

# New Award Orientation

## Post Award - Project Management

### Date:

Award Acceptance  
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Grant Management

Adapted from Appalachian State University

Office of Sponsored Research and Programs  
Grants Accounting

# Account Set up

- Upon receipt of the award letter and budget, your grant will be assigned a fund number.
- This six digit number must be used to identify your grant and should appear on all expenditures related to the grant.
- Example 5-\_\_ \_\_ \_\_
- The initial budget will be established identical to the approved budget (according to UNCP's object codes, i.e. supplies, printing, salaries, benefits, etc.)

# How can I spend "my" money?

Who owns the money?

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- A common misconception is the idea that because the project was developed by the PI, that the funds awarded by the sponsor belong to the PI, when in fact the money is awarded to the University. So how does UNCP actually receive the money?
- **Grants expenditures – basics**
- Cost-reimbursable: The PI spends the funds through a University account. The University bills the sponsor and the sponsor reimburses UNCP for those funds that were spent.
- Fixed price: All costs are allowable and the money is generally paid up front.
- % Completion or Task Completion: The PI completes pre-determined phases or milestones and the sponsor pays for that portion of the work.
- Fee for service: More common in contractual arrangements. Fee for service can be measured by task, hour, etc.
- Please remember that all awards are accepted by UNCP. UNCP is the ultimate steward of the money and the responsible party if any project funds are mismanaged.

# What do you need to know to avoid Post-Award problems – Grant Management 101

- **Allowable Costs** - Almost all sponsors place restrictions on what can and can't be purchased with grant funds. These vary from grant to grant and there are significant differences between requirements of federal and non-federal sponsors. Federal Grants require that a cost be determined and reported in accordance with accepted accounting principles. For general grant conditions, see [OMB Circulars A-21](#) and [A-122](#).
- **Unallowable Costs** - are those costs specified by the sponsor as *not allowed as grant expenditures*.
- **Reasonableness of costs** – a charge must reflect the price range that a prudent individual would pay for the item or service.
- **Consistency** – All charges must be consistent with university standards. For example, you cannot pay students an excessive amount because they are grant supported. Their pay must fall within the consistent patterns of compensation for similar work on the campus.
- **BE ADEQUATELY DOCUMENTED.** In case of doubt ask for guidance !!!

# Budget Categories and Flexibility:

## How the University Monitors Expenses.

- Some sponsors allow for great flexibility in budgets as long as the project is appropriately managed, however, some will place restrictions on these lines and how you may move money between them.
- How do you know? Check with OSRP or Post Award. **This information also appears on the original Request for Proposals document.**
- Does this mean that as long as the account is in the black I can spend the money? **No!!!** Over charging can bring a world of problems. The best way to do it is to re-budget within the grant guidelines.
- **Why is this a problem?** Over charging expenses would mean that someone will have to absorb the cost.
- The PI needs **to see and approve all transactions**; for example, your department does not approve timesheets or see when a purchase order has been modified.
- Once the PI approves the expenses, Post Award processes the invoices in accordance with the grant guidelines.
- **Please remember that budget flexibility is not a synonym for budget creativity!!!!**

# Managing Grant/Contract Funds

What you need to be aware of...

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- **Budget** – A PI should consider the **budget as a financial blueprint** designed to help the project meet its goals and objectives. A budget is a tool to help ensure that the project is on track. Changes in scope, objectives, or goals of the project/program will affect the budget.
- **Personnel** – Substantial changes in level of participation by any personnel have to be approved by the PI and by the sponsor. If your grant includes salaries and/or consultants, please contact Human Resources and the Payroll Unit as soon as possible.
- **Cost sharing** – Cost sharing must be properly documented and verifiable from UNCP's records.
- **In-Kind** - In-kind contributions or matching funds have to be documented using the same standards as other expenditures, and they must be entered into the general ledger and financial reports submitted to our sponsors.
- **Report Requirements** - Why is this a problem? Sometimes PIs forget to tell Post Award that they have turned in a report; or worse, sometimes the PI does not turn in a report and Post Award cannot send the final invoice without that information. *Late reports reflect poorly on the University. A sponsor may decline to pay if the bill comes in too late. Additionally, some sponsors are restricting access to new funding opportunities if a PI does not deliver a final report.*

## Purchases/Expenditures

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- All purchases will be made in accordance with UNCP's Purchasing Policies and the terms of the grant. Contact the Purchasing Department for procedures.
- If proper purchasing procedures are not followed, the purchase is considered personal, and will not be reimbursed.
- All expenditures will be made in accordance with the terms of the approved grant budget.
- A copy of the approved written response from the Program Officer regarding approved budget changes must be forwarded to OSRP and Grants Accounting.

## VERY Important Words about Budgets

When in doubt ask for help!

Even experienced research administrators may have problems navigating a complex budget...

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- Expenditures past end date
- Keeping up with salaries as encumbrances
- Monitoring expenses on multiple awards
- Reconciling grant budgets
- P Card, phone and postage charges that may be posted several weeks after the end of a project
- Set a standard monthly account review date, i.e. 1<sup>st</sup> day of the month, the 15<sup>th</sup> of the month, or the 30<sup>th</sup> of the month
- Monthly status review enables the PI to assess the spending rate and to catch errors. (If 50% of the grant has been spent after only 30% of the time has elapsed, the spending rate may need to be reduced to enable funds to cover the entire project period. Alternately, if 50% of the grant period has elapsed and 75% of the funds remain, adjustments may need to be made to devote more resources to the project.)
- Maintain a copy of all records (time sheets, purchase orders, invoices, travel requests, print orders, etc.)

# Subcontracts, amendments, and no-cost extensions...

## Important reminders...

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- Technically, any subcontractor is bound by the same terms and conditions as UNCP. Therefore, the PI – **not OSRP or Post Award** – is responsible for the review and approval of any invoices submitted by a subcontractor.
- In the event a project changes and you need to modify the scope of work and budget of your subcontract, an amendment has to be processed by OSRP **BEFORE** Post Award starts paying the subcontractor for the revised services.
- UNCP reserves the right to decline any invoice that is discrepant or not submitted in accordance with the budget lines of an approved subcontract.
- No-cost extensions can be requested prior to the end of an award to obtain additional time to complete the work and/or prepare technical reports. This also extends the time until final financial reports are due. *No-cost extensions are NOT appropriate to provide time to spend down balances left at the end of the grant.* Granting of no-cost extensions can vary greatly among federal and non-federal sponsors. Please remember that any no-cost extension will likely impact the subcontracts you may have, and that Post Award needs to be informed when a PI requests a no-cost extension.

# What about Cost-Sharing?

Is anything cost-free?

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- The University requires that cost-sharing or matching costs on a funded project must be documented in such a way as to satisfy audits by state and/or federal auditors. This means that PIs are responsible for ensuring that all cost-sharing obligated in a grant or contract is supported by financial records, official documentation, and/or other valid means.
- A funded project cannot be closed until all cost-sharing is documented. OSRP or Post Award will assist PIs in managing their cost-sharing requirements.
- All salaries charged to a grant must be for work that occurs within the grant period.

# Personnel Facts...

## DOS and don'ts...

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- **Post-Award Changes and Approvals** - Frequently, projects change or evolve from how they are first proposed to or funded by a sponsor. In many cases, PIs must obtain prior written approval from the sponsor before such changes can be processed. OSRP or Post Award can help you identify changes that require approvals and process change requests.
- **VERY IMPORTANT:**
  - Give UNCP's administration sufficient time to process personnel changes.
  - All salaries charged to a grant must be for work that occurs within the grant period.
  - **Federal awards require Time & Effort reporting.** Thus, a PI cannot assume that s/he can use the grant as a “one-time” pay mechanism.

## Additional Items to be Aware of...

### Time & Effort Reporting and Compliance

- All personnel charged to a grant or contract are subject to UNCP's Time & Effort Reporting policy. This process ensures that UNCP is in compliance with federal requirements. **This policy also applies to personnel time that is donated to a funded project, even when that time is not compensated.**
- Time & Effort Reports are required by law. Post Award will provide PIs with a report of all personnel charged to their project and will require a validation of the effort shown in writing.

# Close Out

## Rules of the Road...

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- Generally, 30-90 days is given for close out. During this time all outstanding obligations must be paid, and a final financial report is submitted by Post Award to the funding source.
- All purchases must be made within the time frame indicated on the award letter.  
*Requests received after the closing date will NOT be accepted.*
- All equipment orders must be purchased *90 days prior* to the end of the grant.  
*NO EXCEPTIONS*
- All supplies must be purchased *60 days prior* to the end of the grant.
- It is important to check all travel and printing costs.
- The above does not apply to “approved” no-cost extensions.
- Ensure that your grant has been properly closed out.
- **Ensure that all non-financial reports are submitted by the agency's due date.**
- Keep accurate records of in-kind/cash match that is part of your budget. These records include: (a) time, (b) monies used (with fund numbers), and (c) other documentation to support the match.
- Contact Post Award for proper record keeping procedures.

## Who is Accountable?

Who is responsible if the program is found to be out of compliance?

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- UNCP holds the PI accountable for the conduct of a funded project.
- All financial items must be signed by the PI.
- Any charges “left over” OR “disallowed” by the sponsor are the responsibility of the department.
- Any time a PI suspects a budget error, the PI should contact Post Award and ask for assistance.
- PIs and departments are strongly encouraged to maintain a mechanism of internal control in order to avoid overdrafts on grant accounts.

# Research/Scientific Misconduct

A Reminder...

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- *Research/Scientific misconduct is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results.*
- *Fabrication* is making up data or results and recording or reporting them.
- *Falsification* is manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.
- *Plagiarism* is the appropriation of another person's ideas, processes, results, or words without giving appropriate credit.
- Research misconduct does not include honest error or differences of opinion.