

Sponsored Projects Module 4

Award Negotiation, Set-up ,
Modification, and Management
TOP 20 MOST FREQUENT QUESTIONS
ANSWERED

Award Documents: Examples

- Grants- provided to benefit the recipient (Terms and conditions—T&Cs—in writing)
- Contracts – for the sponsor’s benefit (T&Cs in writing)
- MOA – memo of agreement (Generally, not all T&Cs in writing)
- MOU – memo of understanding (Generally, not all T&Cs in writing)
- Teaming Agreement
- Cooperative Agreement- Sponsor Involvement
- Checks
- Letters of proposal acceptance and authorization to begin work

FREQUENT QUESTION #1 Letters of Intent

- I got a letter from the sponsor saying I’m funded, so why don’t I have an account yet?
- Letters of intent from sponsor program officials are not considered to be an award. These are sent to the PI for informational purposes and are not communicated to OSP. It usually takes 45 to 60 days from the date of this letter for OSP to actually receive the award documents.

FREQUENT QUESTION #2 Where’s My Money?

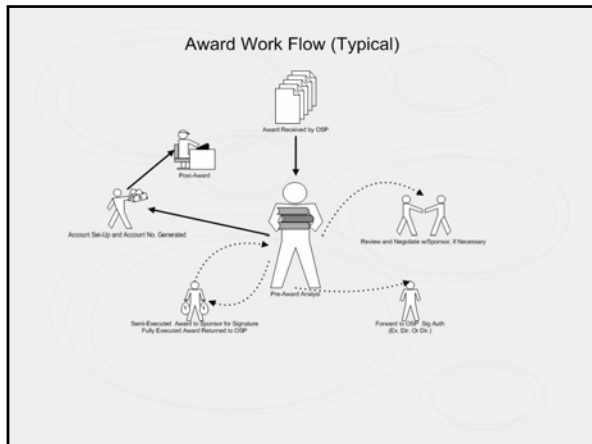
- The sponsor said the award was sent last week, so, where is my account?
 - Some sponsors require us to sign the document first, then, we must send it back to them for their signature
 - Sometimes we must negotiate the terms and conditions of the agreement
 - Sometimes signatures other than OSP’s are required
 - Sometimes, the sponsor sent it directly to the PI, so OSP never received it
 - Sometimes, the award has a different dollar amount than we proposed so we have to get new budgets from the PI prior to setup

Receiving the Award, Signature Authority

- NV Constitution
- Governor
 - Board of Regents
 - Chancellor
 - University President
 - Director of Sponsored Projects

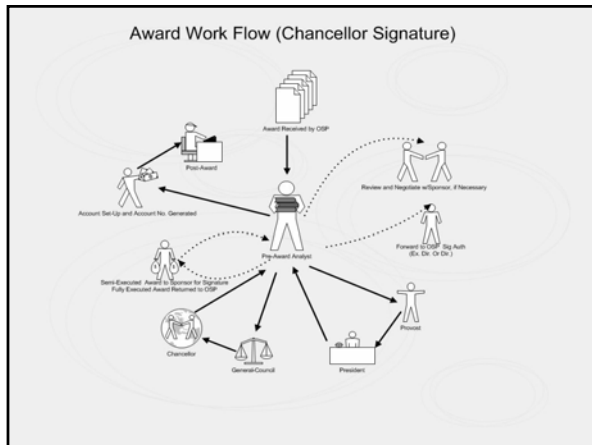
Receiving the Award: Routing

- Pre-award Analyst
 - Director, Sponsored Projects
 - Sponsor
 - Pre-Award Analyst (copy of award to PI)
 - Account set-up (up to 6 days for NOA via e-mail)
 - Post-award analyst



Receiving the Award: Routing through Chancellor's office

- Pre-award Analyst
- Director, Sponsored Projects
- Legal Counsel
- Sponsored Projects
- Provost
- President
- Chancellor's Office
- Pre-award Analyst
- Sponsor
- Pre-award Analyst



Office of Sponsored Projects and PI Roles in Award Negotiation

- Negotiation is responsibility of Sponsored Projects
 - We must follow the [Chancellor's memo](#) regarding signature authority which lists specific contract terms that the Board of Regents legally can not agree to.
 - There are other issues in addition to the Chancellor's requirements that are deal-killers

Award Negotiation: Common Issues

- Institution Name
- Terms of Payment
- Penalties – time is of the essence
- Confidentiality Terms
- Publication Rights
- Liability/Indemnification/Insurance

Award Negotiation: Common Issues

- Restrictions on Foreign Nationals
- Title to Property
- Intellectual Property and Ownership Data
- Choice of Law, Jurisdiction and Venue
- Travel Regulations
- Warranties

Award Negotiation: If it doesn't work...

- Decline award
- Accept with restrictions
- Sponsored Projects will contact PI to discuss the situation
- Sponsored Projects will contact Tech Transfer, University Counsel and/or Chancellor Risk Management Office as applicable

FREQUENT QUESTION #3 Preliminary Accounts

- What if I need to pay my people working on the project NOW and signatures are holding things up?
 - There is always a risk to beginning work on a project that has not yet been awarded
 - If the PI, Chair and Dean are willing to cover the risk, a PI can ask for a preliminary ("memo") account to be set up prior to receiving the award. Use the OSPA 4
 - Most, but not all, federal grants – not contracts – allow for 90 day pre-award spending.
 - If you will be working on the project in spite of the risk, it is always better to set up a memo account and charge appropriate costs there instead of processing a multitude of Cost Transfers later.

Setting Up an Account Prior to Receipt of Award

- UNR memo account form and responsibilities / liabilities

Frequent Question #4 Account Setups

- So, How do I get an account set up?
 - OSP must have the following prior to set-up:
 - Transmittal, scope of work and budget (from previously submitted proposal file)
 - Fully executed award (or a check accepting our proposal)
 - OSPA-2 that matches proposed budgets
 - Proof of all IRB, IACUC and/or Biosafety/etc. compliance approvals
 - Guidance on f&a division if not already specified on transmittal form

FREQUENT QUESTION #5 Notices of Award (NOAs)

- I received a Sponsored Projects Notice of Award Form in my Inbox. What is it?
 - Sent to the PI, Chair, Dean & Computer Security
 - Provides Account # to charge costs to
 - Shows start and end dates specified in the award
 - Shows amount of funds available as specified in the award
 - Shows short title
 - Shows sponsor & sponsor award #
 - Shows any cost share requirements
 - Shows accounts associated with this one (if any)

Frequent Question #6 NOA's

- Now that I have an account, what do I do next?
 - FIRST: Read your copy of the award for all terms and conditions
 - SECOND: If you can't find referenced terms or you don't understand them, call OSP Administrator for explanation
 - THIRD: Note any progress report or deliverable requirements and put them on your calendar (hint: schedule them earlier than the actual deadline date)

Frequent Question #7 Account Access & Information

- How do I view my account information?
 - The person requesting access must complete the Security Application form, found on the Forms Directory, and submit to Campus Computing.
- How do I let others view the account information?
 - Signature Authority is automatically assigned to the PI(s), Chair and Dean. Any additional signatures must be requested on the Request to Establish/Modify Account and submitted to the Controller's office for processing.

FREQUENT QUESTION #8 Charging Salaries

- How do I pay people who are working on the project?
 - First, the person's position control number from the PB&A office must be associated with the account
 - Second, you must create a PAF specifying the amount of salary to be paid from the account based on employee's anticipated effort on the project
 - Third, the individual must later certify his or her actual effort expended in the [Effort Reporting System \(ERS\)](#)
 - Fourth, if the person expended more or less effort than was anticipated on the PAF, PR-45 forms must immediately be created to appropriately charge the account based on ACTUAL effort certified

Charging Salaries Position Control

- If new position # required
 - Send Position title, OSP account #, job class code and home college info to OSP
- If new hire, but existing position #
 - In CAIS, HR tab – lookup position roster – go to appropriate department & lookup vacant positions to choose from. Send position # & osp account # to OSP
- If existing person and position #
 - Send position # and OSP account # to OSP

Charging Salaries RELATED FORMS

- Personnel/Payroll Activity Form ([PAF](#))
- Effort Form (in "[ERS](#)")
- Request for Change of Payroll Charge-Journal Voucher ([PR-45](#))
- [Cost Transfer Justification Form](#) (if PR-45 is processed more than 30 days after PAR is certified)

EFFORT REPORTING KEY PRINCIPLES

- Effort is reported based on how an individual actually spent his or her time.
- The effort report is not simply a restatement of payroll history
- Effort must be consistently proposed and expended with the FTE amount of work reflecting the institutional "base" salary.
- 1 FTE (100%) means ALL institutional activities of an individual – not just what is supported on grant/contract activities
- Effort spent writing proposals or doing administrative tasks can not normally be charged to sponsored projects accounts

EFFORT REPORTING KEY PRINCIPLES

- Effort is reported monthly for classified staff and each semester for faculty/salaried employees
- Effort report is due within 30 days of reporting period
- Failure to certify in a timely manner will result in charged salaries being moved off of the grant account
- Suitable means of verification is required to certify on behalf of a subordinate.
- Cost shared effort must be certified in the same way as effort charged on grants

Effort Reporting Key Principles

- Salary above the PHS salary cap should be identified as cost share and must be immediately moved off of a grant account after certification
- A late effort report is viewed the same way as no effort report by auditors (how do you remember what you were doing a year ago?)
- Revisions to effort certifications should not occur
- PR-45s to change payroll charges must be completed immediately after certification and no more than 30 days after certification

REMEMBER! Spending Award Funds: General Principles

- Allowable
- Allocable
- Reasonable
- Consistent

FREQUENT QUESTION # 9 Purchases on OSP Accounts

- Now that I have an account, how do I allocate costs of purchases to the project?
 - Purchase Orders for external vendors
 - Independent Contractor Agreement for Consultants
 - Purchasing Card for Project Supplies (allocate monthly)
 - Travel Claim forms for Travel
 - Facilities for construction, renovation & installations
 - Scholarship form for student support (not wages)
 - Tuition

Purchases on OSP Accounts

- Accounts Payable Office issues payments for Purchase Order/ Participant/Support/Subcontractors, etc.

FREQUENT QUESTION #10 Administrative Costs

- I thought I put administrative costs in my proposal budget but, when I try to charge office supplies, the costs are being rejected, why?
 - UNR's Cost Accounting Standards Disclosure requires all administrative (f&a) costs that are directly charged to a grant to be fully justified on an [QSPA-3 Administrative Costs Justification form](#) before these costs can be charged directly to a grant instead of as f&a.

FREQUENT QUESTION # 11 Subcontractors

- How do I get funds to subcontractors?
 - At the proposal stage a subcontractor must have been identified and OSP must have received a budget and scope of work for the identified subcontractor. (If info not there, OSP must obtain prior approval from the sponsor before it can issue the subagreement).
 - OSP will prepare, issue and negotiate the subagreement and prepare the PO to encumber funds.
 - OSP will send a copy of the agreement to the PI.
 - NOTE: OSP can not issue a subagreement from an account on MEMO status.

Spending Award Funds Subcontractors

- On a monthly, quarterly, or other basis, subcontractor will send invoices to UNR. PI must sign invoice verifying that all of sub's costs are allocable, allowable and reasonable and that work is progressing and all reports from subcontractor have been submitted in a sufficient manner.
- Approved Invoice is sent to Accounts Payable to pay subcontractor for work.

Not-So-Frequent Question #12 Program Income

- We developed some great training materials/software/videos/events etc. during this sponsored project and have been selling it or have charged for ticket/registration costs to outside entities. Is this a problem?
 - Any income of this nature received during the term of a federally funded grant or contract is considered "program income" and must be set up in a program income account and reported to the sponsor
 - Some sponsors allow program income to be added to the project, others state that program income will reduce the total amount of the project award. When the sponsor is silent, research projects are generally additive and service projects and contracts are generally treat it as delative.

FREQUENT QUESTION #13 PROJECT CHANGES

- I started work and realize I need to change things. What do I do next?
 - Expanded Authorities: GRANTS from the federal government often allow a certain level of flexibility to rebudget funds, carry forward money from one budget period to the next, get a 12 month no cost extension, incur 90 day pre-award costs, etc. so long as there is no significant change in scope of work or key personnel

Question #13 Project Changes

- Contracts and State/Private projects rarely have flexibility and all changes must have their prior written approval
- Change of PI, addition of a new subcontractor, purchase of equipment not already identified in a proposal or any change resulting in a change in scope of the project require prior approvals from the sponsor

QUESTION #13 Project Changes

- For changes not requiring prior sponsor approval, simply contact your OSP grant administrator via e-mail to request a no cost extension, pre-award costs, or other minor changes
- For budget revisions, fill out change in ADVANTAGE or fax budget revision form to OSP

QUESTION # 13 Project Changes

- For changes requiring prior sponsor approval:
 - PI drafts letter to sponsor requesting the change(s) addressed to both the program and contract/grant officer and forwards letter to OSP for countersignature prior to sending to sponsor.
 - After receiving sponsor approval, OSP will change budget/PI/Subcontractor/Supplemental funds/change in scope of work/Change or Absence of key personnel/Start or end dates as specified in the sponsor's approval communication.

Question # 14 Revising Grant/Contract Programs

- Internal change of department or college & Change, Absence, or Transfer of PI requires prior approval by the PI, department, college, OSP, and the sponsor. Please contact OSP to initiate the process (more on this subject in Module 5)

QUESTION #15 Getting the Money

- Once I have an award and an account number, the money is at UNR ready to spend, right?
 - No. A UNR OSP account is like an interest free loan from the University so PIs can work on their projects prior to receiving actual funds from the sponsor.
 - Most awards are provided as "cost reimbursable" awards. This means we spend the money first, then invoice for the funds, then draw down or receive checks for the amounts invoiced. Invoices are based on what shows up in the advantage financial system. Non-payment from a sponsor may result in the sponsor being suspended by OSP until all outstanding invoices are satisfied.

QUESTION #16 Invoicing & Financial Reporting

- Who is responsible for invoices and financial reports?
 - The PI/Dept. is responsible for ensuring costs are appropriately allocated to the right project in a timely manner so the financial system is up to date prior to invoicing & reporting
 - OSP is responsible for submitting the invoices & financial reports to sponsor
 - Sometimes, back-up financial information and/or interim progress reports are required with an invoice or financial report. OSP will work with the PI/Dept. on these types of projects.

QUESTION #17 Cost Share Tracking

- My NOA said that cost share was required on my project. How is this tracked & reported?
 - The PI/Dept./College is responsible for keeping track of cost share and must provide OSP backup for all costs claimed as cost share. OSP sends a monthly report to colleges showing all cost share requirements.
 - Cost Share should be reported monthly. Cost shared effort must be reported on effort forms in ERS.
 - Best Practice: Set up a separate cost share account for projects requiring cost share and track those costs separately within the financial system.

QUESTION #18 CLERICAL ERRORS

- I just realized that I charged the wrong project for a cost. How do I fix it?
 - See UNR's [cost transfer policy](#)
 - Journal Vouchers (within 90 days of the transaction & prior to project end date)
 - P-card (statements must be reviewed monthly and charges allocated each month)
 - PR-45s for salaries must occur within 30 days of effort certification and must concur with effort as certified.
 - After project end date, costs may be moved off of a sponsored project account, *but not on to one.*

QUESTION # 18 Clerical Errors

- JVs & PR-45s should not be processed:
 - To reduce overruns on other sponsored projects or institutional funds
 - For the purpose of utilizing unexpended balances
 - If the expenses are of no or insignificant direct benefit to the sponsored project
 - More than 30 days after effort certification or in amounts not reflected in an effort certification
 - More than 90 days after a transaction has occurred
 - After the end date of the project account (unless moving charges off of a sponsored account) or
 - For other reasons of convenience

QUESTION # 19

F&A Distribution

- How is F&A distributed to the PI, Chair and/or Dean?
 - F&A is charged based on total expenditures at end of each month and then distributed in accordance with the President's Memo & information on transmittal form. (see workshop #3 materials)
 - Distribution or account changes should be requested on OSP-5 form to OSP or via memo signed by all parties affected by the change.

FREQUENT QUESTION #20

Project Close-out

- I just got an e-mail from OSP telling me my project is ending in 60 days, what do I do now?
 - End Dates: Budget vs. Project vs. Closing Dates
 - Final Expenditures and Encumbrances
 - Reduction of Award to Expenditure and/or Revenue levels
 - Misc. Program Development Account for fixed price (minimum 75% expenditure rate expected).
 - Cost Share Requirement

Closing Sponsored Projects and Program Accounts

- Final Reports
 - Consumable Supplies, Equipment & Property, Patent and Invention, Technical, Financial, Deliverables
- Receipt of Final Revenues
- Audit
- Continue with module 5 for more information on close-out.

Module 4 Complete

Thank you



■ Sponsored Projects

■ University of Nevada, Reno

www.unr.edu/ospa