

Grants Administration Policies and Procedures

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1. BUDGET AND EXPENDITURE MONITORING PROCESS

a. Monitoring Responsibilities, Frequency, and Cost Overages/Overruns

The Principal Investigator (PI) or Program Director (PD) is responsible for controlling project-related expenditures. The PI/PD and the Office of Sponsored Research (OSR) are responsible for ensuring costs remain within the budget amount awarded by the sponsor, as well as adhering to any specific terms and conditions documented in the notice of grant award. OSR is responsible for grant accounting, including invoicing non-federal sponsors, preparing subcontract and other research agreement documents. Financial Services is responsible for federal drawdowns, preparing and submitting financial reports, and coordinating sponsored program audits.

OSR staff (one Director and two Assistant Directors) are given access to the grant account and have access to the detail provided in the General Ledger (G/L). As expenses are incurred by the PI/PD according to the approved budget line items, they are logged into an Excel spreadsheet by the OSR Assistant Directors (ADs). The OSR ADs track and monitor all costs charged to awards per the G/L in an Excel spreadsheet. At the close of each month, the OSR ADs conduct a monthly reconciliation comparing their Excel spreadsheet against the monthly report on spending pulled from the G/L and another monthly report prepared by Financial Services. When conducting monthly reconciliations, the OSR ADs ensure there is appropriate documentation for each expense, such as receipts, invoices, packing slips, etc. The OSR Director reviews the monthly reconciliations and backup documentation outlining the details of all costs charged to the award.

To facilitate the accurate and timely monitoring of the grant account, OSR ADs send each PI/PD a copy of the monthly reconciliation that outlines the current month's expenditures and cumulative grant expenditures versus the approved grant budget. The PI/PD is expected to review accordingly and any necessary corrections are to be directed back to the OSR ADs. Additionally, the OSR Director and ADs meet in person with each PI/PD and/or communicate via email on at least a quarterly basis to discuss plans for spending according to the goals of the project, the period of performance and the approved budget, as well as to discuss plans for spending. Upon request, the OSR ADs will send the PI/PD projections to assist them in ensuring that desired future expenditures are in line with the budget and on-track with project milestones.

All costs charged to awards are reviewed in detail by Financial Services and OSR. Additionally, a Grants Committee meeting with representatives from OSR, Financial Services, the Office of the Dean of the Faculty, and the Office of Advancement meet on a regular basis to review the spending, revenue and progress on a grant-by-grant basis.

Financial Services and OSR staff are responsible for identifying cost overages/overruns. Given that expenses cannot be charged to a grant without approval from OSR staff, if a pending charge should result in a line item overage/overrun, the PI/PD is consulted and a budget revision is discussed to ensure the modification would be 1) consistent with the applicable terms specified in the award and 2) necessary to achieve the programmatic objectives of the award. If a pending charge would result in an overrun in excess of the total funds available for the award, the transaction would not be processed or would be jointly coded for the overage from an unrestricted account (i.e., the PI/PD's departmental budget or indirect cost account); expenditures that exceed the awarded budget amount and charges for unallowable costs are prohibited.

b. The Four Guiding Cost Principles

Skidmore College’s grants and other sponsored agreements are generally subject to the federal Uniform Guidance standards, cost principles, and audit regulations. All grant awards shall comply with the terms and conditions stated in the award letter and/or contractual agreement documents.

These cost principles, in addition to sponsor-specific guidelines, are used in the proposal development (pre-award) phase, as well as during post-award grant administration. During the pre-award phase, the proposed budget is developed by the OSR ADs and the PI/PD in consultation with the OSR Director, and the budget details are reviewed and approved via signature by the OSR Director, Associate Dean of the Faculty, and Budget Director (along with other signatories) through the proposal routing process. This budget review process helps ensure that the award is spent accordingly in the post-award phase of the project.

To assist OSR staff in determining whether costs may be charged to a grant (or other sponsored agreement), the following four criteria are assessed:

Costs must be:

- a. *Reasonable* – necessary to perform the project, consistent with the way similar charges are handled, related to an action and/or in an amount deemed within the norms of business conduct (i.e., the “prudent person” test)
- b. *Allocable* – incurred solely to advance the work funded by the grant (or allocable to more than one grant or college activity in proportions that can be approximated using “reasonable” methods)
- c. *Consistent* – the cost must be treated in the same manner (i.e., as either a direct or indirect cost) when used in like circumstances
- d. *Allowable* – must not be designated as “unallowable” under federal cost principles (see Table 1 for the allowability of selected expenses), must adhere to agency-specific policies and award-specific terms and conditions; must follow college policies regarding the specific cost item

Table 1. Allowability of Selected Expenses

ITEM	DESCRIPTION
Alcoholic Beverages	Unallowable
Entertainment	Unallowable: This includes meals that aren’t eligible for reimbursement under Meetings and Conferences.
Foreign Travel	Depends: Many funding agencies require prior approval for or do not even allow foreign travel. If foreign travel is not specified in the awarded budget, check with Financial Services.
Meetings held at Skidmore	<p>Unallowable: “Lab group” meetings, even if you are disseminating technical information (unless the expense is included in the grant budget as part of activities that are consistent with the purpose of the grant).</p> <p>Allowable: In some circumstances grant funds may be used to cover the expenses for an outside expert who comes to Skidmore to learn or advise about the research or project. If this expense is included in the awarded budget, it’s generally allowable.</p>

Meetings, Conferences (includes meals, transportation, lodging)	<p>Allowable: The primary purpose of the meeting or your participation at the meeting must be “the dissemination of technical information” related to the project.</p> <p>Reimbursement for meeting expenses follows the same policies as reimbursement with college funds for similar purposes.</p>
Memberships	<p>Unallowable: Membership in civic, community, and social organizations.</p> <p>Unallowable as a direct cost: Institutional memberships. These expenses are built into the indirect rate.</p> <p>Depends: Membership in professional organizations. Grant funds may be used for professional memberships <u>only</u> if the expense is included in an approved budget or can be specifically allocated to the grant. If the membership is required in order to present grant-related research at the conference it is automatically allowable. If you can document that you need to be a member of the professional organization in order to conduct the research or carry out the project AND would not otherwise be a member, the membership may be an allowable expense; check with Financial Services.</p>
Office Supplies	<p>Unallowable: Unless the expense can be allocated to a specific grant and is justified as being a direct cost of the project and not routine college support.</p>
Professional Services	<p>Unallowable: Professional and consulting services rendered by employees of the college, except in certain specific situations, which should be explained in the awarded budget.</p>
Subscriptions	<p>Unallowable: Subscriptions to professional journals, because the expense can't be allocated specifically to one research project. Subscriptions are an expense built into the indirect cost (F&A) rate.</p> <p>Allowable: If you can document that you need the subscription in order to conduct the research or carry out the project AND would not otherwise subscribe, it may be allowable expense; check with Financial Services.</p>

c. Treatment of Unallowable Costs

Unallowable costs are identified by Financial Services and OSR staff through review of the Subpart E – Cost Principles of the Uniform Guidance, the applicable version of NSF Proposal and Award Policies and Procedures Guide (PAPPG), other relevant programmatic guidance documents, and through Grants Committee meetings. Unallowable direct and indirect costs are charged to an “A” account, or the College’s operating budget. In the event that an unallowable direct cost was charged in error to a federally-funded project and discovered during review, a cost transfer would be initiated to move the unallowable cost to the PI/PD’s department’s operating budget, the PI/PD’s indirect cost (IDC) account, or the PI/PD’s department’s indirect cost (IDC) account (all “A” accounts).

2. BUDGET REVISIONS

a. Pre-Award Budget Revisions (Negotiations)

In the event the sponsor wishes to support the project at a reduced or increased level of funding, the OSR Director will work with the PI/PD and sponsoring agency staff through a negotiations process. If the budget revision impacts the PI/PD’s compensation or grant-funded course buy-out, the revised budget, along with documentation outlining the sponsor’s request, will be forwarded to the Departmental Chair and Dean of the Faculty for review and approval. The revised budget will then be submitted to the sponsor and a copy sent to Financial Services and the Budget Director for their files.

b. Post-Award Budget Revisions (Reallocations, Re-budgeting)

As mentioned above, the PI/PD is responsible for controlling project-related expenditures. The PI/PD and OSR are responsible for ensuring costs remain within the budget amount awarded by the sponsor, adhering to any specific terms and conditions documented in the notice of grant award, and obtaining required approvals for budgetary changes.

Budget revisions are typically initiated by the PI/PD. However, if the PI/PD issues a requisition for an expense that exceeds the line item value in the budget, it is flagged by OSR staff and the PI/PD is contacted to discuss re-budgeting.

The most common budget revision requests are as follows:

- Re-budgeting within the approved budget lines;
- Re-budgeting to lines not in the original budget;
- Change in PI or other significant personnel or level of effort; and
- No-cost extension of the project period.

Budget revision requests are reviewed by OSR for compliance with both the sponsor and Uniform Guidance requirements; OSR staff refer to Research Terms and Conditions Appendix A Prior Approval Matrix

(https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix_a.pdf) to assist in determining which budget changes require the sponsor's prior approval. If a budget revision requires prior approval, all requests are submitted by OSR to the sponsor. No revisions requiring prior approval are implemented until approval from the sponsor has been received.

If the budget revision impacts the PI/PD's compensation or grant-funded course buy-out, the revised budget will be forwarded to the Departmental Chair and Dean of the Faculty for review and approval. The revised budget is then sent to Financial Services and the Budget Director.

On occasion a PI/PD will request a budget revision that is not approved internally. An example might be if the PI/PD wishes to reallocate summer salary to academic year compensation for a course buy-out, but the Department/Program Chair and Dean of the Faculty do not approve of the release time. The request would be denied (and the denial would occur prior to any requests for approval to the sponsor).

3. COST TRANSFERS

Skidmore College expects its faculty and staff, when dealing with federal or other sponsored programs, to comply with all government or sponsor rules and regulations regarding expenditures. Skidmore expects that costs be charged to the appropriate account when first incurred but understands that there are situations where it may be necessary to transfer expenditures to another account after the fact.

a. Initiating Cost Transfers

Through the grant account monitoring procedures described above, OSR staff may identify the need for a cost transfer, and in this event will notify the PI/PD that a request is being initiated. The PI/PD is also required, as described above, to monitor the grant account (via review of monthly reconciliations that outline the budgeted expenditures versus actuals

provided by OSR staff), and therefore may also initiate a cost transfer request.

b. Timing of Cost Transfers

Cost transfers should be initiated as soon as possible after the original transaction, preferably within 90 days of incurring the expense. If a particular sponsor's cost transfer policy is more restrictive than 90 days, the more restrictive policy applies. Financial Services is obligated to immediately remove or disallow incorrect charges made to any grant account, regardless of the time frame.

c. Documenting and Justifying Cost Transfers

The PI/PD should request a cost transfer in writing by e-mail to the OSR Director, including the following information:

- Amount
- Description of the charge
- Date of transaction
- Detailed explanation of the circumstances
- Accounts to move charge to/from

OSR staff may request more information if necessary and will make the determination (using Uniform Guidance cost principles) if the transfer is allowable and allocable. OSR then forwards the request to Financial Services for their review and approval.

Cost transfers can only be processed in the G/L by Financial Services. Cost transfers cannot be initiated and processed by the same individual.

4. GRANT FUND EXPENDITURE APPROVAL SYSTEM

Processes and procedures for grant fund expenditures are reviewed with the PI/PD at an initial post-award meeting with OSR staff. Through this meeting, the PI/PD is made aware of sponsored award terms and conditions, as well as institutional policies and procedures.

Skidmore College's grant awards must adhere to the sponsor-specific terms and conditions (as stated in the award letter and/or contractual agreements) as well as Skidmore's institutional policies and procedures, which can be found here:

1. Travel and Entertainment Policy:
https://www.skidmore.edu/financial_services/documents/SKIDMORECOLLEGETRAVELPOLICY.pdf
2. Department P-Card Policy:
https://www.skidmore.edu/financial_services/documents/P-CardPolicy.pdf
3. Business VISA Card Policy and Procedures:
https://www.skidmore.edu/financial_services/documents/Business-Visa-Card-Policy-and-Procedures.pdf
4. Purchasing Office Policy and Procedures:
https://www.skidmore.edu/purchasing/policies_and_procedures/index.php

a. Travel

The College's Travel and Entertainment Policy and Business VIA Card Policy and Procedures (see above) provide guidelines for the accounting and reporting of travel and other business expenses. The PI/PD should consult these policies for details regarding travel advances and expense reporting. In general, the College will reimburse for reasonable travel, meals, lodging and out-of-pocket expenses incurred in the transaction of College business.

Foreign travel may require additional approval, even when the funds for such travel were listed in the approved sponsored program budget. Except in extraordinary circumstances, all air transportation must be on a U.S. flag carrier.

In general, the quality of travel, accommodations, entertainment and related expenses should be governed by what is reasonable and appropriate to the purpose involved.

Travel advances and reimbursement of expenses must meet three requirements:

1. They must have paid or incurred deductible expenses while performing services as employees.
2. Travelers must provide a statement substantiating the amount, time, use and business purpose of expenses within a reasonable amount of time (not to exceed 60 days) after the expenses are incurred. Original detailed receipts must be attached to the statement.
3. Employees must return any advance amounts in excess of substantiated expenses within a reasonable period of time (not to exceed 60 days).

If an employee does not substantiate expenses and/or return any excess advance within a reasonable period of time (60 days), this amount must be treated as if it were paid under a non-accountable plan and must be treated as salary, subject to withholding, on the employee's Form W-2.

Cash Advances

- Cash Advance must be approved by supervisor, Director or Chair
- \$25 dollar minimum; over \$1,000 must be pre-approved by Vice President or Dean
- Request made on standard "Check Request Form" with purpose and dates of trip
- Cash obtainable up to \$250; otherwise check (Tuesday request issued Friday)
- Previous advances must be cleared before new advance is issued. Advances must be cleared within thirty-days after returning from your trip

Reimbursements

- Requests for reimbursement must be on a fully completed Travel Expense Report Form within thirty days upon returning from trip.
- Expense Reports require a breakdown of the business purpose and the exact amount and date of the expense and must be accompanied by original receipts for any expenses over \$25.00.
- Travel Expense Report must be approved by supervisor, Director or Chair responsible for the account to be charged.

5. SUBAWARDS

A subaward agreement is necessary when the sponsored project requires that another organization perform a significant portion of the work through the grant award. If not approved at the time of the award (as stated in the award letter budget detail or terms and conditions), then sponsor approval is required before Skidmore enters into a subaward agreement.

Subcontract Risk Assessment

Skidmore College completes a risk assessment for all new (proposed) subcontracts via a [Subrecipient Commitment Form](#). The Subrecipient Commitment Form is designed to collect information about each subrecipient named in Skidmore proposals at the proposal stage. The information provided on the Subrecipient Commitment Form helps OSR staff verify the eligibility of the subrecipient and that the information about the subrecipient contained in the proposal has been approved by the subrecipient's Authorized Organizational Representative (AOR).

If the proposal is funded, the information on the Subrecipient Commitment Form helps OSR staff conduct a risk assessment of the subrecipient prior to entering into a subaward agreement. The information on the Subrecipient Commitment Form is considered valid if the form is signed by the subrecipient's AOR within 12 months of the date of the Skidmore AOR's signature on the subaward agreement.

A subrecipient is not authorized to begin work until a subaward agreement has been fully executed by an authorized representative from Skidmore College and the subcontracting organization. Federal Regulations require additional FFATA reporting for subawards made from any Federal Grant, and the subcontracting process will require that the proposed subrecipient provide all information for the FFATA report.

Subcontract Monitoring

The performance of project-related activities for subrecipients is monitored by the PI/PD, to ensure the subrecipient is accomplishing the scope of work proposed, and is sufficiently completing project activities as required for the sponsored project. The PI/PD must review and approve all subrecipient invoices (requests for payment) and certify: 1) the invoice expenditure categories are reasonable and allowable; 2) expenditure categories fall within the subaward budget and statement of work; 3) required deliverables were received (e.g., progress reports, equipment, technical reports, etc.); and 4) progress to date is satisfactory. Once the PI/PD approves the invoice, the OSR Director reviews and approves the invoice for reimbursement, along with the PI/PD's approval and certification, prior to it being submitted to Accounts Payable for review and payment.

6. INTERIM REPORTS

If the sponsor requires submission of interim technical, financial, and invention reports, the type, form, and frequency of reports will be specified in the award letter. Failure to submit required reports can jeopardize future funding to the P/PDI or the College and can delay payment from the sponsor. Therefore, PI/PDs are required to submit required reports in a timely manner (i.e., by the sponsor-imposed due date).

a. Technical

Technical reports are the responsibility of the PI/PD. OSR staff and Financial Services ensure institutional compliance by monitoring the status of sponsored program grant award reports. When reports are due, the OSR Director will notify the PI/PD via email of the upcoming due date.

Sponsor guidelines must be followed for reporting, including the use of the sponsor's templates, forms, and format, as required. Failure to submit required reports by the report due date may affect payment or disbursement of grant funds, and may also jeopardize future funding to the PI/PD and/or the College. OSR staff are available to assist the PI/PD with the development of the technical report, including helping to address questions about the report requirements. The PI/PD should immediately contact OSR in the event a delay arises in completing the technical reporting requirements by the due date.

b. Financial

Financial reports will be prepared and submitted by Financial Services. In the event the sponsor requires additional detailed financial reporting information, Financial Services will contact OSR staff via email to request the additional information.

7. PROJECT TERMINATION AND CLOSE-OUT

Sponsored project awards are made to the College, not the individual PI/PD. When a PI/PD moves to another institution during the course of an award, Skidmore has the choice of nominating a substitute PI/PD or transferring the award to the new institution. In most cases, Skidmore supports transfer of the award and will cooperate fully in the transfer process so that the research may be continued with the least possible disruption.

However, sometimes it may be advisable to subcontract, rather than transfer, the remaining work to the new institution. The sponsor should be consulted for the specific process to follow.

A transferring faculty member may wish to take equipment purchased under a grant or contract to the new laboratory, and, under certain circumstances, may be able to do so. In fact, many sponsors, NSF and NIH in particular, prefer that equipment be moved with an active project and expect the College to cooperate fully in such a transfer.

PI/PDs wanting to transfer equipment, when title belongs to Skidmore, must discuss this issue with the Associate Dean of the Faculty and their Department Chair/Program Director. This will be followed by a formal approval process.

8. FINAL REPORTS

The College is usually required to submit final reports to the sponsor when a project is completed. The type of reports and the level of detail required will depend upon the sponsor and the terms of the award.

a. Technical

Technical reports are the responsibility of the PI/PD. OSR staff and Financial Services ensure institutional compliance by monitoring the status of sponsored program grant award reports. When reports are due, the OSR Director will notify the PI/PD via email of the

upcoming due date.

Sponsor guidelines must be followed for reporting, including the use of the sponsor's templates, forms, and format, as required. Failure to submit required reports by the report due date may affect payment or disbursement of grant funds, and may also jeopardize future funding to the PI/PD and/or the College. OSR staff are available to assist the PI/PD with the development of the technical report, including helping to address questions about the report requirements. The PI/PD should immediately contact OSR in the event a delay arises in completing the technical reporting requirements by the due date.

b. Financial

Financial reports will be prepared and submitted by Financial Services. In the event the sponsor requires additional detailed financial reporting information, Financial Services will contact OSR staff via email to request the additional information.

c. Invention Certifications

Final Invention Statements or Certifications may be required by the sponsor, as documented in the award terms and conditions. The PI/PD is responsible for initiating the completion of this form, in consultation with the OSR Director. Once the required information on the form is completed, the Signing Official (OSR Director) submits it to the sponsor according to the sponsor's project closeout procedures.

9. RECORD RETENTION

Most sponsors require the grantee to retain all files and documents for three years after the termination of the award and completion of an audit, or for five years if an audit has not occurred. If the sponsor requires a different retention period per the award terms and conditions or other relevant guidelines, Skidmore will comply and retain the records for the designated period of time.

Financial Services is responsible for retaining purchase orders, invoices, personnel files, payroll records, financial reports, and other official documents. OSR also retains copies of purchase orders, invoices, award notices, executed agreements, and monthly budget reconciliations. The PI/PD is responsible for maintaining all project data (as planned and stated in the project proposal's data management plan), technical reports, and any supporting documentation. Records can be stored electronically.