2. Award Set-Up
Pre-Award. In certain cases, a pre-award project may be set up when an executed award is not yet in place. Appropriate approvals are required.

The following information is expected to be maintained for each award during the life of the award:

- Notice of Grant Award (NGA): A legal document that notifies the grantee a proposal has been awarded which includes all terms and conditions of the award, and obligates funding by the sponsor. The NGA specifies special requirements, deliverables, and disposition of remaining balances.
- Grant Award Summary: A form issued by ORA indicating award begin and end dates, budget, cost sharing, program income, and other criteria award information, including the new project number.
- Copy of subawards. See APM 60.35 Establishing an Award for details.

3. Operations During the Award
The PI should work with the FA to:
- Plan that all important grant dates and activities are met. These include competitive renewal, progress report due dates, and other deliverables.
- Monitor expenses on awards and discuss issues with the FA on a monthly basis to avoid unnecessary cost transfers, such as costs added within the last 90 days of the award. Such adjustments are scrutinized in an audit and can be disallowed.
- Make timely transfers to appropriate sources for unallowable costs.
- Monitor award budget to avoid deficit spending.
- Maintain written documentation of all expenditures directly charged to the award demonstrating:
  - Authorization by the PI or delegate.
  - Expenditures are allowable, allocable, and reasonable.
  - Track and make sure committed cost sharing requirements are met.
  - Review and approve changes to the award. The following require prior approval from the sponsor and should be coordinated with ORA:
    a) Change in the scope or direction;
    b) Absence of the PI or key personnel for more than three months;
    c) Significant changes in PI and/or key personnel effort; and
    d) Significant re-budgeting of funds. Consider the need for a no-cost time extension from the sponsor if work is not completed within the period of availability.

4. Award Closeout and Reporting
To prepare for award closeout and reporting, the PI should work with the FA and the ORA to ensure the following:
- All costs are allowable, allocable, reasonable, and within the period of availability.
- The notices of award closings are timely reviewed. These are provided at 60 and 30 days prior to the scheduled end of the award.
- Documentation exists for all costs. All invoices and deliverables are received from subcontractors.
- New Payroll Action Forms are processed, all purchase orders and requisitions are closed, funding sources for systems are changed, and all F-22 charges are posted.
- Cost sharing requirements are met.
- Final reports, including technical and financial reports, are submitted.
- Copies of the final technical report are provided by the PI to the ORA.
- The PI needs to certify all costs charged to the award. See APM 60.07.01 Allowable Costs and Cost Principles and APM 60.20 Award Closeout for details.

Award Terms and General Concepts
All awards are made to “The Curators of the University of Missouri.”

Approved Signer or Authorization Official - The ORA is the designer for UMSL to approve all awards. Authorization on an award is:
- Committed the University to be accountable for the appropriate use of funds awarded and the performance of the project or activities resulting from the award.
- Attests that all information contained in the proposal is accurate, complete, and in conformity with sponsor and University requirements.

OMB - Office of Management and Budget. Federal agency that ensures federal monies are spent in accordance with federal regulations.

Facilities & Administrative Costs (F&A) - Costs incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored award such as lab space, utilities, and other administrative costs. F&A costs are real costs to the University and are allocated to the award as a percentage of each direct expenditure.

Direct Costs
Direct costs are identified specifically with a particular award. Direct costs must be:
- Allowable - directly related to the performance and permitted under the terms of an award and OMB Circulars.
- Allocable - incurred specifically for the program or for several activities and can be distributed between them in reasonable proportion to benefits received, and is clearly necessary to the program.
- Reasonable - necessary for the performance of the award.
- Timely and within the period of availability.
- In conformity with any limitations or exclusions in the sponsor agreement.
- Should be charged correctly the first time to avoid unnecessary cost transfers.

Direct costs typically cannot include costs normally included in the University’s F&A cost rate (i.e. administrative staff salaries or utilities).

Effort Verification Reports (EVRs)
To be consistent with OMB Circular A-21, employees with payroll costs charged to an award are to comply with the following:
- Employee’s effort must reflect 100% of all University compensated activity, and is not based on a 40-hour workweek.
- Financial records must be updated timely via Payroll Correcting Entries (PCEs) if variances between paid salary and estimated effort exceed 5%.
- EVRs need to be verified by a person with direct knowledge or other means of verification that work was performed. The employee, PI, or other responsible official needs to sign the EVR indicating that the work was reviewed and the salary distribution is reasonable.
- Failure to complete an EVR correctly and timely could lead to unallowable costs and repayment to the sponsor. The PI’s department is responsible for repayment of any unallowable costs.

Modified Total Direct Cost (MTDC) - A commonly used expenditure base consisting of all salaries, wages, fringe benefits, materials, supplies, services, travel, and up to the first $25,000 of each subaward. MTDC generally excludes capital expenditures, charges for patient care, tuition remission, rental costs for off-site facilities, scholarships, and fellowships.
Cost Transfers

Cost transfers are the reallocation of costs directly charged to an award after the initial transaction has occurred.

- Cost transfers have to be directly related to the project and be:
  - Allowable, allocable, reasonable, and within the period of availability.
  - Clearly documented as to why the transfer was necessary.
  - Timely (no later than two months after original charge was incurred). Transfers not made timely require additional documentation and approvals.
- Cost transfers should never be used to:
  - Meet deficiencies caused by overruns in other awards or other funds, such as general operating.
  - Avoid restrictions imposed by law or by terms of the agreement.

See BPM 213 Correction of Income & Expense Items for details.

Cost Sharing

Cost sharing is the specific portion of awards not funded by the sponsor but borne by the University or a third party.

- Cost sharing offered voluntarily in the proposal needs to be provided by the University or third party and documented.
- Proposed cost sharing should have departmental authorization from an approved internal funding source.
- Cost sharing cannot include unallowable costs.
- Cost sharing on a federal project cannot be funded from another federal source, unless permission is granted in writing by the sponsor.
- Cost sharing cannot include costs benefiting another party organization performing part of the work.

See BPM 213 Correction of Income & Expense Items for details.

Subrecipient Monitoring

The University is required to monitor subrecipients - a third-party organization performing part of the University’s funded award.

- Subrecipients are subject to the same compliance requirements as the University.
- PIs have primary responsibility for review of invoices and ensuring subrecipient’s completion of programmatic activities and other deliverables.

See BPM 213 Correction of Income & Expense Items for details.

Other Requirements

Pls and FAs need to be familiar with the following additional requirements related to conducting sponsored activity:

- **Conflict of Interest**: Faculty are required to disclose potential conflicts of interest related to sponsored activity. See Conflict of Interest Policy and Requirements for Public Disclosure.
- **Research Misconduct**: Fabrication, falsification, or plagiarism in proposing, performing, or reporting research. See Collected Rules and Regulations, Chapter 420.
- **Authorship**: All individuals listed as authors should have made a substantial, direct, intellectual contribution to the work.

**Protocols and Approvals**:

Pls need to have the appropriate protocols and approvals for conducting activities before any work begins. The following may apply to a specific project:

- Human subjects (IRB)
- Animal subjects (IACUC)
- Radiation and Biosafety
- Export Controls
- Others as applicable

**Intellectual Property and Copyrights**: See Collected Rules and Regulations, Chapter 100.

**Record Retention**: Supporting documentation for expenditures charged to an award needs to be maintained by the department during and after the award period for three years from date of submission of final expenditures report.

References

- Accounting Policy Manual (APM)
- Business Policy Manual (BPM)
- Collected Rules and Regulations

Office of Research Administration (ORA)

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Reference Guide for Sponsored Programs

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Revised July 27, 2016

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