Learning Objectives

1. Learn the necessary duties of good award management of an external grant or contract.

2. Learn the importance of institutional roles and responsibilities, and policies to manage external grants and contracts.

3. Demonstrate the need for planning in the proposal and negotiation stages of a grant or contract to ensure successful award management.
# Project Lifecycle

**You are here**

## Time

<table>
<thead>
<tr>
<th>Pre-Award</th>
<th>Post-Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submission</td>
<td>Period of Performance</td>
</tr>
<tr>
<td>Review</td>
<td>1(^{st}) Period</td>
</tr>
<tr>
<td>Negotiation</td>
<td>2(^{nd}) Period</td>
</tr>
<tr>
<td></td>
<td>3(^{rd}) Period</td>
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<tr>
<td></td>
<td>Extension</td>
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<tr>
<td></td>
<td>Reconcile &amp; Closeout</td>
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Components of Award Management

- Award Set-up and Notification
- Financial Monitoring
- Working with Collaborating Institutions
- Financial and Technical Reporting
- Award Modifications
- Close-out and Audit

Чтобы слушать этот вебинар на русском языке, перейдите по ссылке, отправленной по чату в самом начале вебинара.
Award Set-Up and Notification

Establish a unique, segregated award in your institution's financial system

- Critical components:
  - Amount Authorized
  - Award Budget
  - Period of performance
  - Budgetary restrictions
  - Funding Methodology
Award Set-Up and Notification

Notification should provide documentation to Principal Investigators, their research staff and administrators to answer questions such as:

- When does my project end?
- How much money do I have to spend?
- Do I have enough money to hire an additional research assistant or post-doctoral fellow?
- When is the next increment of funding expected?
- Can I shift funds from the Salary budget line to purchase Equipment?
- What are the Cost Sharing requirements?
Award Set-Up and Notification

Notification Methods:

- Critical components:
  - Amount Authorized
  - Award Budget
  - Period of performance
  - Budgetary restrictions
  - Funding Methodology

Чтобы слушать этот вебинар на русском языке, перейдите по ссылке, отправленной по чату в самом начале вебинара
Award Set-Up Examples:

- One Researcher working in one lab with staff in his same department.
  - Establish one internal project number with unique funding string.

- Two Researchers working in separate labs with separate staffs, but in same department
  - Establish one internal project or two?

- Multiple researchers working in multiple labs across the institution.
  - How many projects are needed?
Financial Monitoring

Key Management Systems:

- Accounting System
- Procurement System
- Property System
- Payroll System
Accounting System

Essential Components:

- Fund Accounting
  - System must be able to restrict by sponsored award.

- Budget Categories
  - System must be able to itemize by sub-categories (for example, Salaries, Equipment, etc.)

- Budget Periods
  - System must be able to track by budget period.

- Cost Sharing
  - System must be able to track expenses incurred by institution using funds not provided by sponsor.
Чтобы слушать этот вебинар на русском языке, перейдите по ссылке, отправленной по чату в самом начале вебинара.

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>DESCRIPTION</th>
<th>AWARD RECIPIENT</th>
<th>AWARD AMOUNT</th>
<th>DUES</th>
<th>COST SHARING</th>
<th>AWARD STATUS</th>
<th>AWARD DATE</th>
<th>AWARD DEPARTMENT</th>
<th>AWARD DESCRIPTION</th>
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<table>
<thead>
<tr>
<th>ACCOUNT</th>
<th>ACTUAL</th>
<th>MTD</th>
<th>BALANCE</th>
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<td>Salaries</td>
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<td>$333,298.66</td>
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<tr>
<td>Fringe Benefits</td>
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<tr>
<td>Indirect Costs</td>
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<td>TOTAL INCLUDING F&amp;A</td>
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<td>$165,960.17</td>
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</tbody>
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Procurement System

Essential Components:

- Identify Needed Commodities and their Sources
- Competition
- Purchasing Cards
- Vendors
Property System

- Track by Award
- Track by Owner
- Track by Location
- Depreciation
Payroll System

- Pay periods
- Withholding
- Fringe Benefits
- Integrated with Accounting System
Budget Assumptions

• Cost limitations & distinctions:
  – Direct versus total costs
  – Project period of performance
  – Cost sharing: when university assumes some of the project’s costs
  – Indirect costs

• Personnel & Project Roles
  – PI & Key Personnel effort
  – Other Personnel effort, Students
  – Fringe Benefits
  – Collaborators via subawards to other institutions: *allow extra time to obtain required documents*
  – Contractors’ roles & compensation

• Contractor fees
• Project-related supplies

• Equipment
• Space considerations: where majority of work will be performed may generate additional costs and/or affect indirect Cost Calculation. Consider:
  • Off-Campus facilities rental
  • On-campus facilities necessary for project

• Travel (specify domestic/foreign)
• Conferences
• Food and/or any unusual project requirements should be well documented
• Payments or other incentives for human subjects
• Publication costs
Working with Collaborating Institutions

- Principal Investigators frequently work with collaborators at other institutions.
- One organization is expected to take the programmatic and administrative lead.
- Subawards are issued to collaborators’ institution to transfer a portion of the scope of work and corresponding funds to the other institution.
- The prime recipient is responsible for the overall management of the project and monitoring the programmatic and financial performance of the subrecipient.
Costing Policies

➢ Is the cost allowable?
  ➢ Determined by Sponsor terms and institutional policies

➢ Is the cost allocable?
  ➢ Charged in proportion to the relative benefits received by the project.

➢ Is the cost reasonable?
  ➢ Cost doesn’t exceed what a prudent person would pay under the circumstances at the time of purchase.
Costing Examples:

1. A researcher is working on two projects and teaching two courses. How would her payroll be allocated?

   A. Assume that her time is evenly split among all 4 tasks and assign 25% to each.

   B. Allocate her payroll based on time sheets or certified documents that indicate the percentage of time spent on each task.

   C. Assign her payroll to whichever funding source is set to expire first.
Costing Examples:

2. On February 28, 2017, a researcher purchases a refrigeration unit that will be used exclusively for a research award. The unit was included in the approved budget and budget narrative. The award runs from January 1, 2017 through December 31, 2019. It costs $5,000 (approx. 289,000 rubles). How would the unit’s cost be allocated?

A. 100% of the cost charged to the research award.

B. 75% of the cost charged to the research award and 25% to departmental funds in case the researcher and staff use the refrigeration unit for other purposes.

C. 0% of the cost charged to the research award since there is no way to be certain of the actual uses of the refrigeration unit.
Costing Examples:

3. On December 29, 2016, a researcher purchases a refrigeration unit that will be used exclusively for a research award. The unit was included in the approved budget and budget narrative. The award runs from January 1, 2015 through December 31, 2016. It costs $5,000 (approx. 289,000 rubles). How would the unit’s cost be allocated?

A. 100% of the cost charged to the research award.

B. 75% of the cost charged to the research award and 25% to departmental funds in case the researcher and staff use the refrigeration unit for other purposes.

C. 0% of the cost charged to the research award since the project will not benefit from the use of this refrigeration unit.
Cost Transfers

- Moving of expenditures from one project to another project.
- Correction of errors.
- Multiple or repetitive transfers may be an indication that the initial assignment of costs is not following institutional policies or the lack of strong internal controls.
- Cost transfers need to include a description that addresses how the cost meets the criteria of allowability, allocability, and reasonableness.
Financial and Technical Reporting

- Scientific/Technical Reports are prepared by the Principal Investigator and the researchers.
- Financial Reports are prepared by the institution’s designated financial office.
- Other Reports as required
  - Property/Equipment, Intellectual Property, etc.
- Coordination and Tracking of Submissions
- Follow-up on Delinquent Reports
Billing and Accounts Receivable

➤ Determine the frequency and type of invoicing necessary to collect payment from the sponsor.

➤ Most-common sponsor invoice requirements:
  ➤ Cost-reimbursable (invoice for expenses after they are incurred by your institution).
  ➤ Fixed-price (defined amounts based on specific dates or deliverables).
Billing and Accounts Receivable

- Use the specific forms or electronic system provided by the sponsor. If none, use a standard invoice template developed by your institution.
- Establish a collections process to follow up on unpaid invoices to the sponsor.
- Establish a process for writing off uncollectable invoices.
Award Modifications

- No-cost time extensions
- Additional funding
- Rebudgeting
- Change in scope of work
- Change in key personnel
- Suspensions and Terminations
- Transfers of Principal Investigators to new institution.
Close-out and Audit

- Final Review of Expenditures
  - Verify allowability, budget compliance, and within period of performance.

- Timely Submission of Final Reports
  - Scientific/Technical, Financial, Others (Intellectual Property, Equipment, etc.)
  - Track Submissions and Follow-up on Delinquent Reports

- Record Retention
  - Recognize what to retain and in what format
  - Sponsor Requirements vs. Institutional Requirements
Audit

- Sponsors have the right to request additional information and may exercise their right to conduct an on-site audit.
- Audits can be routine monitoring or for cause.
- Audits can review specific transactions, specific institutional processes and systems or both.
- Identify an institutional Audit Liaison.
Additional Resources

NCURA Resources:
- NCURA articles for new research administrators: [http://www.ncura.edu/Global/NewsandEvents.aspx](http://www.ncura.edu/Global/NewsandEvents.aspx)
- Past NCURA magazine issues: [http://www.ncura.edu/PublicationsStore/NCURAMagazine/PastIssues.aspx](http://www.ncura.edu/PublicationsStore/NCURAMagazine/PastIssues.aspx)
- Additional publications: [http://www.ncura.edu/PublicationsStore/Store.aspx](http://www.ncura.edu/PublicationsStore/Store.aspx)
- Consider joining NCURA, a worldwide network of research administrators who can provide advice and feedback: [http://www.ncura.edu/MembershipVolunteering/MembershipBenefits.aspx](http://www.ncura.edu/MembershipVolunteering/MembershipBenefits.aspx)

Other Useful Resources:
- Do Research (Stanford University) [https://doresearch.stanford.edu/research-administration](https://doresearch.stanford.edu/research-administration)
- Yale University [https://your.yale.edu/sponsored-projects-administration](https://your.yale.edu/sponsored-projects-administration)
- University of Wisconsin-Madison [https://www.rsp.wisc.edu/](https://www.rsp.wisc.edu/)
- University of Minnesota [http://www.ospa.umn.edu/index.html](http://www.ospa.umn.edu/index.html)
Questions?

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