify the Grants Office immediately so that the award can be reviewed and accepted in a timely manner.

All institutional awards are made to Austin College, not to an individual. This includes career awards. As such, institutional review and approval will be required before a grant is accepted. In order for Austin College to accept an award, specific information must be contained within the award document(s) issued by the sponsor. This includes the:

- Period of Performance, the period from the authorized start date to the authorized end date of a project
- Scope of Work, a narrative description of the work to be completed under the agreement
- Award Amount, the dollar value of the award
- Sponsor Contact and Billing Information, the point of contact, including mailing address, telephone number, and any invoicing procedures.

The Grants Office will coordinate formal review of the award terms and conditions, assist with negotiations and publicity, and work with the Business Office to establish a separate, restricted grant account.

Please note that this review and award acceptance process does not apply to awards that are paid directly from the sponsoring agency to an individual (e.g. most fellowships).

## **b. Institutional Responsibilities**

The Uniform Guidance (UG), officially entitled [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (2 CFR 200) was issued by the Office of Management and Budget (OMB) in the Executive Office of the President of the U.S. on December 26, 2014 and took effect the same day. This federal regulation synthesizes and replaces the administrative, accounting, audit rules and principles promulgated in eight Office of Management and Budget (OMB) Circulars, including A-21, A-110, and A-133, and governs the administration of federal awards at all institutions of higher education, including Austin College. In issuing the UG, OMB clarified - and in some instances strengthened - federal regulations relating to allowable expenses. Austin College is required to comply with the UG, including ensuring that all expenses charged to federal awards conform to the cost principles contained in the UG.

## **c. Principal Investigator (PI) Responsibilities**

The PI is ultimately responsible for all aspects of the sponsored project, including programmatic and financial oversight. Primary responsibilities of the PI include Project Management, Expenditure Management, Employee Management, Reporting, and Sub-award Management (if applicable). The Grants Office and Business Office at Austin College have established administrative systems and processes to support the PI throughout the life of an award. Please contact them with any questions or if assistance is needed.

In addition to complying with terms of the award, it is the responsibility of the PI to meet any applicable requirements. Depending on the funding source and type of award, this may include but is not limited to the following:

- **Reporting:** The PI is responsible for the timely submission of all reports in accordance with the terms of the grant and requirements of the sponsor. With the PI's input, the Grants Office and Business Office will prepare any financial reports for submission to the sponsor; a financial report completed by the PI is not an official institutional report of expenditures. The Grants Office will review progress and narrative reports prior to submission. Copies of all narrative reports and correspondence related to the grant should be forwarded to the Grants Office prior to submission.
- **Financial Conflict of Interest (FCOI) Training and Disclosure:** All PIs and senior personnel working on grants from the National Science Foundation or a Public Health Service (PHS) Agency (including National Institutes of Health (NIH)) are required to complete FCOI training and periodic disclosures. Information regarding training provided by NIH for FCOI can be found at: [www.grants.nih.gov/grants/policy/coi/](http://www.grants.nih.gov/grants/policy/coi/). (Previously, webinar training has been offered by NIH.) The NSF requires additional FCOI training every three years.
- **Responsible Conduct of Research (RCR) Training:** It is the responsibility of all researchers, regardless of the source of funding, to be trained in RCR. The National Science Foundation, in response to federal guidelines, requires institutions that apply for financial assistance from NSF for science and engineering research and education to describe in grant proposals a plan for training and oversight "in the responsible and ethical conduct of research" (RCR). For more detail on RCR go to: [www.nsf.gov/bfa/dias/policy/rcr.jsp](http://www.nsf.gov/bfa/dias/policy/rcr.jsp) or contact the Austin College CREATE office [www.austincollege.edu/CREATE](http://www.austincollege.edu/CREATE) and <http://www.austincollege.edu/academics/centers-and-college-wide-programs/create/responsible-conduct-of-research/>.
- **Time and Effort Certification:** All personnel who receive any compensation from or have committed effort on a federal grant funded project are required to submit Time and Effort reports according to the policy and procedures below.

### **Austin College's Effort Certification Policy and Procedures**

In accordance with Federal requirements ([§200.430](#)) prescribed by the Office of Management and Budget (OMB), charges to Federal awards for salaries and wages must be based on records that provide reasonable assurance that the charges are accurate, allowable, and properly allocated. In order to receive and maintain eligibility for funding, sponsoring agencies require organizations to gather documentation to substantiate that the level of salary or wages charged to Federal awards is commensurate with the effort expended. This certification is completed for the following two purposes:

1. To verify that the percentage of effort placed on a Federal award is not less than the percentage of salary charged to the Federal award.
2. To capture any voluntary cost sharing by indicating any excess percentage of effort as compared to the percentage of salary.

### **After-the-Fact Certification Reporting**

The College utilizes an "After-the-Fact" reporting system to comply with the federal effort certification requirement. Under an after-the-fact system, distribution of salaries and wages for employees working on externally-funded projects will be supported by effort certification reports. Charges are made initially on the basis of estimates made before the services are performed. Effort certification reports will reflect an after-the-fact reporting of the actual percentage distribution of activity of employees. If there are significant (>10%) differences between the charges and actual distribution, the charges will be promptly adjusted to reflect actual activity.

### **Employee Effort Certification Reporting Policy and Procedures**

Employees working on Federal awards are required to adhere to following procedures on Effort Certification:

- Faculty and exempt employees will be asked to report the percent effort for all federally sponsored activity and curricular activities (i.e., instruction, administration,

advising, etc.) using the Austin College – Effort Certification Report found at [www.austincollege.edu/grants](http://www.austincollege.edu/grants). Note: Hourly employees and student workers are not required to complete a report as their time is certified via electronic time sheets.

- Effort Certification Reports will reasonably reflect the percentage distribution of effort by faculty and exempt employees charged to federally funded projects. Effort is not determined based on a 40-hour week but rather as a percentage of total employment activities. 100% effort is an employee's total hours actually spent on work within the scope of his/her employment activities. The activities for which the employee is compensated include sponsored and non-sponsored activities (teaching and teaching related activities, administrative activities) for a given time period. The purpose of the report is to certify the level of effort expended on these activities.
  - Employees should provide an account of all effort expended on a sponsored activity, even if the sponsor did not compensate the employee for that activity, which constitutes "cost sharing." This can occur on a mandatory or voluntary basis. Mandatory cost sharing occurs when it is required by the sponsor at the time of application. Voluntary cost sharing represents additional effort expended on a project that is not required by the sponsor. Although it is the College's practice to minimize voluntary cost sharing, the Principal Investigator must record all effort expended on their projects regardless of the source of compensation.
  - Faculty and exempt employees will complete and sign the Effort Certification Report. Principal Investigators / Project Directors (PI/PD) are required to verify the accuracy of information provided by employees working on the grant. Certification reports of the PI/PD are to be verified by the department chair or dean.
  - Effort Certification Reports are required annually and at the completion of a grant. The Grants Office will distribute the reports to PI/PD's in September of each year and when closing out a grant. **Completed forms must be returned to the Grants Office by October 15 or 30 days after a request.** The PI/PD is responsible for sending the form to any other faculty or administrative employees working on the grant and ensuring the forms are completed.
  - Completed Employee Effort Certification Reports will be filed in the Grants Office.
- Research involving live, vertebrate animals: All work involving live, vertebrate animals must be reviewed by the College's Institutional Animal Care and Use Committee (IACUC) prior to research initiation. The work of the committee is outlined in GM 17 Academic Affairs Policy - Research in Austin College's Operational Guide. The College adheres to regulations of the Animal Welfare Act. Federal research funding also follows regulations declared by the Secretary of Agriculture pertaining to human care, handling, and treatment of vertebrate animals held or used for research, teaching, or other activities supported by federal awards. Federal grant recipients are expected to follow guidelines set forth in the National Academy of Science (NAS) publication, "Guide for the Care and Use of Laboratory Animals," as well as the NAS "Public Health Service Policy on Humane Care and Use of Laboratory Animals," which can be found at <http://grants.nih.gov/grants/olaw/references/phspol.htm>. Research facilities subject to the Animal Welfare Act that use or intend to use live animals in research and receive federal funding are required to register the facility with the Animal and Plant Health Inspection Service (APHIS), U.S. Department of Agriculture. For additional information and requirements, refer to the current NSF proposal and award policies guide <https://www.nsf.gov/bfa/dias/policy/>.
  - Human Subjects Research: All research involving human subjects must be reviewed and approved by the College's Institutional Review Board (IRB). The IRB is charged with reviewing

all research involving human participants performed under college auspices for compliance with federal regulations and commonly accepted ethical standards. The Austin College Operational Guide under GM 17 Academic Affairs Policy – Research provides the purpose of the IRB along with research guidelines that can also be found at [www.austincollege.edu/IRB](http://www.austincollege.edu/IRB).

- **Institutional Biosafety:** All activities involving recombinant DNA, synthetic nucleic acid molecules, and/or infectious agents/toxins must be reviewed by the College's Institutional Biosafety Committee (IBC) prior to initiation. The establishment of an IBC is required by the National Institutes of Health for any institution that uses recombinant DNA in teaching or research. More details about the IBC are found in the Austin College Operational Guide under GM 17 Academic Affairs Policy – Research.

The College maintains an occupational health and safety program for personnel who work in the laboratories handling animals and/or hazardous materials. Details of these efforts can be found under GM 17 Academic Affairs Policy – Research of the Austin College Operational Guide.

- **Dissemination/Publications:** Compliance with any applicable public access policy is required, including but not limited to publications resulting from research supported by the [National Institutes of Health](#) and the [National Science Foundation](#).
- **Intellectual Property:** It is the responsibility of the PI to comply with the College's Intellectual Property Guidelines found under GM 17 Academic Affairs Policy – Research in the Austin College Operational Guide. The College's ownership of intellectual property may be affected by individual agreements between the College and outside funding sources. Should an invention result from research supported by the federal government, it is the responsibility of the PI to comply with the [Bayh-Doyle Act](#).
- **Export Controls:** Regardless of the source of funding, it is the responsibility of the PI to comply with [Export Controls laws](#), which regulate 1) the shipment or transfer, by whatever means, of controlled items, software, technology, or services out of the U.S., and 2) the release of certain information to foreign nationals here in the U.S. (referred to as a "Deemed Export").
- **Records Management and Retention:** Researchers have certain obligations to record, maintain and retain research records, and to make those records available for grant monitoring and auditing purposes. Research records include research data, materials, documents and information that relate to the administrative, financial, human resource management, reporting of research results, sponsored award applications, cost or pricing, or other management information that has been gathered or used in research activity. Financial records, supporting documents, statistical records, and all other College records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub-recipient. The only exceptions are the following:
  - If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
  - When the College is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
  - Records for real property and equipment acquired with Federal funds must be retained for three years after final disposition.
  - When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the three-year retention requirement is not applicable to the College.

**d. Internal Grant Account Number**

Based on information received from the Grants Office, the Business Office will establish a new account number for each grant, which must be used for all transactions related to the grant budget. The grant account number is made up of 16-digits, and in order for a transaction to be posted to the grant account, the complete 16-digit account number is required. The digits are represented as follows:

<b><u>FUND</u></b>	-	<b><u>FUNCTION</u></b>	-	<b><u>UNIT</u></b>	-	<b><u>OBJECT</u></b>
<b>XX</b>		<b>XXX</b>		<b>XXXXXXX</b>		<b>XXXX</b>
(X)		(XXX)		(X)Division		(X)GLClass
Fundgroup		Function				
(XX) Fund				(XXX)Program		(XX)Subclass
				(XXXXXXX)Department		(XXXX)Object

Each account contains four major components. These are FUND, FUNCTION, UNIT, and OBJECT.

**FUND(XX)**:The first component defines the fund. This component consists of two subcomponents which are the *fund group* which is the first digit, (such as Current Fund, Loan Fund, Endowment Fund, Plant Fund) and the *specific fund*, two digits, (such as Current Unrestricted, Current Designated, Current Restricted).

**FUNCTION(XXX)**:The second component classifies the type of expense or revenue into categories based on National Association of College and University Business Officers (NACUBO) codes such as fiscal operations, general academic instruction, etc. Asset and liability accounts are not coded this way and are given a general function (000). Further classification of the fund balance accounts which will carry the account balance are gift funded, endowment funded, etc.

**UNIT(XXXXXXX)**:The third component signifies the *division* (first digit), the *program* (first three digits) and *department* (all seven digits).

**OBJECT(XXXX)**:The fourth component defines the class of account. The *first digit* signifies whether it is an asset, liability, fund balance, expense or income account. The first two digits (*subclass*) define groups of expenditures or income (such as supplies, travel, or operations & maintenance of plant). The four digits together are the specific object code such as classroom supplies or airline travel.

For example, in the case of a federal grant, the suite of accounts will look something like this:

17-101-9999999-5039	Faculty Stipends : NSF Grant
17-101-9999999-5044	Student Stipends : NSF Grant
17-101-9999999-5101	Taxes - Social Security : NSF Grant
17-101-9999999-5102	Taxes - Medicare : NSF Grant
17-101-9999999-5201	Copier Expense : NSF Grant
17-101-9999999-5202	Postage Expense : NSF Grant
17-101-9999999-5252	Advertising/Marketing : NSF Grant
17-101-9999999-5261	Stipends and Honorariums : NSF Grant
17-101-9999999-5266	Consultants : NSF Grant
17-101-9999999-5330	Classroom Supplies : NSF Grant

17-101-9999999-5400	Travel Control : NSF Grant
17-101-9999999-5410	Airlines Travel : NSF Grant
17-101-9999999-5411	Auto Rental Travel : NSF Grant
17-101-9999999-5412	Personal Vehicle Travel : NSF Grant
17-101-9999999-5414	College-Owned Vehicle : NSF Grant
17-101-9999999-5415	Other Transportation Expenses : NSF Grant
17-101-9999999-5420	Lodging Expenses : NSF Grant
17-101-9999999-5430	Meal Travel Expense : NSF Grant
17-101-9999999-5809	Other Equipment Purchase : NSF Grant

**e. New Award Notification Form**

Once the Business Office has set up the restricted grant account, the Grants Office will generate a New Award Notification Form specific to the grant. This form will be sent electronically to the PI and any co-investigators at Austin College, and copied to the Vice President of Business Affairs, the Vice President of Academic Affairs, the departmental Administrative Coordinator, and if applicable the Purchasing Representative and Human Resources. This electronic notification will contain relevant grant information, including the Austin College grant account number, the agency award number and contact information, the approved budget, and reporting requirements.

**f. Advertising an Award**

Congratulations! An external grant is great for the PI, the department, Austin College students, and the College as a whole. This is important information that should be shared with various constituencies, if acceptable to the sponsor. When a grant is awarded to Austin College on behalf of a faculty or staff member, contingent upon the sponsor's policies, the Grants Office will inform the department chair, the dean of the department, the Business Office, the president, vice president of academic affairs, and the Office of Public Affairs. Occasionally, the Office of Public Affairs and Advancement Communications in Institutional Advancement, will write a feature article for *The Austin College Magazine* or a press release for wider distribution. All other publications, whether they are grant-supported or not, are great news that the College wants to know about and share.

## **2. GRANT ADMINISTRATION**

The financial management of grant funds is the PI's responsibility. The authority to sign-off on expenses can be delegated to someone else, but the PI remains responsible for the management of the funds. Please contact the Director of Corporate, Foundation, and Government Relations to authorize another individual to sign-off on expenses. The Grants Office will meet with the PI to review and plan appropriate financial management of the award.

**a. Pre-award Costs**

Some funding agencies will allow the College to incur allowable and allocable **pre-award costs** up to 90 calendar days prior to the award start date. Pre-award expenditures are made at the College's risk; the funding agency has no obligation to reimburse the College if an award is not subsequently made or is made for a lesser amount than expected. The College may permit the expenditure of funds within this 90-day period only for costs that are absolutely necessary for the start-up of a research project. This mechanism may not be used for the normal expenditure of funds. To request pre-award spending the PI must contact the Director of Corporate, Foundation, and Government Relations and should explain why the expenditure is necessary for the effective and economical conduct of the project. Pre-award expenditures must be approved in writing by the Business Office and vice president for academic affairs before the PI incurs or obligates the College to incur any pre-award costs.

**b. Multiple Grants**

Co-mingling of grant funds is expressly prohibited. If a PI is the recipient of more than one grant award, separate restricted accounts will be established for each grant. It is the responsibility of the PI to ensure that expenses and effort are charged to the appropriate grant account and that there is no mixing of funds.

**c. Tracking expenses**

The Business Office will arrange for PI access to view grant expenditures via WebHopper. For most federal agencies, the Grants Office requests reimbursement of posted expenditures at the end of each calendar quarter. Therefore, the balance shown in WebHopper represents the total expenditures posted to the account since the end of the previous fiscal year, **not the amount remaining in the award**. In order to determine the award balance remaining, or if any questions arise regarding activity in the grant account, please contact the Grants Office.

The PI is responsible for budget administration and authorizing expenses to his/her sponsored project award. The PI has the responsibility for verifying that each charge to the award is allowable. ***On at least a monthly basis the PI is to review account transactions, via WebHopper, to ensure expenditures are within the project's budget, incurred between the project's start date and expiration date, and identify and resolve potential erroneous postings.***

**d. Cost Transfer Guidelines**

Austin College's cost transfer guidelines are designed to ensure that cost transfers meet external regulations, guidelines, and terms. Cost transfers may be necessary to correct clerical errors, reallocate effort to reflect actual effort, or to allocate shared services that were previously charged elsewhere. Transfers involving federally sponsored project accounts are monitored, requiring that each request for a cost transfer be justified, documented and completed in a timely manner to support allowability and allocability. It is the responsibility of the PI to review expenditure activity and begin the cost transfer process by contacting the grant office. The Grants Office and Business Office work closely to ensure all journal entries meet all requirements and are accomplished in a timely manner.

The following guidelines are designed to ensure compliance with the Office of Management and Budget (OMB) Uniform Administrative Requirements for Federal Awards (Uniform Guidance), sponsoring agencies, and institutional policies with regard to cost transfers. Original charges to federal grant accounts are certified for allowability, allocability, and direct benefit to the project. Cost transfers invalidate that certification and are therefore subject to greater scrutiny during an audit.

**Definitions:**

- Cost Transfer: a journal entry that transfers an expense (labor or non-labor) either: 1) to a federally-sponsored project account that was previously recorded elsewhere, or 2) from a federally-sponsored project account to another account.
- Allowable: Costs must be necessary and reasonable for the performance of the award. [§200.403](#)
- Reasonable: Cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. [§200.404](#)
- Allocable: Cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to the Federal award or costs objective in accordance with relative benefits received. [§200.405](#)

**Procedures:**

When PIs, Project Managers or Administrators approve grant expenditures, they are certifying that the cost will directly benefit the project. PIs and Project Managers must conduct a timely review of grant transactions, with immediate reporting of any necessary corrections.

Timeliness in error detection and correction, and completeness of the explanation are essential factors in supporting allowability and allocability of the charges. As such, cost transfers to or from sponsored project accounts should be completed within 90 days from the original transaction date. Cost transfer requests are submitted to the Business Office with the following:

- Documentation that fully explains how the error occurred. An explanation merely stating that the transfer is being made “to correct error” or “to transfer to correct account” is not sufficient.
- Certification of the correctness of the new charge by the PI/Program Manager or the Grants Office. Must include a description of the direct benefit to the project being charged.
- Documented approval by the budget manager for any requested transfers to budgets not managed by PIs.

These records must be maintained and made available for audit or other review. Frequent errors in recording costs may indicate the need for enhanced internal controls or accounting system improvements, at discretion of Business Office and/or Grants Office.

Retroactive cost transfers may be justified for clerical and data entry errors; transfers between continuation years for the same award number; pertinent information received subsequent to the date of original entry; and/or impractical or impossible to allocate charges at the time of entry. Cost transfers will not be processed for covering an overrun or for the purpose of expending available remaining grant funds. If the final financial report has been submitted to the sponsoring agency, a cost transfer TO the project will not be processed, but an approved cost transfer FROM a sponsored project account will be processed. This may require a revised financial report, and recertification of effort.

#### **Responsibilities:**

All persons involved with the administration of federally sponsored awards, including PI/PD, department administrators, Grants Office, and the Business Office are responsible for compliance with the cost transfer policy.

#### Principal Investigators (PIs)

- Ensure compliance with federal regulations and regular monitoring of expenditures.
- Primary responsibility of timely correction of errors. Communicate promptly the need for a cost transfer.

#### Controller and Grants Office

- Ensure documents are in compliance with the document preparation guidelines.
- Ensure transfer of costs benefit the project, and are allowable, reasonable, and allocable.
- Prepare journal entry for prompt submission to the Business Office.

#### Business Office

- Ensure that all required documentation is on file and compliant to guidelines.
- Ensure that the journal entry request is made promptly

#### **e. Allowable and Unallowable Costs**

In accepting a federally-sponsored grant or contract, Austin College agrees to abide by certain federal rules and regulations regarding the use of the funds. The Office of Management and Budget Uniform Guidance sets forth the general criteria that educational institutions must follow in determining whether costs are allowable on federally-funded projects. Many federal agencies also publish guidelines covering additional costs specific to funds awarded by their agencies. In certain cases, specific grants or contracts may contain additional allowability guidelines for a particular project. PIs must be familiar with these regulatory requirements in order to appropriately administer federally-funded sponsored projects. The OMB website can be found at: [www.whitehouse.gov/omb](http://www.whitehouse.gov/omb).

All vendor discounts, credit memos, rebates, and other cost adjustments must be applied to the cost of the project. Related documents, such as the *2 CFR Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as [Subpart E](#), can be found on the [OMB website](#).

- **Allowability:** Costs must meet seven general criteria to be allowable under federal awards, as follows: Costs must 1) be necessary and reasonable for the performance of the federal award, 2) conform to any limitations or exclusions set forth in these principles or the federal award as to the types or amount of cost items, 3) be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the institution, 4) be accorded consistent treatment, 5) be determined in accordance with generally accepted accounting principles (GAAP), 6) not already be included in a cost sharing or matching requirements of any other externally financed program, and 7) be adequately documented.
- **Reasonable:** A cost is reasonable if in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-federal entity (institution) is predominantly federally- funded.
- **Allocable:** A cost is allocable to a particular award or other cost objective if the goods or services involved are chargeable or assignable to that award or cost objective in accordance with relative benefits received.
- **Consistent:** Costs that are consistently treated in the same manner under the like circumstances and are either directly charged or included in Facilities & Administrative Expenses (F&A) recovery, not both.

**Unallowable Costs:** There are certain activities and costs that the federal government and most private funders deem inappropriate and will not reimburse. These categories of activities and costs are referred to as unallowable. Below is a partial list of activities and costs that are generally considered unallowable under OMB Guidelines [2 CFR Part 200 section Subpart E Cost Principles](#) includes a Listing of Costs that are unallowable either as a direct or indirect charge to Federal Grants and Contracts. Unallowable costs include but are not limited to the following:

- Alcoholic beverages
- Alumni activities
- Bad debt
- Commencement and convocation costs
- Contingency provisions
- Costs of criminal and civil proceedings
- Donations and contributions
- Entertainment costs
- Fines and penalties (failure to comply with federal, state or local laws & regulations)
- Fundraising and investment costs
- Goods or services for personal use of college employees
- Housing and personal living expenses
- Interest
- Lobbying
- Food and meals, other than budgeted travel costs
- Student Activities, unless specifically provided for in the sponsored agreement
- Travel: airfare costs in excess of the customary standard commercial airfare (coach or equivalent) are not allowed except under very specific conditions such as the medical needs of the traveler. These conditions must be documented. Upgrading of seats is also not allowable.

**Further Guidance on Food Related Expenses:**

Austin College is required to comply with OMB Guidelines, including ensuring that all expenses charged to federal awards conform to the cost principles [2 CFR Part 200 section Subpart E Cost Principles](#). **It is important to note that the allowability of a cost is solely determined by the OMB Guidelines or the federal agency’s policy. Consequently, such determinations cannot be overridden by Austin College’s certification and/or approval that an expense is otherwise allowable.**

<p><b>FOOD expenses</b> Applicable UG Section: 200.412, 200.413 &amp; 200-420</p>	<p>Any food-related expense (including meals, snacks, light refreshments, etc.) charged to a federal award must satisfy BOTH criteria below:</p> <p>1. Fit into one of the five UG direct cost categories or one of the two other circumstances listed below:</p> <p>a. DIRECT COST CATEGORIES:</p> <ol style="list-style-type: none"> <li>i. Participant Support</li> <li>ii. Travel</li> <li>iii. Entertainment</li> <li>iv. Lobbying</li> <li>v. Conference</li> </ol> <p>b. OTHER CIRCUMSTANCES: If a cost doesn't fit into one of the above five direct cost categories the food-related expense must:</p> <ol style="list-style-type: none"> <li>i. Be fundamental to the project and crucial, necessary and indispensable for carrying out the scope of work, or</li> <li>ii. Be specifically approved in writing by the federal sponsor in response to a written prior approval request that was reviewed, approved and submitted to the federal sponsor by Sponsored Projects Administration (SPA).</li> </ol> <p>2. Be allowable under:</p> <ol style="list-style-type: none"> <li>i) the UG,</li> <li>ii) the award terms and conditions,</li> <li>iii) sponsor policy, and</li> <li>iv) any related Austin College policies.</li> </ol>
<p>Austin College guidance</p>	<p><b>AUSTIN COLLEGE POLICY – DETERMINATION OF ALLOWABILITY &amp; APPROPRIATE DIRECT COST CATEGORY</b></p> <p>STEP 1: Determine if the food-related expense qualifies as a legitimate Austin College business expense (i.e. appropriate and necessary to carry out Austin College business).</p> <ul style="list-style-type: none"> <li>• If not, <b>STOP</b>. The food-related expense is not allowable and must be borne personally by the individual who incurred the expense.</li> <li>• If YES, go to Step 2</li> </ul> <p>STEP 2: Is the Austin College business activity essential to accomplish the scope of work supported by the federal award?</p> <ul style="list-style-type: none"> <li>• If No, <b>DO NOT</b> charge this expense to the federal award, instead charge it to an unrestricted fund source.</li> <li>• If YES, are the expenses allowable, allocable and reasonable in accordance with the UG, other governing regulations / policies for the grant as well as the Sponsor specific policies applicable to the grant?             <ul style="list-style-type: none"> <li>○ If No, <b>DO NOT</b> charge this expense to the federal award, instead charge it to an unrestricted fund source in accordance with Austin College policies.</li> <li>○ If Yes, charge the expense to the federal award.</li> </ul> </li> </ul>
<p><b>SPECIFIC DETAILED CLARIFICATION TO AID IN DETERMINING APPROPRIATENESS OF MEAL EXPENSES TO A FEDERAL FUND</b></p>	
<p>As part of <b>PARTICIPANT SUPPORT</b> Applicable UG Section: 200.75, 200.456</p>	<p>Food-related expenses associated with Participant Support costs are allowable only if the project includes an education or outreach component, and the food-related expenses are explicitly listed in the proposal budget and justified as part of the education or outreach components.</p>

<p><b>PARTICIPANT SUPPORT</b> (continued from above)</p>	<p>Participant support costs are defined as direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to, or on behalf of, participants or trainees - but not Austin College employees – in connection with conferences or training projects.</p>
<p>As part of <b>TRAVEL</b></p> <p>Applicable UG Section: 200.474, 200.475, 200.456</p>	<p>Food-related expenses incurred by Austin College employees while on travel are allowable provided that such expenses are reasonable and necessary for carrying out the scope of work or are specifically tied to the award’s programmatic requirements.</p> <p>AUSTIN COLLEGE POLICY NOTES:</p> <ol style="list-style-type: none"> <li>1. Policy defines travel as an overnight stay (or longer) for the purpose of determining whether food-related expenses are allowable.</li> <li>2. Food-related expenses incurred by an Austin College traveler for a non-Austin College traveler is not reimbursable to the Austin College traveler, regardless of whether the expense is allowable or not.</li> <li>3. Food expenses related to “meetings while on travel status” are not allowable unless the “meeting” satisfies the definition of a meeting (see Conference/Meeting below).</li> </ol>
<p>As part of <b>ENTERTAINMENT</b></p> <p>Applicable UG Section: 200.438</p>	<p>Food-related expenses associated with the cost of entertainment are <b>always unallowable</b> except in the very rare instance of when food-related costs that might otherwise be considered entertainment have a programmatic purpose AND are authorized either in the budget or approved by the federal sponsor.</p> <p>Entertainment expenses are costs related to amusement, diversion, and social activities and any costs directly associated with such costs, including tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities.</p>
<p>As part of <b>LOBBYING</b></p> <p>Applicable UG Section: 200.450</p>	<p>Food-related expenses associated with lobbying are always unallowable except in the very rare instance when such expenses are related to travel for the purpose of technical and factual presentations on topics directly related to the performance of a grant, contract, or other agreement in response to a documented request made by a member of congress, legislative body or a subdivision, or a cognizant staff member.</p> <p>Lobbying includes certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans or attempting to influence either directly or indirectly an employee or officer of the executive branch of the Federal Government to give consideration or to act regarding a Federal award or a regulatory matter.</p>
<p>As part of <b>CONFERENCE / MEETING</b></p> <p>Applicable UG Section: 200.432</p> <p>NIH --GRANTS POLICY STATEMENT, dated 3/31/15 Sections: 7.9.1 and 14.10.1</p> <p>NSF – Proposal &amp; Award Policies and Procedures Guide (16-1), Chapter II, Section C.2.g.(xii).(b) – Meals and Coffee Breaks; &amp; Chapter II, Section D.9</p>	<p>Food-related expenses associated with a conference are allowable when:</p> <ul style="list-style-type: none"> <li>• The event at which the food expenses are incurred meets the below definition of “conference”, and</li> <li>• The expenses are paid by Austin College as the sponsor or host of the event; and</li> <li>• In the case of NIH awards the meals must be an integral and necessary part of the meeting/conference (i.e. business is transacted during the meal).</li> </ul> <p>Food-related expenses associated with a conference are unallowable when:</p> <ul style="list-style-type: none"> <li>• The award is from NIH and the primary purpose of the grant was to support a conference or meeting or the food is for recurring business meetings, such as staff meetings, which are being broadly considered as meetings for the primary purpose of disseminating technical information in order to justify charging meals or refreshment to costs to grants; OR</li> <li>• The award is from NSF.</li> </ul> <p>At 2 CFR 200.432, the UG defines “conference” as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity [Austin College] and necessary and reasonable for successful performance under the Federal award.</p> <p><i>NOTE:</i> Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award.</p>

**f. Participant Support Costs**

Agencies may fund a project whose objective is to sponsor outreach programs which bring together experts to discuss research, educational findings or to expose researchers and students to new teaching and research techniques. To cover the associated costs, the sponsor may include a category of expenses generally referred to as participant support costs. Wages or other amounts paid to employees in their normal role, monies paid to presenters or those participating in a study must not be classified as Participant Support Costs. This policy sets forth the unique requirements that apply to participant support costs.

Participant support costs, as defined in Participant support costs, as defined in [2 CFR 200.75](#) include direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects. Per [2 CFR 200.456](#), these costs are allowable with the prior approval of the Federal awarding agency

Participant support costs may include, but are not limited to:

1. Registration fees
2. Travel allowances
3. Manuals and supplies
4. Tuition
5. Stipends
6. Costs associated with supporting the cost of attendance at such events

Participant support costs are generally granted for specific projects (such as NSF Research Experience for undergraduates ("REU") and Research Experience for Teachers ("RET")) and are often subject to special sponsor regulations, such as:

1. Re-budgeting to/from the participant support cost category to/from other categories without prior approval is not permitted.
2. The College is prohibited from applying the Facilities & Administrative ("F&A") cost to participant support costs.
3. The College must return any unexpended participant support costs.
4. Any additional categories of participant support costs, other than those described in [2 CFR 200.75](#) (such as incentives, gifts, souvenirs, t-shirts and memorabilia), must be justified in the budget justification, and such costs will be closely scrutinized by the agency.

When a sponsored project includes participant support costs, the principal investigator and his/her administrative support personnel are required to be familiar with the specific requirements as set forth by the sponsor, and to insure compliance with those requirements. Evidence of attendance by participants, in the form of a daily log or similar documentation, must be maintained within the project's records. For further information on participant support costs, and NSF proposals for conferences, symposia and workshops that incur participant support costs, please refer to the most current version of the [NSF's Proposal and Award Management Guide](#).

**When submitting requisitions to the Business Office for reimbursement of participant support costs, only those expenses related to student expenses can be submitted on the form. For example, faculty travel reimbursements must be on a separate requisition than student travel reimbursements even if the reimbursement will be returned to the same person.**

**g. Program Income**

It is the responsibility of the PI to notify the Grants Office if any income will be generated during the course of a project. Federal regulations define program income as "gross income earned by a recipient that is directly generated by a sponsored activity or earned as a result of the award." Program income will be accounted for in specific ways, depending on the sponsor's policies and any applicable regulations. Regardless of the method used, program income may be used only for

allowable costs in accordance with the applicable cost principles and the terms and conditions of the award.

**h. Cost Overruns**

The PI is responsible for not exceeding the grant budget. If cost overruns occur, they must be corrected during the course of the project. In the absence of other sources of funding that the PI can identify, the respective department budget will be charged for any cost overruns. No additional costs may be incurred before obtaining the appropriate budgetary approvals.

**i. Changes to Project and/or Budget**

Unforeseeable circumstances may occur that require changes after the award is made. Some of these changes require prior sponsor approval and others do not; please check with the Grants Office with specific questions. If any changes to the project and/or budget are required, the PI must notify the Director of Corporate, Foundation, and Government Relations **before making any changes**. A written justification of the requested change will be required. The Grants Office will determine whether your requested changes can be approved internally or if the sponsor's approval is required. Please allow sufficient time for review and processing.

1. **No-Cost Extensions:** Most sponsoring agencies will allow an extension of the grant expiration date if more time is required to assure adequate completion of the original project scope. If additional time is needed, the PI should contact the Grants Office in advance of the project expiration date to discuss requesting an extension of the project. Extension requests must be made for programmatic reasons, not financial reasons. Although the requirements to apply for a "no-cost extension" (NCE) vary by sponsor, many federal agencies allow the College to authorize a one-time 12-month NCE for specific reasons, which must be provided in writing. Please be prepared to provide a written technical justification for an extension. Please note that the fact that funds will remain at the expiration of the grant is not, in itself, sufficient justification for an extension. In all cases, such extensions must be requested six months before the expiration date. Please notify the Grants Office as soon as it is known that a grant extension will be necessary.
2. **Mandatory Prior Approvals:** Some modifications require approval by the sponsor before any change is made. The specific events requiring prior approval are dependent upon the applicable guidelines and notice of award, but the following circumstances typically require that the PI work through the Grants Office to obtain prior sponsor approval. This list is not exhaustive.
  - *Significant Change of Effort by, or Absence of, PI:* Under the Uniform Guidance ([200.308](#)) prior sponsor approval must be obtained from the federal agency if a PI will be "disengaged" from the project for more than three months, or if there is a 25 percent reduction in the time the PI devotes to the project.
  - *Participant Support:* The transfer of funds budgeted for participant support costs to other categories of expense requires prior approval from the federal sponsor. See [200.308\(c\)\(5\)](#).
  - *Re-budgeting Cost Sharing:* Committed cost share must be delivered for the purpose for which was promised. If any change in the amount or purpose of the promised cost sharing is anticipated, it will be necessary to obtain the prior approval of the federal sponsor before re-budgeting. See [200.308\(c\)\(7\)](#).

**j. Communications with Sponsor**

Communications between Austin College and the sponsor relative to financial management of projects are to be coordinated through the Grants Office. This includes, but is not limited to, negotiation of project terms or amounts, budget revisions, interpretation of contract/grant language or any events which may require formal approval of the College or sponsor.

**k. Award Closeout**

The grant closeout is a critical piece in the life cycle of a grant. Grants are considered closed when all the work has been performed to the granting agency's satisfaction or upon termination date specified in the award. Preparation for closeout should begin three months prior to the end date of the grant in order to accurately forecast expenses and any adjusting entries that need to be made. The PI works with the Grants Office to ensure all project costs are properly identified and compliance has been met with all of the terms and conditions of the award.

The PI is responsible for preparing and submitting the final technical report to the sponsor in a timely manner, according to the schedule outlined in the award. The Grants Office will work together with all departments involved to complete the three main areas of management: expenses, records, and reporting.

**Invention disclosure** is critically important for all projects, especially where any portion of the funding comes from the federal government, private foundation, or commercial sponsor. Prompt disclosure is required, although the method of disclosure may vary depending on the sponsor. PIs should work with the Grants Office to determine exact requirements.

**Residual funds** or unspent funds on sponsored projects occur when the receipt of revenue or cash from a sponsor exceeds the costs identified and incurred on the project. Since the majority of sponsored projects received by the College are cost reimbursable from a financial accounting perspective, these residual funds on sponsored projects must be returned to the sponsor unless otherwise instructed by the sponsor.

### **3. FINANCIAL REQUIREMENTS AND PAYMENTS**

**a. Federal Funds Payment and Cash Management**

The purpose of these guidelines is to provide timely and accurate application of remittances for sponsored programs made to Austin College. The Business Office manages the cash related activities, maintaining appropriate cash flow for Austin College's sponsored programs while ensuring financial compliance with federal regulations, sponsor requirements, and College policies. Austin College's Federal Funds Payment and Cash Management Guidelines are to request payments from federal agencies at the time each agency requires financial reporting. The total disbursements for allowable costs for a given reporting period, less any credits, discounts, rebates, refunds, program income, or amounts withheld from payment to contractors to assure satisfactory completion of work, will represent the amount requested as a reimbursement. (In January 2016, NSF updated many of its federal grant guidelines, including those involving payments and cash management. A copy of The NSF policies can be found at <https://www.nsf.gov/bfa/dias/policy/>.)

**b. Personnel Costs**

Personnel are a key element of most grants. Specific personnel and their qualifications may have been identified in the proposal narrative, or the narrative may have described the responsibilities of a grant-funded position to be filled upon receipt of the award. In some cases, the personnel are current Austin College employees whose duties will be expanded or cost-shared and in other cases the personnel are new hires that will be employed by Austin and specifically assigned to the grant project. Many grant budgets include funds for PI stipends, hiring students, and/or hiring additional personnel.

1. Institutional Base Salary: Austin College defines Institutional Base Salary (IBS) as: "Pay for the employee's primary job responsibilities." Typically, the amount of an employee's IBS will be described in his or her appointment letter, and thereafter in annual salary letters or amendments to such letters. IBS typically excludes supplemental compensation from stipends, one-time payments, and/or payments for extra duties. For reference, a faculty member's IBS includes the teaching, service, and administrative responsibilities outlined in his or her annual contract (but would not include, for example, an additional appointment to teach summer classes).

2. Salary Limitation: Austin College limits supplemental compensation from all sponsored projects to no more than two months of IBS in any one year; this is based on effort expended on a sponsored project outside of the academic appointment.
3. Time and Effort Reporting: Grant funded employees receiving any compensation from federal grants are required to comply with the College's Effort Certification Policy and Procedures.
4. Payment of Principal Investigator or Other Grant Funded stipends: The PI should contact the Grants Office when wages (salary or stipend) are to be paid from a grant budget. With the PI's input and after verifying allowability and availability of funds for salary, the Grants Office will notify Human Resources with the following information: account number to which salary will be charged, the amount, the projected effort, and the period over which the salary is to be distributed. If funds are being distributed from a federal grant, this notification will serve as the effort commitment. Prior to submitting this information to Human Resources, the Grants Office will verify that all required documentation is complete and up to date (e.g. FCOI and/or any applicable training certification).
5. Grant Funded Employees: The employment of personnel hired with grant funds is limited to the duration of the grant, or contingent upon continued funding. As hiring supervisor, the PI has the responsibility to select the best-qualified candidate while adhering to all applicable laws and regulations. College staff policies and procedures apply, including but not limited to regular performance reviews. All employees must comply with College policies and processes.
6. Hiring Process: The same hiring process that applies to regular employees at the College is used when hiring grant-funded personnel. In general, the advertising and hiring process involves developing a job description, getting approval from Human Resources, advertising the position, interviewing applicants, and making a selection. For additional guidance please see the Human Resources' Hiring Resources in Section IV-A Personnel Policies—All Employees in the Austin College Operational Guide.

**c. Procurement Rules and Thresholds - Purchases made with Federal Funds**

The federal government imposes a set of standards for the acquisition of supplies, equipment and real property purchased with federal funds. Procurement procedures must comply with the standards imposed by the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR-200](#)).

**Guidelines for Purchases:**

1. All purchases must be in compliance with the College's policies in the Austin College Operational Guide. In addition no employee, officer, or agent of the College shall participate in the procurement of goods and equipment supported by grant funds (whether federal or private) if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization that employs or is about to employ any of these parties, has a financial or other interest in the firm selected for an award or purchase. **The officers, employees, and agents of the College shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or contractors.**
2. The vendor or contractor that meets the required quality standards at the lowest cost should be selected. Recipients should check with the business office for group purchasing agreements for vendors and contracts that provide discounted pricing. Regardless of the cost of acquisition, grant recipients are required to avoid purchasing unnecessary items.
3. **Contracts:** Business Affairs must review or be involved in the preparation of any contract. The PI should work with the Grants Office to contact Austin College's Business Office before entering into any contract agreement.

4. Capital equipment is defined by OMB as “tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.” The acquisition cost includes installation charges and freight. Additional information is included in section “f” below.
5. Debarment and Suspension: No contract shall be made to parties listed on the General Service Administration's (GSA) list of Parties Excluded from Federal Procurement or Non-Procurement Programs. The System for Award Management (SAM), which is found on the U.S. Federal Contractor Registration website ([www.uscontractorregistration.com/about-sam/](http://www.uscontractorregistration.com/about-sam/)) provides a list of such parties. The list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority.
6. Colleges and universities expending federal funds are required to make positive efforts to use small businesses, minority-owned firms, and women’s business enterprises whenever possible.
7. The [Davis-Bacon Act](#) requires contractors and subcontractors on federally funded or assisted contracts to pay their laborers and mechanics employed under the contract no less than the locally prevailing wages and fringe benefits for corresponding work on similar projects in the area. It applies to contracts of more than \$2,000 to construct, alter, or repair (including painting and decorating) public buildings or public works. The Department of Labor determines the locally prevailing wage rates.

**d. Purchasing Guidelines Based on Threshold**

See the Austin College Operational Guide, Section V General Operational Policies and Procedures, OP 4 Purchasing Office for specific guidelines for the procurement of all materials and services.

**e. Other Types of Expenses**

1. Payments to independent contractors for services: An IRS form W-9 is required in order to pay independent contractors. Do not pay out-of-pocket or with a personal credit card for services. Detailed policy and procedural information is available in the Austin College Operational Guide. If the individual to be paid is from a foreign country, please contact the Business Office as soon as possible and prior to hiring them to perform any work. US Department of Homeland Security, Department of Labor, and Internal Revenue Service regulations govern the entry, visa status, payment and taxation of these individuals. Austin College abides by these regulations in all cases. It may take several weeks to complete the paperwork necessary to pay nonresident aliens.
2. Travel: Grant funded travel must comply with sponsor and College travel policies. When travel costs are to be charged to a grant or sponsored project, the terms stipulated by the funding source will take precedence if they are more restrictive than the Travel and Use of Vehicles policies that appear in the General Operational Policies and Procedures section of the Austin College Operational Guide. Please note that entertainment expense is **not** an allowable cost for federal grants. The PI can request a “travel” advance for Subjects for their participation in a research project. As with standard travel advances, the request will be approved if the PI does not have any advances outstanding more than 60 days after the completion of a trip. In order to clear the advance (which is essentially a loan to the PI) and have the subject payments charged to the grant account, the PI must submit a participant list with the name, date, signature and amount received for each participant, and a summary total. If the names must remain confidential, submit the list as Participant 001, Participant 002, etc. with an initial from each participant.
3. Computer Hardware and Software Purchases: Austin College’s [Information Technology Department](#) is able to recommend standard equipment and offers advice on the purchase of computers and computer related products to students, staff and faculty. Before making a purchase of computer hardware or software, please consult with Information Technology to ensure that the specific items you need are currently supported, and that networking is available if applicable. Further, IT can purchase such items included in your grant budget on your behalf, and charge your grant budget directly.

4. Indirect Cost Recovery - Indirect costs are calculated monthly, by applying the approved indirect cost rate to the applicable expense base. The resulting indirect costs for the month are posted to the grant accounts by journal entry. For reference, Austin College's current Cost Rate Agreement with the Department of Health and Human Services, dated February 25, 2014, is 48.3% of salaries and wages and is effective until amended. Any waived indirect cost is considered "cost sharing" and must be approved in advance by the Grants Office, the Business Office, and the Vice President for Academic Affairs of the College.

**f. Capital Equipment**

Capital equipment is defined by the OMB as "tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit." All costs associated with making the asset serviceable can be capitalized. Equipment acquired with external support becomes the property of Austin College unless restricted by the sponsor. Equipment and all property purchased with grant funds is not the property of the PI, faculty, or staff of Austin College.

1. PI Responsibilities: PIs are required to ensure the proper receipt of the equipment, track equipment, participate in inventories and notify the Business Office with regard to condition, location, loss or damage to the equipment. The PIs establish maintenance procedures and records and are responsible for the operational condition of the equipment.
2. Insurance: Real property and equipment acquired with federal funds will be insured at levels consistent with other Austin College property and equipment. The Business Affairs division is responsible for maintaining adequate insurance.
3. Record Keeping: Austin College maintains records including description, serial number, source of funding (including the Federal Award Identification Number, or FAIN), who holds title, percentage of federal participation in the project costs for the Federal award under which the property was acquired, acquisition date and cost, location, use and condition status, and disposition data. This information is maintained by the Business Office as well as stored in the College's Fixed Asset records.
4. Inventory: Different departments tag assets at the time of acquisition and perform a physical inventory of equipment purchased. Inventory guidelines can be found in the Austin College Operational Guide under Section V General Operational Policies and Procedures, OP 11 Inventory. Equipment purchased with grant funds will be assessed by the PI every two years to verify existence, condition, and accuracy of records.
5. Disposal: If an item purchased with grant funds is determined to be obsolete, and the item's value exceeds \$5,000, disposition rules must be followed. This may include requesting disposition instructions from the awarding agency. Possible disposition practices may require compensating the Federal awarding agency for its proportion of the original cost applied to the fair market value.

**g. Ownership of Items Purchased with Grant Funds**

Grants are awarded to Austin College, not to individual PIs. As such, items and equipment purchased with grant funds belong to Austin College. All institutional policies regarding capital equipment, purchasing, and procurement apply.

**h. Sub-awards and Sub-recipient Monitoring**

A sub-award is an agreement with a third-party organization performing a portion of an Austin College research project or program. The terms of the relationship (subgrant/subcontract) are influenced by the prime agreement, and all sub-awards must be monitored to ensure that the sub-recipient complies with these terms. A sub-award or subcontract agreement is more than a handshake between two individuals. When Austin College receives an award from an external sponsor, the sponsor often

indicates the terms and conditions that Austin College must pass on to any sub-recipient partners involved in the project.

Once Austin College receives an award from the sponsor, the PI will work with the Grants Office to determine when a sub-award is to be issued.

The Grants Office will work with Business Affairs to prepare a sub-award agreement, based on the [Federal Demonstration Partnership \(FDP\) template](#). (See FDP information on NSF website at [www.nsf.gov/awards/managing/fed\\_dem\\_part.jsp](http://www.nsf.gov/awards/managing/fed_dem_part.jsp)) Additional information and disclosures may be required from the PI and sub-recipient, including but not limited to Financial Conflict of Interest assurances and debarment and suspension certification.

Sponsor approval will be required to have a sub-recipient perform any part of the funded project, if a sub-award was (1) not in original proposal with external sponsor or (2) was not part of the approved award, and/or (3) if the proposed sub-recipient will change for any reason. This process should be initiated by the PI by notifying the Grants Office.

Once a sub-award agreement has been approved and fully executed, it must be monitored throughout its life. This is the shared responsibility of the PI, the Grants Office, and the Business Office. Responsibilities include monitoring the activities and performance of any sub-recipient receiving funding from the PI's federal award.

## 4. GLOSSARY

- **Business Affairs Division:** The Business Affairs Area contains the programs of Business Office, Human Resources, Purchasing, Physical Plant, Housekeeping, Campus Store, and Mailing and Printing Services. The first and foremost goal of Business Affairs is to support the educational program by providing effective and efficient utilization of all financial and physical resources available.
- **Cost Sharing:** Cost sharing or matching refers to the portion of project or program costs not borne by the Federal Government for federal awards. There are three types of cost sharing to be followed: 1) mandatory cost sharing, 2) voluntary committed cost sharing, and 3) voluntary uncommitted cost sharing. "Mandatory cost sharing" represents the portion of project costs not paid by the sponsor and are required as a condition of the award. Mandatory cost sharing must be tracked and reported. "Voluntary committed cost sharing" represents resources offered on a voluntary basis and specifically included in the award budget. Voluntary committed cost sharing must be tracked and reported. "Voluntary uncommitted cost sharing" refers to any effort or resources contributed to the sponsored project that are not required by the sponsor or included in the award budget. Voluntary uncommitted cost sharing does not need to be tracked or reported.
- **Corporate, Foundation, and Government Relations (CFGR):** CFGR manages Austin College relationships with corporate and foundation donors, ensures proper and strategic submission of grant proposals in accordance with institutional priorities, and stewards grants and gifts. Also manages awards from federal agencies. CFGR is also known as the "Grants Office."
- **Cost Transfer:** A cost transfer is an after-the-fact journal entry reallocation of an expense, labor or non-labor costs, after the expense was initially charged to another account.
- **Equipment:** Equipment is tangible nonexpendable personal property with an acquisition cost greater than \$5,000 and expected useful life greater than one year.
- **Facilities & Administration (F&A) Costs:** F&A Costs are general business expenses that are not specifically identifiable to a sponsored project, but rather support the project indirectly. These costs are also known as indirect costs. See also *Indirect Costs*.

- **Federal Award Identification Number (FAIN):** FAIN is the award number or other unique identifying number assigned by the Federal awarding agency, such as the federal grant number.
- **Federal Demonstration Partnership (FDP):** The Federal Demonstration Partnership (FDP) is a cooperative initiative among specified federal agencies and institutional recipients of federal funds. The FDP is a unique forum for individuals from universities and nonprofits to work collaboratively with federal agency officials to improve the national research enterprise.
- **Financial Conflict of Interest (FCOI):** Significant Financial Interest that Austin College reasonably determines could directly and significantly affect the design, conduct or reporting of the externally sponsored research.
- **Indirect Costs (also known as Facilities & Administrative Expenses):** Indirect costs that are not directly accountable to a specific cost object (including but not limited to a particular project, facility, function or product).
- **Institutional Animal Care and Use Committee (IACUC):** This committee ensures animals which are used for research or instructional purposes, as well as their acquisition, care, use, and disposal, must be in compliance with current federal, state, and local laws and regulations.
- **Institutional Biosafety Committee (IBC):** This committee Oversees research involving recombinant DNA, synthetic nucleic acid molecules, and/or infectious agents/toxins performed, in order to protect the health and safety of employees and the public regarding such research.
- **Individual Grant:** An individual grant is an award that is issued directly to, and all funds managed by, the individual applicant PI.
- **Institutional Grant:** An institutional grant is awarded to, and administered by, Austin College.
- **Institutional Review Board (IRB):** The IRB is a specially constituted review body established or designated to protect the welfare of human subjects recruited to participate in biomedical or behavioral research.
- **No-cost extension (NCE):** A no-cost extension extends the project period beyond the original project end date with no additional funding. May be requested when specified conditions are met.
- **Principal Investigator (PI):** The PI is the primary individual responsible and accountable for the preparation, proper conduct, and administration of the project or program, including the submission of all required reports. The PI has the appropriate level of authority and responsibility to direct the project or program supported by the grant and is responsible for leading and directing the project, intellectually and logistically.
- **Project Director (PD):** The PD is a project's point person, managing resources and overseeing finances to ensure that the project progresses on time and on budget. Sometimes used interchangeably with Principal Investigator.
- **Responsible Conduct of Research (RCR):** RCR ensures the highest standards of excellence and integrity in all research and scholarly endeavors. Austin College RCR policy is available from the CREATE Office ([www.austincollege.edu/CREATE](http://www.austincollege.edu/CREATE)) and <http://www.austincollege.edu/academics/centers-and-college-wide-programs/create/responsible-conduct-of-research/>.
- **Senior Personnel:** Senior Personnel are the PI and any other person identified by the PI, in the grant application, progress report, or any other report submitted to the funding agency by the College

as independently responsible for the design, conduct, or reporting of the research. All of the following may be considered Senior/Key Personnel, to the extent they are independently responsible for the design, conduct or reporting of the research: professorial faculty, research associates, emeritus faculty, sub-recipient personnel, postdoctoral research associates, research collaborators, visiting scientists, individuals with courtesy appointments, as well undergraduate, graduate and post-doctoral students. The term does not commonly apply to departmental research administrators or research administrative professionals.

- **Sub-contract:** A sub-contract is a formal agreement between Austin College and another organization by which responsibility to perform a sizable portion of the work is transferred from Austin College to a third party.
- **Sub-recipient:** A sub-recipient is a non-federal entity that receives a sub-award from Austin College to carry out a portion of the project work as specified in the proposal. The sub-recipient will participate in decision making and in determining the direction of the project, and will participate in and contribute to the final products and/ or report.
- **Time and Effort Reporting:** Time and Effort Reporting is the certification of effort to document salaries charged to federally sponsored projects.

## 5. POST-AWARD FORMS

All forms can be downloaded at the Grants Office form downloads page at [www.austincollege.edu/grants](http://www.austincollege.edu/grants).