

University of San Francisco
Office of Contracts and Grants
And
Corporate & Foundation Relations
Pre- and Post-Award Policies & Procedures
Revised as of 2021

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Introduction

The University of San Francisco (USF) conducts research, teaching, and other public service projects funded by sponsors outside the University. External sources include both governmental and private organizations as well as foundations and corporations. To ensure that funds provided from these external sources are administered in accordance with University policies and procedures, as well as those of the sponsor, externally funded projects received from government funding sources will be administered through the Office of Contracts and Grants (OCG), a division of the Office of the Provost and Vice President for Academic Affairs and externally funded projects received from non-government funders will be administered by the Corporate & Foundation Relations office, a division of University Advancement.

Roles and Responsibilities

Office of Contracts and Grants (OCG): The Office of Contracts and Grants (OCG) at the University of San Francisco resides in the Office of the Provost and reports directly to the Vice Provost. It is staffed by a Director, who oversees all functions of the office, including Pre-Award and Post-Award activities, and two Pre-and Post-Award Research Administrators. The office has primary responsibility for:

- ❑ Reviewing and approving (through the Intent to Apply form) all faculty or staff-initiated projects seeking external funding from a government source*
- ❑ Reviewing and approving budgets for all externally funded projects*
- ❑ Coordinating and approving the preparation and submission of all research proposals to be submitted to government funders*
- ❑ Implementing the University of San Francisco sponsored programs policies and their related procedures*
- ❑ Post-award administration of all grants, including effort reporting, cost sharing, subaward administration, intellectual property, and close-out.*

The Director is the primary faculty point-of-contact for all faculty who are interested in applying for government grants.

Corporate and Foundation Relations (CFR): The CFR Office resides within the Office of Advancement and develops and maintains all University's relationships with foundations or corporations. CFR prepares and submits all non-government proposals (with faculty support when appropriate) to foundations and corporations. CFR reports to the Vice President for Development. Contacts with foundations or corporations are carried out by the CFR Office exclusively. The CFR office includes the Senior Director, Director, an Associate Director of Operations, and a Grant Accountant who will be housed in Accounting and Business Services (ABS) to support the post award management of all nongovernment funded projects. CFR has primary responsibility for:

- ❑ Reviewing and approving (through the Intent to Apply form) all faculty or staff-initiated projects seeking external funding from a non-government source*
- ❑ Reviewing and approving budgets for all externally funded projects*
- ❑ Coordinating and approving the preparation and submission of all proposals to be submitted to funders*
- ❑ Implementing the University of San Francisco sponsored programs policies and their related procedures*

- ❓ Post-award administration of all non-government grants, including effort reporting, cost sharing, cost transfers, subaward administration, intellectual property, and close-out. The Senior Director is the primary faculty point-of-contact for all faculty who are interested in applying for non-government funding.

Accounting and Business Services (ABS): The ABS Office resides within the Office of Business and Finance and maintains all University Accounting. The University Controller and post-award grant accountant will support CFR.

ABS has primary responsibility for:

- ❓ *Post-award administration of all non-government grants, including effort reporting, cost sharing, cost transfers, subaward administration, intellectual property, and close-out.*

PRE-AWARD

I. Proposal Development, Coordination, and Submission Requirements

PI/PD Eligibility for OCG Grants

Tenured faculty, tenure track faculty, and full-time term faculty are eligible to be a PI/Co-PI on a sponsored project. Any exceptions must be approved by the Vice Provost.

PI/PD Eligibility for CFR Grants

Faculty described above, plus full-time staff members who oversee University of San Francisco Centers and Institutes are eligible to be a PD/Co-PD on a grant.

Proposal Process

All proposals to external sponsors by USF faculty or staff require internal approval by the faculty's chair/dean and the Vice Provost or the CFR Senior Director and University Controller (for exceptions below funding threshold) prior to submission. The process follows these general steps:

- 1) Principal Investigators (PIs) or Program Directors (PDs) **must** prepare **the online** Intent to Apply Form (ITA) for all grants as soon as possible. The link is (<https://myusf.usfca.edu/officecontracts-and-grants/intent-to-apply-form>). This should occur before beginning the preparation of a proposal and before contacting OCG or CFR. This form presupposes those discussions regarding the proposal have taken place between the PIs/PDs and the respective dean or vice president.
- 2) Anticipated requests for waivers of any University policy or of the policies in this document must be specified in the Intent to Apply Form and can only be granted by the Office of the Provost or the CFR designee, Vice President of Development, or University Controller (for exceptions below funding threshold)
- 3) Principal Investigators (PIs) and Program Directors (PDs) prepare proposal narratives and outline anticipated budgetary needs. Detailed budgets are prepared with assistance *from OCG or CFR*.

- 4) Principal Investigators (or co-PIs) or Program Directors (PDs) complete and sign a proposal approval form. By signing the Proposal Approval Form, the PI/PD:
 - a. Certifies that the information submitted is complete and accurate to the best of her/his knowledge;
 - b. Acknowledges that any false, fictitious, or fraudulent statements or claims may subject the PI/PD to criminal, civil or administrative penalties;
 - c. Agrees to accept responsibility for the conduct of the project and to provide progress reports; and
 - d. Attests to having submitted a report of non-University activities that accurately lists financial and other relationships (and those of one's spouse/partner and dependent children) that might reasonably appear to be considered a financial conflict of interest (FCOI) mandatory for federal grants.
- 5) The PI/PD routes the Proposal Approval Form and the following items for approval:
 - a. Program Narrative; - must be descriptive and contain specific deliverables
 - b. Budget: - must be on funding agency template and follow the sequence on budget form
 - c. Budget Justification: - must follow the sequence on the budget form, Personnel roles should be called out separately Key or Other (if applicable), Travel should be itemized, if sub awardee summarize sub's direct/indirect in a table for every year;
 - d. A link to the RFP on the web;
 - e. A copy of the approved Intent to Apply form and the appropriate approvals;
 - f. The FOAP for any items in the proposal that require cost share;
 - g. Notice of IRB approval (if required);
 - h. A list of subcontractors and collaborators and their contact information
 - i. Any other items that may be required by the funding agency.
- 6) The following reviews and approvals are required:
 - a. The Principal Investigator or Program Director
 - b. For faculty in academic departments: Dean or Associate; Vice Provost
 - c. For non-academic departments: Vice President, Vice Provost;
 - d. The proposal is then routed to the OCG or CFR for final review and approval;
 - e. Proposals involving faculty from multiple units, or faculty with joint appointments, must be routed through all applicable administrative lines.
- 7) The OCG or CFR, upon receiving all of items listed in section 5 and the signed Proposal Approval Form, will review all the items listed in section 5 to ensure the submission meets the criteria of the RFP and the USF funding policies.
- 8) OCG obtains approval from the Vice Provost. CFR obtains approval from the Senior Director or the Vice President for Advancement
- 9) The proposal package is then submitted to the sponsor by the OCG or CFR
- 10) OCG or CFR will enter the pending proposal into the Grant Tracker Database under the Pending tab

Notice: Proposals that are submitted to external sponsors without first completing the internal approval process may be withdrawn at the discretion of the Directors of the OCG and CFR. USF is not obligated to honor proposals submitted without internal approvals by the designated officials.

A minimum of ten business days is required by the OCG or CFR to review completed proposals and obtain the necessary approvals.

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 Vice Provost generally serves as the Institutional Official authorized to commit the institution to the budget and scope of work described in the proposal. *Online signatory authority has been delegated to the Director of the Office of Contracts and Grants for federal proposals.* CFR's Senior Director or the Vice President of Advancement and the University Controller (for exceptions below funding threshold) are the signatory authorities for all non-government proposal submissions. This policy applies to both hard copy and electronic signatures.

Special Issues Related to Human Subjects

The USF's Institutional Review Board for the Protection of Human Subjects (IRB) must review and approve any relevant activity that will involve human subjects. PIs/PDs should contact the IRB's website (www.usfca.edu/humansubjects) for information on projects that required review as well as all documents that need to be submitted. Review and approval **must** be completed before final acceptance of the award. The project cannot commence prior to IRB approval.

II. Budget Development and Justification

A proposal to an external sponsor normally includes a detailed budget. Sponsor guidelines should always be consulted for specific directives on budget preparation. Budget development must occur at the proposal stage and revised, if need be, at the award stage. 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). Note, cost share expenditures must meet the definition of allowable costs and are incurred during the awarded period of performance. Allowable costs are those that are reasonable and allocable to the sponsored project and allowable under university policies.

For multi-year agreements, the budget should account for expenditures on a project budget year basis. If cost sharing is included, each budget period should include columns for both Sponsor and University costs. *Please note that cost sharing must be approved by the dean of the School/College who should identify the FOAP under her/his control that will be charged in case the project is funded.*

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

- a. A detailed justification of the expense or service related to the proposed deliverables.
- b. The budget justification should follow the sequence of the budget categories
- c. Other Personnel -role and responsibilities called out separately (Key/Other)
- d. Travel – itemize
- e. Sub awardee- summarize direct/indirect in table by budget period
- f. How the expense relates to and benefits the project;
- g. The **total** anticipated cost;
- h. The time period in which it will be utilized;
- i. Other information that will aid the sponsor in evaluating the proposed items.

Final review of all budgets and budget justifications with external reporting requirements is the responsibility of the OCG (*government*) and CSR (*non-government*).

Budget Elements:

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 University. There are certain categories of costs that are generally not allowed to be directly charged to sponsored projects. These include:

- a. Administrative and Clerical Effort
- b. Office Supplies
- c. Local Telephone Costs
- d. Cell Phones and Pagers
- e. Postage Costs Photocopies
- f. Memberships
- g. General-purpose computers (especially laptops) can be used to support a variety of activities and are rarely dedicated to one specific purpose. As a result, general-purpose computers and laptops are typically F&A costs and are seldom proposed in budgets or directly charged to awards.

These items are usually covered by the institutions indirect cost for government grants and administrative cost for non-government and foundation grants

Personnel Expenses

Salaries:

- The salary category should include the names of all individuals who will be involved in the project, if known, otherwise use To Be Named (TBN) and job classification. Dependent upon

specific sponsor guidelines, either the percent effort or person months that will be applied to the project should also be shown.

- ❓ Personnel should be designated as Key or Other. *Key Personnel is defined as individuals who contribute to the scientific development or execution of the project in a substantive, measurable way, whether or not salaries or compensation are requested.*
- ❓ Guidelines should be consulted for special restrictions such as agency-specific salary caps and/or person month limits supported by the project.

The salaries of administrative and clerical support staff are normally classified as indirect costs and are generally not allowed to be budgeted as direct project costs. However, it may be appropriate to charge these costs to a major project where administrative and clerical services can be explicitly required to support a major project, and the time and effort of the staff involved can be specifically identified with the sponsored project.

- ❓ Support for administrative and clerical staff should be detailed in the budget justification to provide the sponsor with adequate information to evaluate whether these costs are allocable to the project.
- ❓ Summer salary for faculty can be charged to grants. The maximum amount of time that faculty can be paid during the summer on a federal grant is 2 months; 2.5 months for NIH grants.

Fringe Benefits:

- ❓ Fringe benefits are charged as direct costs to the project. The most current USF fringe benefit rates should be applied to all USF faculty, staff, and student salaries. Current rates are available from OCG or CFR.
- ❓ Fringe benefits cover the costs for insurance (health, unemployment, life, and long-term disability), FICA, worker's compensation, pension, and scholarships for employee dependents.
- ❓ Fringe benefits are a real cost to the university and cannot be waived.
- ❓ USF is required to use the fringe benefit rate that is negotiated annually with the federal government. Rates usually change each July 1. Please call the OCG or go to the OCG website 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.
- ❓ When supply items are purchased to support multiple projects, they are considered to be indirect costs and cannot be charged directly to sponsored project funds. Such items often include University stationery, toner, pens, tablets, file folders, staples, paper clips, etc. (office supplies).

Travel:

- Costs for travel, lodging and subsistence may be charged on a) an actual cost basis or b) a per diem or mileage basis.
- Charges incurred by employees for travel, lodging and other subsistence should be reasonable and allowable and in alignment with the sponsor and University policy.
- Costs should be calculated using current University travel reimbursement 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 quotation), and including setup, taxes, and shipping. An adequate justification should be provided in the budget justification.
- Items with a useful life of more than one year and costing \$500 or more, but less than \$5,000, normally should be included and justified under "Materials and Supplies."
- If equipment is wholly pledged as cost sharing, it must be purchased by the School/College during the project's period of performance.

Subawards:

- The anticipated use of subcontractors should be clearly identified in the text of the proposal.
- 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, and letter of administrative approval from the subawardee's institution should be provided when the proposal is submitted to the OCG or CFR. Neither OCG nor CFR will submit proposals without this information from the subawardee.
- A copy of the review of a subrecipient's A-133 audit reports must be included.
- If the subawardee organization does not meet the minimum requirements for an A-133 audit, 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.
- Subawardees must be in compliance with all Financial Conflict of Interest training and reporting requirements prior to the submission of the application.
- Subcontract Agreements must stipulate whether the FCOI policy of the awardee Institution or that of the subrecipient will apply to the subrecipient Investigators and include time periods to meet SFI disclosure and FCOI reporting requirements, if applicable.
- Subrecipient Institutions who rely on their FCOI policy must report identified FCOI's to the awardee Institution in sufficient time to allow the awardee Institution to report the FCOI to the PHS/NIH Awarding Component through eRS Commons FCOI Module to meet FCOI reporting obligations.

Professional Services/Consultants:

- ❑ Consultants are individuals providing technical assistance who are not USF 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.
- ❑ The eligibility of the proposed consultant will be evaluated by USF prior to the proposal submission; a consultant cannot be hired without USF review and approval.
- ❑ Consultants may not be current University 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 consultant's regular salary.

Other Direct Costs:

Other Direct Costs should be itemized and described in the budget justification.

- ❑ 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.

Tuition:

- ❑ Unless expressly prohibited by the sponsor, graduate tuition should be included as a direct cost in the budget if the project includes the support of Graduate Assistants.
- ❑ Any exceptions to this policy must be approved in writing by the Vice Provost.

Indirect Costs/Administrative Cost

- ❑ USF maintains federally negotiated indirect cost rates with the federal government.
- ❑ Current indirect costs rates are posted on the OCG website.
- ❑ All proposal budgets are expected to include indirect costs at the federally negotiated rate.
- ❑ Any proposal budget for a government proposal that does not include indirect costs at the federally negotiated rate must be approved in writing by the Provost/Vice President for Academic Affairs.
- ❑ Non-government or foundations proposals must include administrative costs to mitigate the costs of the fiscal management of the award. A minimum of 10% of the total direct cost (TDC) is suggested. Any proposal budget for a non-government proposal that does not include administrative costs at a minimum of 10% of TDC must be approved in writing by the Vice President of Development and the University Controller.

Cost Sharing

Unless the sponsor requires cost sharing, cost sharing is highly discouraged. Any request for cost sharing must be approved by the Provost/Vice President. When approved, cost sharing may only include expenses that are allowable on and allocable to the project and incurred during the project period. *All cost sharing must be*

approved by the dean of the School/College who should identify the FOAP under her/his control that will be charged in case the project is funded. Indirect costs are not to be considered part of the cost share.

The establishment of a separate University account will be required to record and track University cost sharing commitments. It is the college/school's responsibility to provide documentation (such as FOAPs to be charged) which supports the cost sharing commitment on the proposal approval form. As part of the internal approval process of the award by the University, the following are required in cases of cost sharing:

1. Cost share commitment approved by the Dean; and
2. Separate account and fund provided by the Dean.

III. Negotiations and Subawards

Negotiations

The OCG or CFR will review the provisions of each award for consistency with the proposal and University policies. The OCG and CFR are responsible for negotiating the terms and conditions of the agreement with the sponsor and coordinating these negotiations with the PI and other University officials when appropriate. Legal counsel reviews all terms and conditions of subaward contracts and agreements.

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. PIs/PDs are cautioned not to negotiate any such matters, since conflicts with University's policy may develop that make subsequent negotiations difficult. Negotiations conducted without OCG, or CFR involvement are unofficial and not binding and should be carefully explained as such to sponsors.

For federal awards, if the proposal is scored within the approval range, NIH will request "Just-in-Time" information for all Key Personnel to include the following:

Other Support Form – information on all active and pending support available to the researcher. Other support includes all resources made available to a researcher in support of and/or related to all their research endeavors, regardless of whether or not they have monetary value and regardless of whether they are base at the institution the researcher identified for the current grant. Includes all resources, consultant agreements or in-kind contributions. These other approvals are required, if applicable.

Certification of IRB Approval Verification of IACUC Approvals Human Subject
Education Requirement Human Embryonic Stem Cells (hESCs) Genomic Data Sharing
Institutional Certification

Subawards

A subaward is necessary when the PI/PD requests another organization to perform a significant portion of the work under a sponsored award. A description of the sub awardee's contribution to the overall proposal

along with a budget and budget justification must be included in the proposal. Sponsor approval to enter into a subaward is usually required, unless approved in the award.

USF is responsible for preparing and executing all subawards related to sponsored programs. OCG **or CFR** 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 OCG **or CFR** 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 authorized representative (i.e., Provost or Vice President) from the University and the subawardees organization. All subaward invoices are submitted through OCG **or CFR** for approval and payment.

Refer to the USF Subaward Policy and Procedures (revised 12/2021) for additional guidelines and requirements of subawards.

IV. Award Acceptance

When a sponsor has approved a proposal for funding, the University 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, or award letter. The notice may be sent to the OCG or CFR or to the PI/PD. If the PI/PD receives such a notice, he / she must forward it to the OCG or CFR immediately for it to become part of the formal record of the award. The OCG or CFR cannot administratively initiate the project without formal sponsor notification.

When the OCG or CFR receives notice of an award, the terms, and conditions, proposed deliverables and budget will be reviewed. The OCG or CFR will manage any necessary award negotiations and the preparation of any additional documents requested by the sponsor during those negotiations.

If the award requires that a contract or agreement be initiated, it will be reviewed initially by the University's legal counsel. No award can be accepted until all sponsor terms and conditions have been reviewed and approved by the University's legal counsel.

OCG or CFR 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 business manager, the Dean and the OCG or CFR grants accountant. The grants accountant will set up the grant in the financial system and advise the PI when the funds will be available. If any review committee approvals are required, such as Institutional Review Board, the grant will not be setup in the financial system until all approvals have been obtained.

Signature Authority for Awards

The OCG or CFR officially notifies all relevant parties when an award has been accepted and fully executed. Many award instruments are received which require both sponsor and University signatures (bilateral agreement) before they become effective. **PIs, PDs, Faculty, Deans, or Department Heads are not authorized to sign award documents on behalf of the University.**

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

- ❓ Contracts must be written in the name of the University of San Francisco, with signature lines for the Provost for government grants and the Vice President for Development for nongovernment

grants. Only these individuals, or their designees, can sign sponsored project contracts or agreements on behalf of the University.

Transfer of Awards Between Institutions

The principal condition that must be met is to obtain the sponsor's approval to transfer an award from one institution to another *and USF's willingness to transfer the award.*

All transfers of open grants and contracts must be approved in writing by both the sponsor and the Dean overseeing the area. This is to avoid problems with the sponsor since the grant or contract is officially awarded to the University and not the PI/PD. The Dean needs to approve the move in order to make sure co-PIs and equipment issues are handled appropriately.

Utilization of Advance Account if the Execution of the Grant Documents are Delayed

USF generally does not allow establishing a project fund number before a letter of award is received. However, if effective and economical conduct of the project necessitates incurring expenditures prior to final acceptance of the award, the policy is as follows:

- ❑ Principal Investigators should contact OCG or CFR to initiate a preliminary fund. The OCG or CFR will minimize the University's risk by verifying the anticipated award amount and performance period with the sponsor. Together with the appropriate Dean, the PI and college/school are now required to agree in writing to cover any expenditure, should the award ultimately not be made, the anticipated start date change, or costs incurred are deemed too not be allowable. Preliminary Awards should be set up for 60 days at maximum and at 10% of the anticipated award to include indirects and reassessed if the award is not made

Cash Advance Request

- ❑ Cash advances cannot be made from a grant account. When a cash advance is requested, the Principal Investigator is using University funds. At the time that the cash advance is reconciled, allowable expenditures can be moved to the grant. If there are no grant funds available at the time that the cash advance is reconciled, the Principal Investigator will need to use another account, such as Faculty Development Funds. The Principal Investigator and the appropriate Business Manager should notify OCG **or CFR** when requesting an advance so that these funds can be encumbered.

V. Applicable Regulations

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

USF Subaward Policy and Procedures (revised 12/2021)

USF Policy on Time and Effort Reporting for Federally Sponsored Projects (revised 1/2022)

Federal Office of Management and Budget (OMB) Circulars:

[OMB Uniform Guidance](#)

[OMB Circular A-110, Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations](#)

[OMB Circular A-133, Audits of Institutions of Higher Education and Other Non-Profit Institutions](#)

VI. Certifications and Assurances

The federal government requires the University to submit a number of institutional assurances and certifications. OCG or CFR prepares or affirms the below required documents regarding:

- Lobbying
- Debarment and Suspension
- Misconduct in Science
- Non-Delinquency of Federal Debt
- Drug-free Workplace
- Affirmative Action
- Veterans, Disabled Veterans and Veterans of the Vietnam Era
- Financial Conflict of Interest (FCOI)

In addition, any required institutional assurances regarding human subjects, biohazards, radioactive materials, and recombinant DNA will be completed by OCG after the PI obtains approval of the appropriate University review committee.

POST AWARD

I. Establishing a Grant Account

The OCG **or CFR** in collaboration with the University's Controller establishes a fund account for each sponsored program award. Expenditures are charged to the fund by the PI/PD or authorized individuals. This structure enables tracking and reporting of expenditures for each individual award.

The OCG **or CFR** establishes a fund when a contract award is fully executed. The OCG **or CFR** assigns a fund number and notifies the PI of the fund number. Once the PI receives the fund number, the PI or the school/college business manager can charge appropriate expenditures to it.

The OCG or CFR will move the award from the Pending Section to the Award Section in the Grants Tracker Database.

II. Award Management

The PI is responsible for controlling expenditures and remaining within the budget awarded by the sponsor. The accuracy of both the budget and expenditure information is the responsibility of the PI. Any corrections should be filtered through the OCG **or CFR** to the appropriate departments (e.g., Payroll, Purchasing, and Controller's Office). Expenditures over the **approved** budget and disallowed costs are not possible and they will ultimately become a department or center responsibility. The OCG **or CFR** are also responsible for the University's sponsored program accounting including invoicing sponsors, preparing financial reports, and coordinating sponsored program audits.

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

III. Award Terms and Conditions

The award document must be reviewed by the PI and OCG **or CFR** to determine the special terms and conditions, with respect to requirements for both financial management and non-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 OCG or CFR will review award terms and conditions with the PI. The OCG or CFR will produce an internal notice of key information about the award and administrative guidance on items such as required prior approvals, award restrictions, and reporting. This will also include an internal budget for the award.

IV. Allowable Costs (Although related to federal regulation always a good rule of thumb)

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 the University's 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 University - similar costs normally cannot be treated as both direct and indirect costs.
4. Allowable – Conform to any limitations or exclusions in the sponsored agreement.

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.

Table: Allowable and Unallowable Costs

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 University'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 USF) 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	Same as Federal sponsors	Same as Federal sponsors

	conference is the dissemination of sponsored agreement-related information.		
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 University or are available to the University 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 are 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
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 University 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 University procedures	Same as State sponsors
Administrative and clerical staff	Unallowable as a direct cost except where a "major project"	Allowable provided the wages are	Same as State sponsors
	explicitly budgets for administrative services and the staff involved can be specifically identified with the award. See OMB Uniform Guidance.	reasonable, directly related to the work of the sponsored agreement, and documented in accordance with University procedures	

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 University 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 USF] 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	Allowable provided the wages are reasonable, directly	Same as Federal sponsors

	agreement, and documented in accordance with OMB Uniform Guidance.	related to the work of the sponsored agreement, and documented in accordance with the University's procedures	
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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 scientific and technical requirements. Such charges cannot be assigned arbitrarily or for the purpose of simplified budget management that is unrelated to the sponsored agreement's purpose. USF 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. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 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."

VII. Prior Approvals

Under certain circumstances, where prior approvals are necessary for project or budgetary changes; 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 University 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 OCG **or CFR** for assistance. OCG **or CFR** 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 OCG **or CFR** before the change occurs. The OCG **or CFR** 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 OCG **or CFR**, 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.

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 University, 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 / 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 OCG. or **CFR** (- based on agency requirements and USF policy)

- ❓ The PI must use the Cost Transfer Form and follow the Cost Transfer Policy instructions developed by the OCG *in December 2021* (review form for use by CFR). The form must be signed by the PI and include supporting documentation. The OCG **or CFR** 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 OCG *or CFR and the University Controller*.

X. Application of F&A Costs

Institutional F&A rates may not always be allowable on particular 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 post-award administration 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 or restricting the use of an Institutional Overhead rate must be requested in writing and submitted to the OCG or CFR for approval by the Provost or Vice President for Development and the University Controller prior to the submission of the proposal.

XI. Cost Sharing

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 USF;
- ❓ Funds designated for non-personnel costs (e.g., supplies, travel, contractual services, and equipment purchases) from a USF account;
- ❓ Contributions of personnel time or other allowable costs from third parties.

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. USF 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 USF’s F&A calculation.

All cost sharing must be approved by the dean of the School/College who should identify the FOAP under her/his control that will be charged to support the cost sharing request.

XII. Effort Reporting

Effort reporting, or documenting compensation for personnel services, is a federal requirement mandating institutions to verify that personnel costs on sponsored projects are reasonable when taking into account the actual work performed on the project. The process of reporting effort verifies that time commitments made to the project are met

Per the USF Policy on Time and Effort Reporting for federally Sponsored Projects (*revised 1/2022*), “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 (faculty and staff) paid from either Federal or Federal Flow-through funds must complete a time and effort report supplied by the OCG each academic term (fall, spring, and summer). 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 been 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 University’s public accounting firm and is subject to OMB Circular A-133.

The issuance of Time and Effort reports will be done by the OCG Grant Administrators. All reports must be signed by the PI or Project Director or their designee who has first-hand knowledge and certifies that the salaries charged or cost sharing reasonably reflect the effort expended and work performed during the reporting period. (see the USF Time and Effort Policy for details)

XIII. Program Income

Program income is defined in OMB Circular A-110 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.

XIV. Equipment

OCG **or CFR shall** approve the following expenditures of sponsored project funds whether the requisition is issued to an internal storeroom or to an external vendor as follows:

- 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 University's fixed assets ledger.

Title to equipment purchased with sponsored project funds generally vests in the University. If the sponsored project agreement terms or sponsor policy indicate that title to equipment may not vest in the University, 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:

- University policies related to procurement policies 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 correspondence from the grants/contracting officer.
- Purchases of equipment of \$25,000 or more require competitive bids (e.g., RFP's), in compliance with University Procurement Policies, and approval from the sponsor or **CFR or** the OCG.

b. Inventory Procedures for Equipment

The University's Property Management assigns a control number and tags all equipment (moveable assets over \$5,000), regardless of whether ownership belongs to the University 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 University 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 University'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 OCG **or CFR** and will be accomplished at project closeout.

XV. Payment and Cash Management

The OCG **or CFR** are 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 University 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.

If the PI receives a sponsor check, it should be forwarded to the OCG **or CFR** for deposit and accurate accounting in the grant account.

Invoicing or cash draws from Federal sponsor projects should be performed on a quarterly basis unless otherwise noted in the terms and conditions of the sponsored agreement. The Accounting Manager for Accounts Receivable 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 OCG **or CFR** for PIs and, in some cases, business managers to review. The online Self-Service Banner system will also allow both the PI and a business manager 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. The OCG **or CFR** accountant should be contacted regarding any discrepancies or questions on the report. ***It is the responsibility of the Grant accountant in OCG or CFR to monitor all expenditures quarterly to ensure a consistent spend rate to prevent an under or over expenditures of program funds. If either an under or over***

expenditure is anticipated OCG or CFR will confer with the PI to determine the appropriate course of action at least sixty (60) days prior to the project closing date.

XVII. Contract (and Subaward) Invoicing

Contract Invoicing

Invoices are prepared by the OCG **or CFR**, from financial data that is supported in Banner. Department assistance may be required in cases where the sponsor requires documentation that is extensive or unavailable to the OCG **or CFR**. 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 OCG or **CSR** 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 should be responsible for pulling the invoices, since the PI and the business manager do not have access to retrieve all invoice copies. The PI / college / school may be asked to provide necessary information to the OCG **or CFR** 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 OCG **or CFR** will request department verification **and copies** 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 subawardees will submit invoices and supporting documents (e.g., receipts and justification of expenses), as required, to the OCG **or CFR**, which reviews the invoice and submits it to the PI for approval. The invoice will not be processed without PI approval and supporting documentation for invoices. The invoice must also be approved for payment by the Director of OCG **or the Senior Director for CFR**.

For final invoicing, the University will make the deadline date for invoices 30 days after the project end date, which will provide sufficient time to review documentation and payment of the final invoice.

XVIII. Subaward Monitoring

Responsibility for monitoring subrecipients is shared among the PI and the OCG **or CFR**. 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, they should be communicated as quickly as possible to the OCG **or CFR** 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 OCG **or CFR** 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's institution fails to comply with relevant audit requirements in accordance with OMB Circular A-133, the OCG may withhold new Subawards to that institution and suspend payments for any current Subawards until the requirements are met.

The school/college business manager or her/his designee forwards the subawardee invoice voucher for submission to the OCG **or CFR**.

The OCG or **CFR are** responsible for approving and submitting the voucher to the University Payables Department for payment.

XIX. Financial Reporting

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

The OCG staff is responsible for preparing and submitting the Financial Status Reports. However, the OCG may require the assistance of the PI, school/college business manager, or other USF offices to complete the FSR. The University Controller is required to sign the FSR on behalf of the University.

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. School/college business managers must work with subcontractors and vendors 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.

CFR is responsible for preparing and submitting any final financial documents required by the funding entity in accordance with the terms and conditions of the award. However, CFR may require the assistance of the PI, school/college business manager, or other USF offices to complete any financial documents or attestations. The University Controller is required to sign any financial document to be submitted to the funding entity on behalf of the University.

For any final financial documents prepared by CFR, it is important for PIs and administrators to remember only obligations incurred during the period of the award are allowable as costs. School/college business managers must work with subcontractors and vendors 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.

XX. 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 sending confirmation of the submission and a copy to the OCG **or CFR**. If the report requires a financial analysis, the PI should submit the technical report to the OCG **or CFR five (5) business days** before it is due to the funder. OCG or **CFR** will be responsible for submitting both reports by the deadline.

Generally, OMB Circular A-110, 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; 3) other pertinent information, including any necessary explanations of unusually high costs or overruns.

XXI. Close-Out

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 or report such as, 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.

Progress reports should be reviewed by either OCG or CFR prior to their submission to sponsor to ensure the progress report addresses the proposed deliverables and matches the final financial documents. For final invention statements, bring the form to the OCG for countersignature by the Vice Provost. For final financial status reports, refer to the Financial Reporting section or contact the OCG or **CFR**.

No-Cost Extension

The University is authorized to request no-cost extensions for eligible Federal and other grants. The extension cannot be exercised merely for the purpose of using unobligated balances. The request requires:

- The PI to send a justification letter to the OCG **or CFR**. The letter is to include the length of the extension, the amount to be carried forward, and the plans for completing the project.
- The OCG **or CFR** will notify the sponsor of the extension by countersigning the letter and forwarding it to the sponsor-granting officer.
- A review of the unexpended funds by OCG or CFR and the creation of a new budget to support the plan to complete the project

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 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 Concur 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 university staff member is in a position to influence either directly or indirectly university 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 University's integrity and its missions of teaching, research, and public service.

In accordance with Federal regulations, USF 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 and to the OCG **or CFR** 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, OCG will require the PI and all research assistants and students to complete Financial Conflict of Interest forms to comply with the federal requirement.

Definition of FCOI

A financial conflict of interest exists when the recipient's designated official(s) reasonably determines that an investigator's significant financial interest could directly and significantly affect the design, conduct, or reporting of the PHS-funded research.

Significant financial interest means:

(1) A financial interest consisting of one or more of the following interests of the Investigator (and those of the Investigator's spouse and dependent children) that reasonably appears to be related to the Investigator's institutional responsibilities:

- (i) With regard to any publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure, when aggregated, exceeds \$5,000. For purposes of this definition, remuneration includes salary and any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship); equity interest includes any stock, stock option, or other ownership interest, as determined through reference to public prices or other reasonable measures of fair market value;
- (ii) With regard to any non-publicly traded entity, a significant financial interest exists if the value of any remuneration received from the entity in the twelve months preceding the disclosure, when aggregated, exceeds \$5,000, or when the Investigator (or the Investigator's spouse or dependent children) holds any equity interest (e.g., stock, stock option, or other ownership interest); or
- (iii) Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests.

If the OCG determines that significant financial interests could affect the design, conduct, or reporting of sponsored activities, the OCG shall refer the matter to the University's Vice Provost to review.

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

XXIV. Responsible Conduct of Research

The University requires that all PIs who receive Federal grants must undergo training in the Responsible Conduct of Research by using the approved/suggested procedures available from OCG. 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. OCG will provide information on this training when the grant is awarded.

Faculty and student completion of the RCR training will be monitored monthly by the OCG and regular reminders will be sent until the training has been complete