Processing an Award

A. Award Negotiation – Often a potential funder will contact the project director during the final stages of review and ask for changes and/or adjustments in the project or its budget. Since such a request often ONLY comes to the project director, s/he should notify the Office of Research and Sponsored Programs (ORSP) and the Budget Unit Manager (B.U.M.) to discuss the implications of the request. Discussions about the changes happen among these offices and with the funder.

Once the changes have been accepted, they require written approval within the University from the Budget Unit Manager, Office of Research and Sponsored Programs and if appropriate, Administration and Finance (A&F). Once approval is given, the changes are sent to the funder who will likely respond with an award notice.

B. Award Notification – When a project is approved for support from an external source, the award is made to the Univesity. The person who will direct the project does so, on behalf of the University. Notice of the award can be sent to the project director, the ORSP or another institutional official. Whoever receives the award notice forwards the notice to the Office of Research and Sponsored Programs, who monitors the award and serves the University as the repository of documents. The ORSP forwards a copy to Administration and Finance (A&F) for processing. In some cases, the notification requires an acceptance signature which will be acquired through A&F when the Office of Research and Sponsored Programs is processing the award. Copies of the signed acceptance will be housed in the Office of Research and Sponsored Programs and sent to the Project Director. Notices of internal awards are sent to project directors following the relevant Board of Trustees meeting.

The Award Notification often contains special terms and conditions of the award which should be read carefully. These include start and end dates for the award, requirements for making changes, and completing reports.

Budget Set-up – Once an official award notice has been received from an external funder, the Grants Financial Analyst in the Office of Research and Sponsored Programs will secure a budget number and set up the budget using the appropriate University budget categories. The budget is allocated according to the award notice. If necessary, the project director may be consulted on the distribution of funds, particularly if the amount awarded does not match the amount requested. Budget setup sheet and appropriate documents are sent to Grants Accounting in A&F for entry into the Banner system. Once established, a notice of the account number is sent to the project director and the appropriate budget unit manager. According to the schedule identified by the funder, A&F will check with the ORSP Grants Financial Analyst for review of the budget. A&F will bill the funder or “draw down” portions of the award on a regular basis. A private foundation may send a check at the beginning of the project. In this case, the check should be given to the Grants Financial Analyst who will forward it and appropriate information to assure that it is credited to the proper account.

Budgets for internal awards are set-up by the University Budget Manager for use in the fiscal year of the award. Notices of the allocation are sent to the B.U.M.

C. Pre-award Expenditures – Generally pre-award expenses are not permitted. However, some federal agencies allow expenses to be charged to the project budget within a certain limited time before the official start date. In these situations, the University might agree to "front" a start-up budget, based on the award notice. If such expenses are critical to the project, consult with the Office of Research and Sponsored Programs.

D. Responsibilities of Project Director – The project director is the primary administrator of grant-funded activities and thereby the budget. Since responsibilities associated with these obligations rest with the project director, s/he must initiate expenses and plan for and implement the activities funded by the award. Whether a grant is awarded from internal funds or from an external funder, the following provide a brief overview of what this entails:

Monitoring an account – Soon after an account for an externally-funded award has been established, the project director should meet with the Office of Research and Sponsored Programs and budget unit manager or representative to outline a spending plan. This meeting has the purpose of reviewing responsibilities and answering questions for a timely use of funds. The ORSP will request financial system administrators to set-up a read-only access for the project director to the Univesity accounting system, and assure that the project director receives budget reports to help monitor the budget. Whether a project is supported by internal or external funds, non-salary accounts, especially, should be almost entirely spent by the end of the third quarter of the project period.

Drawing on an account – Once the award has been assigned a number, the project director can initiate expenses and draw on that account. Critical to managing a budget, is the staff person in each school/division and budget unit assigned to budget-related tasks. This is the person who will support the project director by actually processing paperwork. Most often paperwork is processed electronically through the University accounting system. When initiating payments or purchases of any kind, it is the responsibility of the Project Director to make certain that that the following has been considered and when appropriate, the paperwork includes:

- Proper account number;
- Project budget allows the expense;
- The expense falls within the grant or contract period;
- Required signatures are in order, including PD's and
- Cost is reasonable and necessary.

If during the budget period a **reallocation of the funds** is required and allowable within the terms of the award, the project director should request such changes in writing to the ORSP grants financial analyst when externally funded, or to the Office of Research and Sponsored Programs, when internally funded. The memo should specify a) the item cost, b) how the purchase relates to the goals of the project, c) the budget categories affected by the reallocation, d) effects on the goals of the project, and e) any specific information required by the funder. Any changes made against a grant must be valid according to the rules of the funder, relate to the scope and purpose of the funded project and be as accurate as possible. Sometimes a funder will require "prior approval" of budget changes of a certain amount which must be obtained in writing from the funding agency before any activity or commitment of funds can be made. Changes in the allocation of a budget can occur if they are in accordance with the contract/award and meet the funder's guidelines and/or approval.

E. Post-Award Considerations

Whether spending an internal or external award, the procedures are nearly the same. The project director/awardee is responsible for initiating the paperwork which is required for all expenses. The paperwork is processed through the regular University accounting system by the staff person responsible for doing this in each budget unit.

Personnel – employees hired with grant funds must follow the regular University procedures and guidelines, available from Human Resources and the budget unit manager. Fringe benefits must be associated with each salary at the current rate for part-time/summer and full-time employment. (Check with the Office of Research and Sponsored Programs or Grants Financial Analyst for current rate.) Salary payments will be made on regular paydays and not until paperwork has been completed and approved. Personnel working on a project ought to receive a salary payment, at whatever amount, in order to be covered by the University insurance and liability policies.

1. To hire a **new** employee, the Project Director should initiate a Position Action Request (PACT) form. If the employee is part-time, temporary, or a student-worker, a Temporary Employment Service (TES) form should also be used. This form, together with a W-4, copy of social security information and I-9 must be processed through the budget unit manager to complete the hire.
2. To pay an employee **already on the payroll**, whether as supplemental pay, an overload or for work during the summer, the Project Director must initiate a Divisional Supplementary Pay spreadsheet.
3. To pay a **consultant** or a professional for special services to the project who is not on a regular salary, the Project Director begins by describing the services to be completed. According to the details provided by the Project Director a contract is developed and then approved/signed by an official signatory in A&F. The consultant's SS# and pertinent information is entered by Purchasing staff into the University electronic system to establish the consultant as a vendor. (If travel is to be reimbursed, see appropriate section below.) Then when the consulting services are finished, the Project Director notifies staff to complete a Direct Pay voucher which generates a check to the consultant.

Equipment – The purchase of any equipment or computers also follows the guidelines and procedures associated with all University purchases. Under certain conditions equipment to be purchased may require written quotes or bids from suppliers. This step can be required depending on the cost of the equipment and its level of sophistication. In any case, the Project Director initiates a purchase through his/her budget unit clerk where a Requisition is developed, (which is electronically converted to a Purchase Order (PO) through processing.) When the equipment arrives, the supplier's receipt should be copied and the original turned in. It is University policy that all equipment purchased with University or grant funds remains the property of the University. Grant-funded purchases should be initiated during the first quarter of the project period.

Travel – Most travel requires the Project Director complete an Authorization Request for Reception/ Travel/Staff Training (ARRTV) form. This form is also used to request reimbursement for expenses made while traveling like tolls, parking, registration and so on, which all require receipts for reimbursement. This form should be used when performing any project-related or University-related activities off-campus so that participants are covered by University liability and insurance policies.

Purchases of supplies, software, books and so on – The project director's divisional Budget Unit Clerk completes a Requisition form in order to initiate specified purchases. This is put into the University's electronic system and converted to a purchase order with the supplier. Once the supplies are received, the clerical support staff must be notified so the budget account can show that the materials actually arrived.

Time and Effort Reports – Federal regulations Circular A-21 require that time spent on funded projects be documented. Circular A-21 allows an after-the-fact certification of an individual's time and effort. To satisfy this requirement for professional personnel involved on a project, the ORSP collects Reports which have been reviewed by the Project Director to verify time spent on a project. Direct salaries and wages of non-professionals will be verified through daily time and payroll documents.

Extension of time and/or budget – A no-cost extension of time can usually be requested in writing to the funder and notice sent to the Office of Research and Sponsored Programs who will notify A&F. This request should be submitted to the funder and a copy sent to the Office of Research and Sponsored Programs no later than 30 days before the end of the project period. The request must also justify why an extension is needed. When a request for more time includes a request to carry-forward grant and/or University match funds, the request must be approved. Such a budget modification must be reviewed and approved in writing by the budget unit manager, Office of Research and Sponsored Programs and grants financial analyst in accordance with University policies and funder's guidelines.

Changes in Scope or Director of the Project – A change in scope of a project usually requires a written request to the funder, who will then approve (or not) the changes in writing. A copy of this correspondence should be sent to the Office of Research and Sponsored Programs. Likewise a change in the project director or in time devoted to a project requires written approval from the funder. The Office of Research and Sponsored Programs must be involved in such changes.

Writing Progress Reports and Submitting Financial Reports – The Project Director is responsible for the on-time submission of all technical/program reports according to the terms of the funder. Grants Accounting in A&F is responsible for all financial reports, also according to the terms of the grant. A&F reviews terms of the award, proposal and comments from ORSP before submitting the financial report. ORSP will monitor budget activity regularly throughout the project period. The contract or award notice usually outlines the topics to be addressed in the progress reports, the methods by which financial reports are submitted and due dates for all reports. Copies should be sent to the Office of Research and Sponsored Programs.

Next Steps – Once a project is funded, it is much easier to maintain support. The project director has a success record, accomplishments can be shown, and project activities most always uncover more to do. Begin thinking about ways to extend and expand the project. Small awards can lead to bigger awards. Big awards can involve new partners in their next step. Monster awards can be transferred and tested in another place. There is most always a way to keep the funding stream flowing. To stay in, begin to plan the route and share your plans with others.

Category	University Form	Signatures
Salaries	PACT or TES	PI, B.U.M., VPAA, A&F, HR/payroll, Payee
Students	PACT, TES, W-4, SS#, I-9	PI, B.U.M., HR/payroll, Payee
Overload, Summer	Supplemental Payroll Spreadsheet	PI, B.U.M., Payee
Consultant, Professional Services, Student stipends	Contract thru A&F, then entered as Vendor, then paid with Voucher	PI, B.U.M., A&F, payee.
Equipment	Requisition, then Receipt of goods	PI, B.U.M., Purchasing
Supplies, small equipment, books, stuff.	Requisition	PI, B.U.M., Purchasing
Travel	AART	PI, B.U.M., Admin. Services
Memberships, Licenses	Voucher	PI, B.U.M.
Time and Effort	Timesheets	PI, Office of Research and Sponsored Programs