

**Colorado State University – Pueblo
Finance and Administration**

SPONSORED PROGRAMS ACCOUNTING PROCEDURES

Organizational Area:	SPONSORED PROGRAM ACCOUNTING		
Procedure Reference No:	SPA 01-2005		
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Officer Responsible:	University Controller		
Tel:	719-549-2952		
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References:	OMB Circulars A-21, A-110, A-133 State of Colorado Fiscal Rules Federal Departmental Financial Guidelines		
Attachments:	N/A		

SCOPE:

This procedure applies to all Faculty, Administrative/Professional, and Classified employees of Colorado State University – Pueblo working with externally funded sponsored agreements.

PROCEDURES:

1. Introduction and Purpose

OVERVIEW

Faculty and staff at CSU - Pueblo receive external support for their research, training and public service projects through two principal mechanisms: sponsored programs and gifts. The Office of Research and Sponsored Programs and the University Controller's Office are responsible for specific management functions regarding the pre- and post-award functions of all contracts and grants that are classified as sponsored programs as described in the paragraphs below.

Department Responsibilities

The Principal Investigator (PI) is responsible for administering the grant. The PI must comply with the specific terms and conditions of the grant award and ensure that the program requirements of the award are fulfilled. The PI is responsible for ensuring that programmatic reports are submitted in a timely manner. The PI is also responsible for monitoring expense budgets to prevent cost overruns and for the certification of

cost share/matching funds (if any). The PI is ultimately responsible to his or her division chair and/or college dean for resolving in a timely manner any over expenditures or unallowable costs that occur on a sponsored project. In the event that the PI does not comply with agency requirements and/or is not performing adequately, the University administration, as the ultimate authority, reserves the right to step in and act in the best interest of the University when necessary.

The Office of Research and Sponsored Programs (ORSP) is the only office authorized to submit applications on behalf of the University and the PI. All grant and sponsored research proposals must be submitted, with appropriate documentation, by the PI to the ORSP for review and approval. Internal approval forms may be obtained at, <http://www.colostate-pueblo.edu/Grants/Forms/Pages/default.aspx>. The ORSP is responsible for pre-award activities such as interpretation of sponsor and University policies as they apply to project management, and assisting university faculty and staff in preparing funding proposals. Information regarding the Office of Research and Sponsored Programs is available at, <http://www.colostate-pueblo.edu/Grants/Pages/default.aspx>.

The University Controller's Office provides post-award financial and administrative oversight for all external gifts, grants, contracts and agreements entered into by the University. The Grant Accounting Coordinator is responsible for providing a number of post-award services associated with the fiscal management of sponsored projects including, but not limited to, establishing the accounting and budget records for sponsored projects, interpreting sponsor and University fiscal policies for faculty and staff, working with faculty and staff to provide accurate and timely financial information relative to sponsored projects, monitoring expenditures under sponsored projects for compliance with sponsor and University policies and procedures, preparing and submitting in a timely manner, financial reports to sponsors, carrying out all cash management responsibilities associated with the funding of sponsored projects, and acting as a liaison with other University administrative support units, sponsors, and auditors.

The Grant Accounting Coordinator works closely with the PI to ensure that financial transactions comply with the granting agency and the University's accounting requirements. In addition, the Grant Accounting Coordinator reviews and enters grant budgets in AIS, prepares billing documentation and cash requests, completes and/or reviews post-award financial reports, monitors grant personnel activity reports, and assists in the preparation of the University Indirect Cost rate proposal.

2. Implementation and Strategies

All grant affiliated personnel will be trained by personnel in the University Controller's office and the ORSP in these procedures. After the initial training, training classes will be held once a year during the Fall Semester for new employees and as a refresher for existing employees.

3. Post Award Procedures

- 3.1 ***Requesting a new account.*** Once a new grant or contract has been awarded, the PI must request an AIS account number using an account request setup form that will be used to track costs for a grant, contract or project. The form to complete to request an AIS account number is available at: <http://www.colostate-pueblo.edu/BFS/Forms/Pages/default.aspx>. A completed copy of the contract or grant agreement which outlines the terms and conditions of the award and has all required signatures must accompany the Account Set Up Request along with a Budget Setup Request.

The PI will be allowed to begin spending against the grant as soon as the grant is active (as defined by the sponsored agreement terms), a budget has been submitted to the Grant Accounting Coordinator, and an account number has been assigned.

- 3.2 ***Budget.*** The grant budget prepared by the PI, and submitted to the University Controller using a Budget Setup Request, will be entered into AIS by the Grant Accounting Coordinator after the new account number has been established. Over the course of the grant if there are revisions to the original budget (i.e. budget change between line items or the receipt of additional funding), the Budget Setup Request must again be completed by the PI and sent to the Grant Accounting Coordinator for entry into AIS. If required by the grant agreement, the PI must obtain approval from the granting agency for budget revisions. All required documentation from the granting agency must accompany the request for budget revisions submitted to the Grant Accounting Coordinator.
- 3.3 ***Monitoring of Budget and Expenses.*** University financial reports detailing expenses and the budget status of the grant are available through on-line AIS and may be accessed at the user's convenience. It is very important for PI's to monitor this information on a monthly basis for accuracy and to ensure that corrections and/or budget revisions have been completed. The on-line information is updated and available daily. The PI must have access to the AIS system in order to view budget and expense information. To gain access to AIS, download the CSU-Pueblo Computing Resource Application available at, <http://www.colostate-pueblo.edu/ITS/forms/Pages/default.aspx> fill it out, and route to the University Controller for approval.
- 3.4 ***FTE Contract Adjustments for Grant Affiliated Personnel.*** The PI is responsible for notifying Human Resources and the Grant Accounting Coordinator of contract changes for personnel working on sponsored programs. This may be accomplished through an email or a written memorandum. All correspondence regarding FTE changes must include a copy to the Budget Director, the Director of Human Resources, the Grant

Accounting Coordinator, the Payroll Office, and the appropriate Dean(s). Correspondence must include the portion of FTE that will be transferred to the grant, the compensation amount, and the account numbers to be charged. The notification must be made before the 15th of the month in which an individual begins work on a sponsored project.

- 3.5 ***Expenditures Exceed Budget.*** The PI is responsible for monitoring expenditures to ensure that actual expenses do not exceed the budget. If the grant has a cost overrun, the PI must email the Grant Accounting Coordinator detailing which expense(s) should be transferred out of the over-expended grant account and into another cost center. The Grant Accounting Coordinator will enter the expense transfer into AIS after all necessary approvals are received. In most cases over-expenditures cannot be transferred from one grant to another. If the PI requests such a transfer the PI may be required to provide back up to the grant coordinator as to why the new grant should cover expenses of the old grant.
- 3.6 ***Billings and Revenues.*** The Grant Accounting Coordinator reviews grant cash balances subsequent to the close of each calendar month. Upon this review, each grant account is examined individually to determine the billing and reporting status of the project. The Grant Accounting Coordinator bills the granting agency and/or submits any required financial reports. Any cost overruns are identified at this time and the PI is contacted to determine resolution.

Grant revenues may be received by the following methods:

Advance: The grantor may send 100% of the grant proceeds to CSU – Pueblo at the time of award. Checks must be made out to CSU – Pueblo and deposited by the University Cashier. Advances may also be made using a wire transfer. Contact the Director of Business Financial Services for arrangements.

Letter of Credit: For certain direct federal grants, revenues are drawn down electronically as expenditures are posted.

Reimbursement: The Grant Accounting Coordinator will bill the grantor for all allowable expenses each month. The grantor then reimburses CSU - Pueblo for expenditures incurred after expense reports have been submitted and reviewed. Checks must be made out to CSU – Pueblo and deposited by the University Cashier.

- 3.7 ***Requests for Extension.*** If the PI determines that more time is needed to complete the terms of the grant, he/she may request a no cost extension from the granting agency if so allowed by the grant agreement. The request must be submitted at least thirty days prior to the end of the grant and formal authorization of the extension must be received before the end of the grant. The Grant Accounting Coordinator and ORSP must be included in all correspondence regarding grant period extensions

- 3.8 **Grant Close-Out Procedures.** When a Grant performance period has ended the account will be inhibited by the Grant Accounting Coordinator. If any remaining transactions need to be recorded they must be reviewed and approved by the Grant Accounting Coordinator to verify that the expenditures are allowable. If the expenditures are deemed as allowable the account will be uninhibited to allow for the expenditures to be posted to AIS. When it has been determined that all revenue and expense transactions have been posted to AIS, all technical and program reports have been submitted by the PI, and all financial reports have been submitted by the Grant Accounting Coordinator, the AIS account will be closed by the Grant Accounting Coordinator. Once the account has been closed expenditures can no longer be posted to it.

If an occasion arises where the project has been completed and an unexpended cash balance remains, the unexpended balance will be remitted back to the granting agency by the Grants Accountant. In some cases, the granting agency will allow the University to expend the remaining funds on a similar project. The granting agency's prior written approval is required for such arrangements and must be obtained by the PI at least thirty days before the grant ends. Documentation of the approval must be sent to the Grant Accounting Coordinator and the ORSP as soon as received.

- 3.9 **Record Retention.** A file will be maintained in the Grant Accounting Coordinator's office for each sponsored program agreement. Federal OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, Section .53 states that "Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report . . ." However, some granting agencies such as the U.S. Department of Education require that records and supporting documentation be maintained for five years from the date of submission of the final expenditure report. The state of Colorado requires six years after becoming inactive. Therefore, it is the CSU-Pueblo's policy to maintain all grant records in the ORSP, the Grant Accounting Office and the PI's department for a period of six years from the close of the grant.

- 3.10 **Monthly Time and Effort Reports.** Federal OMB Circular A-21 Cost Principles for Educational Institutions requires that the University document the compensation for personal services of employees rendered during the period of performance under sponsored agreements (grants). This compensation includes salaries, wages and fringe benefits.

CSU-Pueblo uses Monthly Time and Effort Reports to document personnel activity dedicated to grants. Each faculty member or professional staff employee working on a government-sponsored project must complete a Time and Effort Reporting Form. The reports must be filled out on a monthly basis and submitted to the Grant Accounting Coordinator. Effort should always total 100% to accurately reflect all effort expended on behalf of the University. Effort is not based on a 40-hour work week but rather reflects all work done on behalf of the University and how the effort is broken out

between grant and non-grant activities. Effort can be applied to a project without any salary or wage being charged to that project. The cost center number should be included whether payroll was charged or not. Monthly Time and Effort Reports are available at the following website under forms: <http://www.colostate-pueblo.edu/BFS/Forms/Pages/default.aspx>.

4. Additional Information

4.1 *Indirect Costs (F&A Costs)*

Indirect Costs or Facilities and Administrative Costs (F&A Costs) are defined as expenses incurred in conducting or supporting research or other externally-funded activities but not directly attributable to a specific project. General categories of indirect costs include general administration (accounting, payroll, purchasing, technology support, etc.), sponsored project administration, plant operation and maintenance, library expenses, departmental administration expenses, depreciation or use allowance for buildings and equipment and student administration and services.

CSU - Pueblo's indirect cost rate is negotiated with the University's Federal Cognizant Agency, the U.S. Department of Health and Human Services. The current rate for CSU - Pueblo is 48% of salaries and wages. This rate is effective through June 30, 2012, at which time CSU - Pueblo will negotiate a new rate. Grants funded through the Department of Education use an 8% indirect cost applied to all allowable expenditures or 48% of salaries and wages, whichever is less.

CSU – Pueblo seeks to recover the fullest possible amount of indirect costs from external sponsors funding research projects. All grant proposals submitted must include a budget line for indirect costs. Not all grantors will pay indirect costs on their grants. Indirect Costs will not be waived unless required in writing by the granting agency or approved in advance by the University Controller.

4.2 *Cost Share/Matching Funds*

Some granting agencies require that the University fund a portion of the total cost of the project. Any commitments on the part of CSU - Pueblo to share costs or match funds must be detailed in the contract or grant agreement. All commitments on the part of the University to share costs or match funds must be documented in the internal approval paperwork with a memo signed by the persons(s) responsible for the account(s) or unit(s) to which such matching funds or in kind contributions will be charged. The PI is responsible for identifying and maintaining documentation of items and expenses claimed as match. A separate cost center can be created to account for all items claimed as match by completing the account set up form. (<http://www.colostate-pueblo.edu/BFS/Forms/Pages/default.aspx>)

Federal OMB Circular A-110, Section_.23 states that:

Contributions from outside parties, including cash and third party in-kind, may be used as the University's cost sharing or matching when such contributions meet all of the following criteria:

1. Are verifiable from the recipient's records.
2. Are not included as contributions for any other federally-assisted project or program.
3. Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. Are allowable under the applicable cost principles (OMB Circular A-21).
5. Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. Are provided for in the approved budget when required by the Federal awarding agency.
7. Conform to other provisions of Circular A-110, as applicable.

Other contributions from outside parties may include:

- Un-recovered indirect costs only with the prior approval of the federal awarding agency.
- Values for recipient contributions of services and property where the values are established in accordance with the applicable cost principles (of OMB Circular A-21).
- Volunteer services furnished by professional and technical personnel, consultants, etc., if the service is an integral and necessary part of an approved project or program.
- Non-University services of an employee which are furnished by an employer other than the recipient.
- Donated supplies such as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies.
- Donated property.

The descriptions and values for the above listed categories of cost share were not included in their entirety. Please refer to OMB A-110 for specific details regarding allowability.

REVISION HISTORY:

Revision Ref. No.	Approved/ Rescinded	Date	Committee/ Board