# TEXAS A&M INTERNATIONAL UNIVERSITY

# OFFICE OF GRANTS & CONTRACTS

# POLICY AND PROCEDURES MANUAL

**Revised December 2014**

## POST-AWARD MEETING

The Post-Award process begins when a sponsored project is awarded to the University. Upon notification and receipt of the fully-executed award agreement, the Office of Grants & Contracts (OGAC) will request a Post-Award meeting with the respective PI/PD, along with a representative from the Office of Research and Sponsored Projects (ORSP), in order to discuss fiscal issues related to the administration of the sponsored project (sign-in sheet is maintained by OGAC to document the meeting). Meeting topics include:

- Agreement/ award documents
- New account application
- Access to accounting system
- Approved budget
- Financial and programmatic reporting
- Billing/ reimbursement process
- Requisition and pro-card process
- Independent and Service contracts
- Indirect Costs
- Time and Effort
- Cost-sharing
- Maestro
- General sponsored project administration guidelines

A Post-Award Administration Guide, which provides general information on the topics listed above, is also available on the OGAC web-page as a reference for the PI/PD.

## PROJECT SET-UP

Subsequent to the meeting with the PI/PD, the Office of Grants & Contracts (OGAC) will submit the "Application to Establish a New FAMIS Account" form, along with a template reflecting funds by budget category (as per approved budget), to the Comptroller's office for project account and budget set-up. Upon establishment of the new account, the Comptroller's office will send a notification e-mail to the PI/PD and OGAC, which includes the account number and account name. Thereafter, the PI/PD has the capability to initiate requisitions and purchases from the project account.

OGAC will use the "Sponsored Project Set-up Checklist" as a guide to set-up the project accordingly in the Maestro, Sponsored Research (SPR) module, and FAMIS systems. This set-up process includes the following tasks:

- Create custom excel budget report based on the approved budget
- Enter project information into the Maestro system
- Initiate the data transfer process to upload Maestro project information into the Sponsored Research (SPR) module
- Flag project account in FAMIS for time and effort reporting as required
- Set-up project billing in SPR as required
- Include project for cost-share tracking in SPR as required
- Complete indirect cost set-up in SPR as required
- Complete secondary review of project information in Maestro system

## BILLING AND REIMBURSEMENT

The Office of Grants and Contracts (OGAC) will utilize the following guidelines to obtain reimbursement from the sponsoring agency for expenses incurred on federal, state, local, and private research grants, subawards and other sponsored awards. While the particular method of reimbursement is typically listed on the award documents for each respective award, reimbursement of program expenditures is completed by utilizing one of the following methods: advance/payment schedule, invoice or drawdown. During the sponsored project set-up process, OGAC will enter the proper billing parameters into screen 116 (Project Billing Information) of the Sponsored Project (SPR) module. Reference FAMIS manual for detailed information on updating billing fields.

### ADVANCE/ PAYMENT SCHEDULE

An advance is a situation whereby the sponsor agency provides the University (recipient) with the award amount at the inception of the project period. Similarly, there are some awards whereby the agency provides the University with funds using a predetermined payment schedule.

1. Once the check is received by the university, the check is forwarded to OGAC.

2. The check is delivered to the cashiers so that it can be deposited into the respective account. The Office of Grants & Contracts will provide the cashiers with instructions regarding the specific account and revenue code that should be used to properly record the deposit.

3. An electronic copy of the check and deposit receipt should be maintained in the sponsored program's respective folder in laserfiche.

## INVOICES

In some instances, the sponsoring agency's award documents may stipulate that the University submit an invoice on a periodic basis in order to obtain reimbursement for program expenditures incurred. Following are the general guidelines for preparing an invoice for submission to the sponsor agency:

1. The invoice format is based on the specific requirements of the award; however, the information to be listed on the invoice may include: project name, award # assigned by sponsoring agency, university account #, Principal Investigator, billing period for which reimbursement is being requested, amount, itemized costs by budget category, current costs, cumulative costs to date, unexpended balance and signature from the authorized representative from the Office of Grants & Contracts (OGAC).

2. A cover letter is also included with the invoice, along with supporting documentation of all expenditures, if required. Once the invoice is prepared, a secondary review will be performed by an authorized individual within the office, before receiving signature from the Director of OGAC. Signed invoice is then submitted to sponsor as required (via e-mail or regular mail).

3. OGAC will maintain an electronic copy of the invoice (cover letter, invoice and supporting documentation) in the respective project folder in laserfiche.

4. Once the reimbursement check is received from the awarding agency, a copy of the check is scanned and the check is delivered to the cashiers so that it can be deposited into the appropriate account. Please note that check should be deposited within 1 business day of receipt.

5. OGAC will provide the cashiers with instructions regarding the specific account and revenue code that should be used to record the deposit.

6. A scanned copy of the check and the original receipt is maintained in the grant folder in laserfiche.

7. Reimbursement may also be received via direct deposit. In this instance, Business Office will notify OGAC when funds are received via direct deposit. OGAC will confirm that funds correspond to an invoice and will then provide the Business Office with the appropriate account # and revenue code to process deposit.

DRAWDOWNS

In this situation, the University will obtain reimbursement for program expenses incurred by submitting the request through the agency's payment web-site. The specific web-site and procedures used to drawdown funds are outlined in the award documents and must be followed carefully in order to properly drawdown funds. Following are the general guidelines for processing drawdowns:

1. Office of Grants & Contracts (OGAC) will drawdown funds for each sponsored program on a monthly basis.

2. Once the preceding month has been closed in the accounting system (FAMIS), OGAC will utilize the financial information on FAMIS Screen 19 and 45 to obtain the corresponding expenditures and/or accounts receivable for the sponsored program.

3. OGAC then logs-in to the sponsor web-site and follows the appropriate procedures to request reimbursement for all awards received from the respective agency. Please note that one reimbursement request may be utilized for several different awards received from the same funding agency.

4. Since the reimbursement funds will be received through direct deposit, OGAC notifies the Business Manager (cc: Comptroller's Office) via e-mail of the specific drawdown request. The e-mail notice should include the sponsor agency name, amount requested, confirmation number, and estimated date of deposit.

5. OGAC then completes a "Payment to Accounts Receivable Form" and provides to the Business Office. The form includes information related to the drawdown request including: project account number, object code, date, requested amount, and the account receivable that should be offset in recording the deposit. Two copies of this form are provided to the Business Office (Senior Staff Accountant). If a confirmation is available for the drawdown request, attach a copy to the forms.

6. OGAC will keep a copy of the "Payment to Accounts Receivable Form" and attach the confirmation page. This is kept in a log with the following information: FAMIS account number, drawdown date, period for which reimbursement is being requested, amount of funds requested, accounts receivable number and the remaining balance.

7. The drawdown process is normally completed between the 5$^{th}$ and the 15$^{th}$ of the subsequent month.

## FINANCIAL COMPLIANCE

In accepting sponsored agreements, the University agrees to administer projects in compliance with fiscal guidelines provided by sponsors, as well as, System policies and regulations and University rules. The Office of Grants & Contracts (OGAC) has the responsibility to review and approve all sponsored project costs submitted through a requisition, travel advance, pro-card transaction, and independent/ service contract to ensure allowability.

Tests for allowability of costs include reasonableness, allocability, consistency, conformity and timeliness:

1. Reasonable - A cost may be considered reasonable if the nature of the goods or services acquired or applied and the amounts involved reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

2. Allocable - A cost is allocable to a sponsored agreement if (1) it is incurred solely to advance the work under the sponsored agreement; (2) it benefits both the sponsored agreement and other work of the institution in proportions that can be approximated through the use of reasonable methods, or (3) is necessary and assignable.

3. Consistency - A cost must be given consistent treatment through application of generally accepted accounting principles appropriate to the circumstances. Consistency in this context means that costs incurred for the same purpose, in like circumstances, must be treated uniformly as either direct costs or as indirect costs.

4. Conformity - All costs must conform to any limitations or exclusions set forth in these principles and in the sponsored agreement as to types and amounts of cost items.

5. Timeliness - Costs must be incurred or obligated within the project period specified by the sponsored agreement.

OGAC also approves requests for new positions (via TAMIU Works) and requests to hire new employees (via Canopy) when these positions are funded from sponsored project accounts. As part of the approval process, OGAC reviews the funding account, position title, annual salary/ hourly rate and position type (full-time, part-time, student) that is listed in the request for new position and/or request to hire the individual (EPA – employee personnel action) to ensure that it agrees with the sponsored project’s approved budget.

All costs charged to sponsored agreements must be adequately documented. The documentation maintained for costs such as payroll, travel, supplies, consultants, scholarships and equipment should be appropriate to the specific type of expense involved (e.g., payroll vouchers, airline and hotel receipts, invoices, consultant contracts, scholarship disbursement forms, etc.) and documentation will be maintained by the respective office which handles the particular cost involved.

## TIME AND EFFORT

Time and effort certification, as outlined in 2 CFR Part 220, Cost Principles for Educational Institutions (OMB Circular A-21), is a process mandated by the federal government to verify that direct labor charges on federally sponsored projects reflect the actual level of work performed. The University must assure federal sponsors that the effort expended on their sponsored projects justifies the salary and wages charged. To provide this assurance, the University follows the "After-the-Fact Activity Reports" method under OMB Circular A-21. During the sponsored project award set-up process, the Office of Grants & Contracts will ensure that sponsored projects requiring time and effort certification are flagged accordingly in FAMIS screen 09 (SL Grant/ Contract Attributes).

The following procedures will be utilized for time and effort certification as stipulated in Standard Administrative Procedure 15.01.01.L2.01:

1. The web-based Time and Effort System, accessible via the University's Single Sign-on module, will be used for certification of exempt employees, including graduate students. The system generates a report for any exempt employee whose salary, or any portion of his/her salary, is charged to a federal, federal flow-through, or other sponsored project that requires time and effort reporting.

2. Effort reports for exempt employees are generated semiannually. The reporting periods for certification will be January 1 - June 30 and July 1 - December 31, and certification must be completed 45 days after activity reports are available for certification. Reports are available 15 days after the close of the respective reporting period.

   To ensure that the semi-annual reports are certified with 45 days, all adlocs within time and effort system are flagged, which prompts system to submit automated weekly notification e-mails to PI's with pending/open documents. Additionally, the Office of Grants & Contracts will utilize the system generated "Certification - Not Certified" report to identify individuals with open documents as of the 30$^{th}$ and 40$^{th}$ day. OGAC will follow-up with an e-mail to the appropriate individual informing them of any open documents and requesting that items be approved prior to the 45$^{th}$ day.

3. Certification of non-exempt employees (e.g., students and selected technical staff positions) is performed on a bi-weekly basis during the time sheet approval process through the web-based TimeTraq system.

4. The Approving Manager (Principal Investigator/Project Director, key personnel, or other designated individual who supervises employees working on a sponsored project) is responsible for certifying the semi-annual report for exempt employees and for performing the certification of non-exempt employees during the bi-weekly time sheet approval process.

## COST-SHARE

The University may be responsible to bear some portion of the costs of a sponsored project. This is known as cost sharing. Cost sharing may include all contributions, cash and in-kind, mandatory and voluntary, uncommitted and committed, to the sponsor as part of the sponsored agreement. However, unless cost sharing is required by the sponsor agency, the University does not submit proposals with voluntary cost sharing. Additionally, the University requires proposals with cost sharing to have identified accounts which will be used for payment of cost sharing.

Cost sharing must be administered and documented by the University in accordance with the sponsored agreement. The following procedures outline the requirements for the documentation of committed cost sharing of externally-funded sponsored projects as stipulated in Standard Administrative Procedure 15.01.01.L1.05:

1. Cost-sharing will be documented and identifiable in the University's accounting or time and effort system, with the exception of waived F&A. Cost sharing account(s) should be established during the sponsored project set-up process to help monitor cost share transactions. In instances where there is committed cost-share of salaries, an EPA should be initiated by department for the appropriate individuals. This account will also be flagged for time and effort certification.

   Cost-sharing will be monitored and tracked by utilizing the cost-share component within the Sponsored Research (SPR) module or a custom software program, if necessary.

2. Uncommitted cost sharing will not be tracked or documented since these costs are excluded from the payroll and accounting records of the University.

3. The period of performance for a cost sharing account should be the same time period as the associated, sponsored project.

4. Cost share costs should be necessary and directly related to sponsored project objectives.

5. Third-party contributions for cost sharing should be documented by obtaining proper documentation from the third party.

6. Office of Grants & Contracts will ensure the appropriate amount is budgeted and reported to the agency as required.

## PROJECT CLOSE-OUT

The Office of Grants & Contracts (OGAC) will submit a notice of award close-out to the PI/PD via e-mail approximately 30-90 days prior to the sponsored project's end date. The memo will reference various items that should be considered by PI/PD in order to bring the project to a successful completion:

1. Review the budget for funds available:

    a. If the amount remaining is adequate to cover completion of the project and the project is scheduled to be completed on time, proceed as planned.
    b. If the amount remaining is adequate, but the time remaining is not, a no-cost extension may be an available option.
    c. If the amount available is not adequate or if particular budget line items require adjustment.

2. Review cost share commitments to ensure that the required obligation will be met.

3. Submit travel vouchers/reimbursements and requisitions for any outstanding invoices so payment may be processed by the project end date. New expenditures for supplies, equipment, and other items will be reviewed and may not be allowed due to project's approaching end date.

4. Review all outstanding pro-card purchases and submit appropriate receipts to OGAC for inclusion in the final invoice, if appropriate.

5. Review any open encumbrances on the grant account and delete those which are no longer valid.

6. Ensure that service and independent contractor agreements are completed and submitted for payment.

7. When separation of employment is required for grant funded positions, please contact Human Resources Department for proper exit procedures at least 30 days prior to the grant end date. For instances where the position will be supported by other funds, please submit an EPA specifying the new funding source.

8. Similarly, for any other recurring charges (i.e. phone charges, internet charges), please contact the internal department responsible for processing the scheduled charges and provide an updated funding source.

9. Discuss any project close-out issues with appropriate personnel.

10. Review the original agreement to determine who retains title to any equipment purchased. If title does not vest with the University please contact OGAC to coordinate the transfer of ownership to the appropriate party. Note that upon conclusion of the program, any technology purchased with grant funds and which was tagged and monitored through the university's inventory process, will be transferred to the Office of Information Technology (OIT) for safeguarding.

11. Complete final report or other close-out documents required by the grant agency.

12. Ensure that the records retention policy is followed.

OGAC will disallow any new expenses after the project end date; however, requisitions received after the project end date, which serve to liquidate expenses incurred during the project period are allowable. OGAC has the responsibility to submit the final invoice or request final drawdown, complete and submit the final financial report and freeze the sponsored project account. These tasks will be completed within 90 days after the project end date.