Managing the Award
Steps for Managing an Award

- Hire Staff
- Purchase and Install Equipment
- Obtain P-Card
- Establish consultant contracts
- Establish subcontracts
- Purchase supplies and arrange travel
- Review expenditures and reconcile accounts
- Certify effort
- Request sponsor approval for changes
- Update compliance protocols with the appropriate URSA Compliance Office
- Provide reports to sponsor
After award setup, subcontract requests initiated in Research Portal (by PI/unit)
- Subrecipient Scope of Work
- Subrecipient Budget and Budget Justification
- Subrecipient Commitment Form
- Most recent single audit statement
- Human/Animal Subjects Approval Letter, if applicable
- Subrecipient F&A Rate Agreement
- HIPAA Questionnaire to Accompany Subcontracts, send to Legal Affairs
OSPA Subrecipient Coordinator will
- Draft and forward an appropriate contract to subrecipient
  - FDP Standard Research Subaward Agreement Sample (whenever possible)
- Negotiate with subrecipient, with assistance from PI (as needed)
Subcontract Payments

Each subaward will have two budget account codes:
- SUBX0N - First $25,000
  - Recovers F&A costs
- SUB00N - Remaining obligation
  - Does not recover F&A costs

The amount of the subcontract budget must be encumbered upon receipt of the fully executed subcontract by initiating a Purchase Order.
As invoices are processed, the encumbrance will be reduced.

Invoices should be sent to GSU PI, who should review and confirm satisfactory performance and that expenses are reasonable, allowable, and properly allocated.

The PI or designee should submit the request for payment of the approved invoice to the Office of Disbursements accompanied by a copy of the original subcontract and its most recent amendment.
PI Responsibilities

- PIs are responsible for monitoring the progress of the subaward
  - accomplishing its scope of work
  - reviewing and approving subcontract invoices
    - consistent with the subaward budget
    - only contain allowable costs.
Georgia law requires subcontracts to be only for one year. However, they are set up to be easily amended on an annual basis, as described below.

- Additional time and funding (i.e., budget for the next year) should be initiated in the Research Portal (with amendment checked)
- Send request two months prior to the end of the currently-funded budget year
- Provide budget for the next year
- Indicate if there are any changes from the original scope of work or other aspects of the previous Subcontract Request Form
- OSPA officer will then send a FDP Standard Research Subcontract Agreement Amendment to the contracting institution with a copy to the PI
Making Changes to a Sponsored Award

- Post-award changes that will change or significantly affect the scope of work will require approval from the sponsor.
- OSPA, as the authorized institutional official will usually need to formally submit to the sponsor a request for such changes.
- Requests for OSPA action are initiated in the Research Portal using the appropriate submission form.
- Even if certain changes can be made without prior approval of the sponsoring agency (under expanded authority), typically these changes will require institutional prior approval.
Making Changes to a Sponsored Award

Some of the most common changes include:

- Re-budgeting funds within the awarded budget
- Change in scope of work or specific aims - requires sponsoring agency approval
- Change in PI - requires sponsoring agency and OSP approval
- Change in other key personnel - seek clarification from agency
- Reduction of effort of key personnel (by 25% or more)
- Absence of key personnel for more than three months (including sabbatical, sick leave, and other types of leave of absence)
Rebudgetting

- Generally, the university is granted broad re-budgeting authority, for which prior approval from the sponsor is not needed.
- Most federal awards will allow re-budgeting within budget categories of up to 25% of the total budget period award.
- It is important to read the award terms to determine if a different standard is used or if any budget lines are excepted from the standard.
Rebudgetting

- The budget lines established in Spectrum reflect the sponsor’s terms and/or what is needed to ensure that appropriate spending can occur during the project.
- Spending on each line will only be controlled if the sponsor has not granted the university re-budgeting authority.
- Where prior approval for re-budgeting is not required, these lines may spend into deficit but the budget total will be controlled.
- OSPA will not re-budget individual lines to eliminate line deficits where the sponsor does not require such rigid controls.
Changes in PI/PD

- A sponsor must be advised, and permission obtained, before a new PI/PD may be designated.
- If the PI/PD finds it necessary to nominate someone, such requests must bear the signed endorsement of the Department Chair and the Dean.
- If the request is made by the Department Chair, it must be endorsed by the Dean.
- If the PI/PD is a Dean, the request should bear the endorsement of the next higher authority.
- A request to a sponsoring agency for designation of a new PI/PD will normally state the reasons for such change and will include the biosketch of the PI/PD-designate.
- Such requests must be submitted to OSPA for institutional endorsement, before forwarding to the sponsor.
Reduction in effort of key personnel

In most awards, only those key personnel who are named on the award document require sponsor approval prior to the reduction of their effort by 25% or more. Unless, the award document or sponsor terms state otherwise, all other key personnel effort may be reduced without limitation or sponsor approval.
PI Absence for Greater than 90 Days

Absence of award-named key personnel for more than three months including sabbatical, sick leave, and other types of leave of absence requires notification to the sponsoring agency. It is important to contact OSPA and the sponsor to clarify what needs to occur. During any absence of the PI, a temporary PI must be appointed.
No Cost Extensions (NCE)

- A no-cost extension allows funds to be expended past the original project end date and extends the date that final programmatic and financial reports are due.
- All requests for no-cost extensions must be approved prior to the expiration of the grant.
- All no-cost extension requests require a justification for the extension that relates to the completion of the objectives of the award.
  - Requests for no-cost extensions should NOT be made just because funds are remaining.
- Under the terms and conditions of many federal awards, the university has the option of extending the project for a period of up to 12 months without having to contact the sponsor for permission if the award is under expanded authorities.
No Cost Extensions (NCE)

- For those grants that require agency approval for a no-cost extension, usually OSPA will contact the sponsor,
- In some circumstances the request will come directly from the PI due to a personal relationship with the sponsor.
  - In these cases, any notice received from the sponsor should be uploaded into the Portal as part of an NCE request.
- Requests to agencies generally take 1-2 months to process and approve.
  - Suggest requests be submitted 90 days before expiration
- PIs should consult with OSPA early in the last year of funding to determine if their award is eligible for a no-cost extension and, if so, if agency approval is required.
- PIs should be aware of any additional required reporting to the sponsor that may accompany a no-cost extension.
Reports

- Technical progress reports are often submitted directly from the PI to the sponsor;
  - Generally no communication between PI and administrative staff.
- Where the sponsor requires institutional approval and submission, the Research Portal “Progress Report” form should be used to initiate OSPA action and final submission to the agency.
  - These reports often require business and some budget information, which should be compiled by department/college administrators and verified by the PI.
  - Authority of and responsibility for the technical aspects of the report accrue fully to the PI.
- OSPA will review all the business and financial features of the report to ensure accuracy and compliance with the sponsor’s terms.
Reports

- Interim financial reports are prepared and submitted by OSPA, often in consultation with the PI and unit administrators.
- Usually, OSPA will create and submit the report without departmental or PI initiative, having established its need at the time of award setup.
- Where OSPA needs PI or unit level confirmation of expenditures, the department and PI will be notified via the Research Portal's "Financial Report" form.
Report Preparation

Department Responsibilities

• Perform a preliminary review of expenditures 60 days before the budget period ends,
• Perform a final review of the ledger 30 days after the budget period end date.
• Review unliquidated obligations and encumbrances.
• Determine which incurred expenses won’t post to the ledger by the end of the budget period.
• Determine which encumbrances should be lifted and which should be charged to the project.
• Review account codes for unallowable expenses. Without agency approval, those expenses must be removed from the fund.
• Verify that the award budget and specific expense limitations haven’t been exceeded.
Department Responsibilities

- Some agencies require that expenses conform to the award budget or have spending limits on specific categories. Without agency approval, expenses that exceed the budget must be removed from the fund.
- If the total budget balance is in overdraft, transfer the expense overrun off the fund.
- If there is a budget unexpended balance, review the award policy:
  - Your options may include:
    ◦ Confirm with the PI, and seek carry-forward authority from the agency.
    ◦ Transfer appropriate expenses to the fund.
    ◦ Carry-forward may be permitted without specific agency authorization.
- Review expenses that posted after the budget period end date. Verify that they legitimately apply to the project and were incurred before the end date.
Closeout

Steps for Closing Out an Award

• At 90 days—and again at 30 days—prior to the end date for an award, OSPA sends to the PI Pre-Termination messages notifying of the need to do the following:
  • Clear encumbrances
  • Finalize all relevant charges
  • Prepare final reports for which the PI is responsible
Steps for Closing Out an Award

- Final financial reports will be submitted by OSPA, who will communicate with the PI if:
  - Accounts are in deficit, or
  - Unexpended funds remain
- The PI will be responsible for preparing and submitting, as needed, the:
  - Technical report
  - Invention report
  - Property report
Closeout

Steps for Closing Out an Award

- Funds remaining on fixed price awards may, if permissible, be transferred to residual accounts
- All files and records must be retained for seven years (Georgia law)
- All records and files must be maintained in auditable condition.
Pre-termination Notifications

- Pre-Termination emails are sent from OSPA at 90 and 30 days prior to a project’s termination to remind PI’s and department administrators to:
  - review the project financial activity,
  - review encumbrances
  - finalize all relevant charges needed prior to project termination.
- Actions that should be considered at this time include:
  - Requesting a no-cost extension if applicable (link to Research Portal)
  - Notifying subcontractors to submit final invoices
  - Initiating ePAFs for any necessary payroll adjustments
  - Initiating any necessary cost transfers
Adjustment Period

- An “Adjustment Period” is provided after the expiration of an award for the purpose of ensuring all final accounts payable transactions, payroll, and other final adjusting entries are posted to the General Ledger and available in Spectrum prior to preparing the Final Financial Report.
- Expenses posted during this period must have been incurred prior to the award termination date.
- The Adjustment Period begins the day after the award expiration date and concludes one month before the month that the Award’s final financial report is due.
  - Award Expiration Date: September 30
  - Final Financial Report Due: December 30 (90 days post-term)
  - Adjustment Period: October 1 - November 30
Adjustment Period

The Department Administrator must complete the following tasks during the Adjustment Period:

- Review the General Ledger to ensure that all posted transactions are award related and accurate.
- Ensure any P-Card transactions are authorized and acceptable. Address any erroneous postings via cost transfer.
- Clear overdrafts and transfer expenses deemed unallowable.
- Verify subrecipient balances are correct.
- Confirm all required payroll adjustments requested via ePAFs have been posted in the General Ledger.
- Verify cost sharing expenditures, if required, are properly coded and recorded in the General Ledger.
- Accrue expected cost share expenses, if required, using the same procedure.
OSPA Officers review all award and companion account expenditures and receipts, as well as all the payroll system records and ensure the accumulation of data necessary to provide an audit trail.

It is the responsibility of Georgia State to ensure that adequate provision is made for the auditing of accounting information and the accounting system that processes the accounting data.

University’s financial system stores five or more years of award accounting data online.
Record Keeping and Audits

OSPA maintains hard copies of financial reports submitted to sponsoring agencies and archives related to budget and expenditure correspondence for a minimum of seven years or for longer periods if so specified by the sponsor.

OSPA has liaison responsibility for the coordination of all audits, audit responses, and requests for accounting information on sponsored awards from organizations outside the University.
Most sponsored projects require a number of reports at their conclusion. Usually the PI/PD will need to submit a final technical report.

In addition to technical report(s), other reports may be required relating to inventions, equipment accountability, and fiscal data and voucher submissions. The latter two are the responsibility of the OSPA, while the PI must prepare the first two, any of which may need to be submitted institutionally (by OSPA).

All reports must meet sponsor deadlines for submission: Failure may affect the university's ability to receive further awards—and in some cases to draw down funds for already received awards.
Residual Funds

Any “funds” remaining on a cost-reimbursable award are not authorized for expenditure because funds have not actually been collected before they are invoiced. And the final invoice will only seek reimbursement for actual expenses so, at full closeout, there will be no remaining funds on the account.

Funds remaining on a fixed price award must be spent within 120 days of the end of the project, after which the funds will be moved into a residual account established by the PI’s academic unit. Generally, any residual should not exceed 10% of the total funded award, indicating the university’s compliance with its obligation to cost its proposals in a manner consistent with its accounting practices. Residual balances may be subject to recovery of any university facilities and administrative costs not directly recovered in the original award budget.
Thank you for watching

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