

Stephen F. Austin State University Grants and Contracts Procedures Manual (GCPM)

Adopted by SFA policy 8.3

PART 4 - Manage an Award

I. Manage a Project

- A. Award Process: Establish a fund, award orientation
- B. Budget Management: Banner funds, budget revisions, invoicing, cost transfers, insufficient funds/overruns
- C. Project and Budget Amendments
- D. Subawards, Participant Agreements, and Contracts for Services: Development, approval, and management
 - D.1 Contract Templates: Definition of each contract type and when to use
- E. Cost-sharing and Matching: Documenting expenses
- F. Personnel Policies and Procedures
- G. Effort Certification (Time and effort reporting)
- H. Technical Reports and Other Deliverables
- I. Program Income and Other Credits
- J. Sponsorship Acknowledgement, Disclaimers, and Disclosures
- K. Intellectual Property and Publications
- L. I'm leaving. Can I take my grant with me?

II. Project Close-out

- A. Close-out Procedures
- B. Disposition of Supplies, Materials, and Equipment
- C. Records Retention, Inquiries, and Audit Considerations

I. Manage a Project

A. Award Process: Establish fund, award orientation

Congratulations! You have been funded. How do you start your project?

Award documents take many forms depending upon the sponsor and project. ORSP is responsible for processing all award documents. Many documents require review and signature by the official institutional representative authorized to sign on behalf of the institution. At SFA, this is the President (or his designated representative).

Step # 1 - Complete and send to ORSP a Request to Establish a Banner Fund for grants and contracts.

Each new grant or contract must have its own fund and internal budget based on the sponsor-approved budget. ORSP processes all paperwork to set up an award at SFA.

A fund is set up only after ORSP receives the completed Request to Establish a Banner Fund for Grants and Contracts (REF) with the award document/notice and internal budget. ORSP then processes in conjunction with the Controller's Office.

If the sponsor-approved budget doesn't provide sufficient detail, submit a Budget Set-up and Revision Form (BUD) with the REF to ORSP. This form details allocation of the the award among Banner account codes (salaries, benefits, indirect costs, etc.), based on the terms of the award.

- Fund numbers for external grants and contracts begin with a "2" and range between 200000 and 269999. The first 5 digits of the fund number represent the grant number; the sixth digit is used to differentiate between single and multi-year budgets. An "R" in the second position denotes that the award is funded by the Recovery Act (ARRA).
- Unless otherwise specified on the REF, PIs/PDs are designated as the fund managers. Each PI/PD will have a unique 5-digit Banner organization number (ORG) assigned to them that is used for all external awards they manage. Departmental support staff also have access to grant funds in Banner in their departments.
- If a PI/PD has an award that includes cost-sharing, a cost-share org will usually be established for the PI/PD. These orgs are grant-specific, and the cost-share fund will either be "107600" or "150600."

Step # 2 - Attend Orientation (required for new PIs or complicated awards)

Next the PI/PD/grant and departmental staff attend an award orientation session conducted by ORSP. In this session, ORSP reviews the information specific to each award, such as:

- Terms and conditions of the award and other sponsor-specific requirements;
- General information about grant management;
- Budget and accounting procedures;
- Reporting requirements, including effort certification and sponsor-required technical reports;
- An overview of ORSP and other auxiliary services ; and
- Any additional, project-specific information.

The PI/PD should also attend Banner - Finance Overview for Accounty Managers to learn more about reviewing and monitoring their grant budget. Use myTraining in SSB to sign up.

New Award Orientation Grant Management Guide

Orientation may also be required whenever responsibilities for a project are transferred to a new PI/PD.

At the discretion of ORSP, an orientation session may not be held; this typically occurs if the project is an annual project the PI/PD receives and there are no major changes in managing the award.

Step #3 - Review the Responsibilities of the PI/PD

A PI/PD is strongly encouraged to maintain a financial "shadow budget", which allows independent tracking of grant expenditures and comparison of expenditures in grant-approved categories with expenditures in SFA's budget categories.

Shadow Budget Template

Interim or final financial reports are never completed by a PI/PD or submitted to a sponsor. The PI/PD should consult with ORSP and the Grants Accountant for assistance with budget management issues.

Step #4 - Start Your Project !

Once a fund has been established and the PI/PD has participated in orientation as required, ORSP sends an award email to the PI/PD (copying grant and departmental staff as requested). This email provides the grant FOP (fund, organization, program) number, copies of pertinent documents such as the award and internal budget, and ORSP contacts for grant management assistance.

B. Budget Management

- PI/PD Responsibilities for Budget Management
- Invoicing and Financial Reporting
- Budget Revisions
- Cost Transfers between Two or More Funds
- Insufficient Funds and Cost Overruns

PI/PD Responsibilities for Budget Management

Expenditures, including requisitions and payments, are made under the authority of the fund manager (PI/PD). Fund managers can access real-time details of their grant expenditure activity through the MySFA Banner Self-Service system. In addition, "grant inception to date" details can be viewed through Internet Native Banner (INB, form FRIGITD) or through SelfService (enter the grant number only). Normally, the person in a department who has purchasing authority can also view grant financial activity.

The PI/PD is responsible for the financial management of contracts or grant awards and is responsible for ensuring that all expenditures are directly related to the project, are necessary to meet project goals and objectives, and are approved by the funding agency.

Grant accountants and ORSP are NOT responsible for ensuring that expenditures are allowable, allocable, or reasonable. This is the direct responsibility of the PI or PD.

[Guidelines for the expenditure of university funds](#) (includes restricted grant funds).

Invoicing, Financial Reporting, and Contract Payments

Invoicing - All externally funded, restricted use, grant and contract invoicing and reconciliation is managed by the Controller's Office. The principal grant accountant, [Letitia Hamilton](#) (ext. 2250), is responsible for requesting payments from sponsors, reporting university matches based on information provided by the PI/PD and the Banner finance system, and preparing financial reports for sponsors.

Departments or individuals should never invoice sponsors. If a sponsor requires you concerning an invoice, refer them to Letitia Hamilton.

If you receive a check for an award, it should be promptly delivered to the Controller's Office. Award checks should be mailed to the address below:

Office of the Controller
PO Box 13035, SFA Station
Nacogdoches, Texas 75962

Financial reports are prepared and submitted by Controller's Office personnel to ensure accuracy. Please notify ORSP of requests for financial information that are in addition to those explicitly stated in the award document, or those that are part of a programmatic report, so that they can be processed in a timely manner.

Contract Payments - Effective August 1, 2011, all payments on grant-related contracts must be approved by the PI/PD. The process is initiated with the online Receiving Form for Purchase Orders. When the form is submitted, an e-mail will be generated to the PI/PD requesting payment approval by e-mail to Accounts Payable, along with an invoice if required by the contract.

Budget Revisions

Requests for budget transfers are made using the Revision Clearance Form (RCF). ORSP reviews these requests to confirm they are allowed in the terms and conditions of the award and/or sponsor guidelines. If the request meets the sponsor terms, ORSP completes a Budget Set-up and Revision Forms and forwards to the grants accountant in the Controller's Office to be entered into the Banner finance system. ORSP electronically reviews and approves the update then the changes appear in the finance system. Copies of transaction records are maintained in the ORSP and grant accountant's project folders.

No changes will be made in the Banner finance system without ORSP and explicit or implied sponsor approval. No transfers will be made without a completed and signed Budget Set-up and Revision Form.

For more information on budget revisions, see Project and Budget Amendments.

Expenditure (Cost) Transfers between Two or More Funds

Expenditure transfers between funds move recorded expenditures from one fund to another. The transfer may be between a grant fund and a departmental operating fund, or between two different but interrelated grant funds. Initial charges to an account, such as interdepartmental transfers (IDTs), are not considered cost transfers although they must still be documented, allowable costs.

Costs should be initially charged to the appropriate fund. The PI/PD (fund manager) can reduce the need for cost transfers by the regular review and reconciliation of grant accounts. Only allowable and allocable costs should be charged to a fund. Should a cost transfer be required, the following process should be followed:

Grant Expenditure Transfer Requests and Time Lines

- All cost transfer requests must be made using the Expenditure Transfer Request Form (CTR). Detailed justification for the transfer is required, in addition to any relevant and supportive documentation (award documents, pre-award authorizations, travel records, etc.).

- Signatures of the appropriate fund managers involved in the transfer(s) are required. Completed forms are submitted to ORSP.
- Transfer requests should be made within 90 calendar days after the transaction was posted to the finance system or within 60 calendar days from the project end date. In addition, ORSP and/or the Controller's Office may initiate cost transfers if an inappropriate charge is discovered. Late transfer requests will only be processed in extenuating circumstances, which does not include the absence of the PI/PD or other fund manager.
- Transfer requests that rectify postings to departmental or other grant funds due to delays in the execution of a grant agreement or receipt of a notice of award may exceed the 90 day limit, but should be completed within 30 days of receipt by ORSP of the delayed award notice.
- Errors in original charges will be corrected regardless of the timing, but a justification for the lateness of the change request is required. All improper costs must be removed from the grant fund.
- Expenditure transfers within the University's fiscal year should be requested **no later than August 1** of the fiscal year. Under unusual circumstances, cost transfers that involve departmental accounts and that cross the University's fiscal year may be approved up to 30 days after the end of the fiscal year.
- Salary cost transfers should be avoided by the timely processing of Electronic Personnel Action Forms (EPAFs) that distribute salary charges that reflect a reasonable distribution of the employee's effort.
- In the event that salary cost transfers are unavoidable (see section G. on Effort Certification and Reporting), they must be processed within 90 calendar days from the date the charge was posted. Salary adjustments should be completed **BEFORE** effort is certified in the Banner Self-Service system. Retroactive effort certifications require extensive justification.

Review and Processing Procedures

- Grant Expenditure Transfer Request forms that do not include an adequate justification for the request will not be processed and will be returned to the PI/PD for further explanation and/or documentation.
- Upon receipt of the CTR, ORSP will verify that the charges to be transferred are allowable and allocable to the award. Requests that are unallowable under the terms of the award will be returned to the PI/PD who may be required to designate an alternate fund for the transfer.
- If approved by ORSP, the CTR will be sent to the Controller's Office for review. If the Controller's Office approves, the appropriate changes will be entered into the finance system.

- Frequent and consistently late requests for transfers may result in reports to the proper administrative officials (chair, dean, provost, etc.).

Allowable Cost Transfers (see Federal 2 CFR 200.302 or OMB Circular A-21, C.)

Allowable cost transfers may include:

- Adjustments for erroneous charges and to properly allocate charges to sponsored agreements, such as correcting clerical errors.
- Requests for payroll transfers that involve salary and benefits adjustments. For state and federally funded awards, these transfers directly affect effort certifications; therefore, payroll transfers should be avoided whenever possible by the timely processing of EPAFs.
- Charges to active grant funds when the continuation of an existing award is anticipated (such as multi-year awards with pending grant award notices).
- Sponsor-approved pre-award costs with documentation that an award is forthcoming, although a pre-award grant-specific fund is preferred to pre-award cost transfers.
- Late awards or delayed Banner fund set-ups where delayed charges would negatively affect project outcomes.
- Moving charges from one interrelated project to another, provided that the charge could have appropriately been charged initially to the other grant, and the explanation provided with the CTR clearly justifies why the two projects are related (mutually beneficial).

Some transfers that are never allowable include:

- Using unexpended grant funds to pay for activities conducted for another grant award.
- Alleviating an over expenditure (overrun) on another grant fund, unless directly interrelated. See the next section for more information on cost overruns.
- Circumventing award restrictions by moving the charge to another grant fund.
- Moving charges only for convenience, including moving charges from one grant fund to free up funds in another grant.
- Shifting charges that should be charged to an agreement from a non-federal sponsor to an agreement from a federal sponsor.

Quick Reference Guide: Allowable and Allocable Costs

[Guidelines for the expenditure of university funds](#) (includes restricted grant funds).

Insufficient Funds and Cost Overruns

Insufficient Funds result when a PI/PD attempts to place a purchase requisition, purchase order, or other charge against a FOAP (fund, org, account, program) when there are insufficient funds in the overall fund balance.

When ORSP receives e-mail notification that a purchase transaction is in the insufficient funds queue, ORSP investigates the reason for the alert. After review of the Banner FOP, the grant budget, award documents, expenditures and financial commitments, ORSP will contact the PI/PD or appropriate staff to initiate appropriate actions if needed.

Although a sponsor may allow some flexibility in expenditures among approved budget categories, such overages at the account level (travel, personnel, O&M, etc.) within a grant fund must be adjusted. This is accomplished by the PI/PD using the budget revision process. All account-level overages should be reconciled before the end of the project term.

Cost Overruns result when the amount charged to a grant fund exceeds the available balance. This results in an insufficient funds alert in the finance system.

- Cost overruns that are the result of inappropriate charges must be removed from the grant fund using the Cost Transfers between Two or More Funds procedure detailed above.
 - Cost overruns occurring because charges were incurred after the end of the award term must be removed from the grant fund using the Cost Transfers between Two or More Funds procedure detailed above.
 - Cost overruns will be transferred to the appropriate fund by the Controller's Office.
 - Cost overruns are not to be charged to another grant fund unless directly interrelated.
 - Cost overruns on expired projects should be cleared within six months of the project end date so that the fund can be closed. If necessary, the Controller's Office will initiate transfers from an expired grant fund to a departmental fund through the PIs/PDs chair and dean using the Cost Transfers between Two or More Funds procedure.
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C. Project and Budget Amendments

- **A Revision Clearance Form (RCF) is required for all budget and project revisions.**
- **All requests to sponsors for budget and project revisions must be submitted by ORSP** unless specific, prior arrangements have been made with ORSP and the proposed revision has been reviewed and approved by ORSP staff.

Changes in Contracts - All changes to contract terms must be processed as formal amendments. Amendments are developed by ORSP and processed through General Counsel before they are signed by the President.

No Cost Extensions (NCE) - A sponsor may approve a NCE for a PI/PD to extend the work period without additional funding. Some federal sponsors require notification for the allowable, automatic one-year extension; others may require that SFA apply for the extension and justify any budget carry-over into the extension period. Contract extensions typically require an amendment (see above). Federal and state sponsors do not allow a NCE simply to spend any remaining budget funds.

NCE requests are time sensitive and procedures vary by sponsor. Please contact ORSP as soon as you anticipate that you will need a no-cost extension. Prior to the end of your award, ORSP typically sends a Notice of Sponsored Project End Date form that you can return to inform ORSP of your intentions.

Changes in a Project Budget - Budget changes include an increase or reduction in project budgets, changes in the award total, indirect costs, or cost-sharing/matching commitments. These changes will be reflected in your project Banner fund following the procedures outlined in section B, above. If the budget change is outside of limits established by the sponsor or is not in a sponsor-approved budget category, ORSP will request sponsor approval.

- If you want to revise your budget and the sponsor guidelines allow, you will need to request your revisions by submitting the Revision Clearance Form (RCF). The Budget Set-up and Revision Form (BUD) is also required for multiple or complex account changes.
- ALL budget changes that move funds from one account category to another must be submitted in this manner so they can be entered into the Banner accounting system. Changes will not be made without prior approval of ORSP. ORSP will not approve a change that is not explicitly or inferentially approved by the sponsor.
- If you have questions about what is allowed, please refer to your award document, sponsor policies for budget amendments, and/or contact ORSP or the Grants Accountant for assistance.

- Some budget changes do not require prior sponsor approval and these are generally noted in the award document; however, ORSP still must be notified of the changes with a RCF in order for the Banner fund to be updated.
- In most cases, if sponsor approval is required for a budget change, the PI/PD is responsible for requesting that ORSP submit to the sponsor a formal request in writing, either by e-mail or by formal budget amendments as required by the individual sponsor.

Supplemental Funds Request - Requests for additional funding on an existing project are processed through ORSP either as an amendment (using an REF to request) or as a new proposal (using a PCF). Contact ORSP who will counsel you as to the other documentation required (may include revised budget, statement of work for the additional effort, updated certification for all compliance issues, etc.).

Changes in Project Scope - Any substantive change in a project's scope generally requires prior sponsor approval and must be approved through ORSP as a formal project revision. Please submit the RCF, attach your amendment, and submit to ORSP with the appropriate signatures.

Changes in Project Personnel - In most instances, changes in key project personnel must be approved by the sponsoring agency. This includes changing the PI/PD or co-PI/PD, reducing the time of the PI/PD on the project by 25% or more, or the absence of the PI/PD for more than three months.

NOTE: When the PI/PD (or co-PI/PD) is changed, a PI/PD Transfer of Project Responsibility (PTR) form and a Revision Clearance Form (RCF) are required. The PTR form is used to acknowledge the transfer of responsibilities for a sponsored project from one PI/PD to another and includes required federal disclosures.

A Financial Conflict of Interest Disclosure is also required for all federal and federal pass-through awards. Disclosures that need to be made after the initial application stage are made using the Financial Conflict of Interest Status Change Form (FCOI).

The PTR form does not substitute for formal requests or notifications required by a sponsor for any change in PI/PD. Contact ORSP to confirm appropriate procedures for a specific award/sponsor.

The new PI/PD will be required to attend a project orientation session with ORSP staff.

Federal Projects: When Sponsor Approval is Required - (2 CFR 200.308, OMB Circular [A-110](#), C.25)

- Change in the scope or objective of the program (even without an associated budget revision);

- Change in a key person specified in the application or award document;
- The absence of more than three months, or a 25% reduction in the time devoted to the project, by the PI/PD;
- The need for additional federal funding;
- The transfer of amounts budgeted for indirect costs (IDC) to absorb increases in direct costs;
- The transfer of amounts budgeted for direct costs to absorb increases in indirect costs;
- The transfer of funds allotted for training allowances (direct payment to trainees, which includes scholarships and stipends) to other categories of expense;
- Subawards and subcontracts not approved in the application; and
- The inclusion of costs that require prior approval (such as capital equipment, furniture, etc.).

There are other instances when sponsor approval may be required, which may be detailed in specific contract or grant award provisions. Others do not, but may require that the sponsor be notified (e.g., Expanded Authorities, EDGAR, US Department of Education). Please contact ORSP if you have any questions.

D. Subawards, Participant Agreements, and Contracts for Services: Development, approval, and management

In order to pay any entity (individual, organization, educational institution, etc.) not employed by SFA, an executed contract must be on file before the work is performed.

A completed W-9 form must be on file before executing a contract. Send the contractor the W-9 form found on [Procurement website](#) and return a copy to ORSP.

Before contracts, subcontracts, subawards, consulting agreements, interagency, interlocal, cooperative agreements, or other forms of contractual agreements between SFA and another entity can be fully executed, they **must be**:

- Reviewed by ORSP;
- Reviewed by General Counsel (ORSP will route); and
- Signed by the President or designee (ORSP will route).

If the contract represents the entire proposal, a Proposal Clearance Form (PCF) also must be submitted to ORSP in addition to the following items:

- A final budget;
- A final or final draft of the contract; and
- Required departmental and college signatures on the PCF and the contract, if any.

To ensure that there is sufficient time for legal review and to obtain the President's signature, please submit the contract (and PCF as required) to ORSP at least two weeks before the start date of the contract. More time may be required if the other party requires legal review of the contract on their end.

D.1. Contract Templates - *See the Forms page for all contract templates.* To assist in the development of contracts to subawardees, consultants and other vendors, and program participants from SFA, ORSP, in consultation with General Counsel, developed several contract templates. You may either use the template and update the sections in red and submit to ORSP, or contact Jennifer Hanlon for assistance.

ALL contracted REVISED September 2017. *See the Forms page for templates.*

Subaward/Subcontract Templates

- *Federal Subaward Agreement* - Use when SFA receives a federal award and is making a subaward to another institution to perform a substantial portion of the work; the subaward agency is typically involved in management aspects of the overall grant and/or assisting in developing the project.
- *State Subaward Agreement* - Use when SFA receives and state award and is contracting with another state agency as a subrecipient (modified Interagency Cooperation Agreement)

Vendor Contracts

- *Interagency Cooperation Agreement* - Use when SFA contracts with another state agency; SFA is the Receiving Agency. May also be revised for use when SFA as the Performing Agency.
- *Interlocal Cooperation Agreement* - Use when SFA contracts with a local government entity (city, county, etc.); SFA is the Receiving Agency. May also be revised for use when SFA as the Performing Agency.
- *Services Agreement (individuals or firms)* - Use when SFA contracts with non-government entities or individuals. Use correct Banner Account Code for the nature of the work: Consultants (evaluators,

advisors) - 772400; Guest lecturers (workshops, presenters) - 772520; Other professional services (mentors) - 772530; Info tech services - 772750

- Sample Travel Invoice For easier contractor invoicing, ask your contractor to use this travel invoice with any of the above contracts.
- Web Site Development Agreement (individuals or firms) *Info tech services (web developers) – 772750
- Participant Agreement (stipends and travel) - Use when SFA needs to make payment to an individual who participates in the grant work and receives a tangible benefit from participation. Banner Account Code 772991

Contract Amendment Template Use to make changes to an existing contract.

You may use these templates to develop draft contracts that can be sent electronically to ORSP for administrative review and signatures, complete the Contract Request Form and submit to ORSP (best for subawards and complicated contracts) or email Jennifer Hanlon to assist you.

- ALL contracts shall have the signature of the President - ONLY the President or his designee can sign agreements on behalf of SFA;
- ALL should include contact information for SFA and the contractor.

For SFA, the contact for contractual matters is:

Jennifer Hanlon, Interim Director
Office of Research and Sponsored Programs
P.O. Box 13024, SFA Station
Nacogdoches, Texas 75962

In order for ORSP to provide you with timely and accurate contracts, please provide the following information at least 14 days in advance of the work to be performed. For agreements with other government and educational institutions, please submit information 30-days in advance as these institutions typically need time to have their legal counsel review the contract terms. If any negotiations need to occur, more time will be needed for ORSP and General Counsel to work with the entity.

If the individual has or will reach \$25,000 over the lifetime of all contracts with SFA, a major consulting contract request may be required. Please allow an additional 45 days for this request to be processed by General Counsel.

Regardless of the source or purpose, no contracts or other binding agreements shall be executed without the signature of the President or delegated authority. Only the President has the authority to make commitments for the University.

Contract Management Responsibilities of the PI/PD

The PI/PD is also responsible for the effective management of all awards to SFA in the form of a contract. In addition, a PI/PD is responsible for the effective management of grant-related contracts from SFA to a subawardee, consultant, vendor, and participant. These management responsibilities include:

- submission of purchase requisitions and purchase orders for payments;
- receipt, review, and acceptance of invoices; and
- monitoring of contract activities.

Subawardee Certifications - Subawards and subcontracts from federal sources (from SFA to other entities) may require completion of one or more subawardee certifications, such as (1) OMB A-133 audit certification, (2) FFATA award data, and (3) the federal Subaward Certifications and Standard Terms and Conditions for the American Recovery and Reinvestment Act (ARRA). In addition, if SFA is the recipient of a subaward, similar certifications may be required. Contact ORSP if you have any questions about these subaward/subcontract requirements. Federal subawards are governed by **2 CFR 200.330-332**.

ORSP requires subawardee certification at the pre-award stage. Additional post-award certifications may also be required.

Ten Issues to consider when developing contracts

Quick Reference Guide: Navigating Contracts

E. Cost-sharing and Matching: Documenting expenses

Federal and state regulations dictate the following:

- Federal projects can only be cost-shared with non-federal funds.
- Only allowable costs may be cost-shared. If the expenditure could not have been charged to the grant, then it cannot be used as cost-share.
- The same funds cannot be used to match more than one project.
- Cost-share funds are a commitment and are included in the budget submitted to the sponsor.

- Cost-share commitments must be documented and reported to the sponsor, typically as part of the invoicing/financial reporting process.

Documentation for cost-sharing and matching should demonstrate that the expenditure:

- Is verifiable from the SFA's records.
- Is incurred during the period of performance of the award.
- Is not included as a contribution for any other project or program.
- Is necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- Is allowable under the applicable cost principles.
- Is not paid by the federal government under another award, except where authorized by federal statute to be used for cost-sharing or matching.
- Is included in the approved budget when required by the federal awarding agency.
- Is consistent with federal cost allocation principles (for example, cannot include costs recovered through facilities and administrative cost pools).

For more information on cost-sharing and matching, and to view a table of suggested cost-share and match categories and related documentation, see Part 3 of the GCPM. See also [2 CFR 200.306](#) for federal awards.

Quick Reference Guide: [Documenting Cost-sharing and Matching](#)

F. Personnel Policies and Procedures

The department of the employee is responsible for completing and routing all personnel forms, including those for grant-paid employees. Please initiate completion of appropriate forms with your department's administrative assistant or other appropriate personnel.

Electronic Personnel Action Form (EPAF)

An [EPAF](#) must be completed for all grant-paid and cost-shared SFA employees. There are several types of EPAFs that are needed for grant-paid employees. These include:

- **Hire** (select from HIRE01-HIRE52): For new staff and student hires, select the correct category (e.g., exempt full-time staff, hourly non-exempt part-time staff, graduate assistant, etc.) hires. Be sure to use the correct grant FOAP.
- **Change - Grant and Cost Share Reassignment** (select CHNG51): For reassignments and transfers of faculty, staff, and students to grant projects (completed by the receiving department). Be sure to use the correct grant FOAP for each salary reassignment and the correct cost-share grant FOP for each cost-share reassignment.
- **Separation** (select from TERM01-TERM07): To end a job assignment (completed by the employing department).

Important tips:

- EPAFS must be completed BEFORE the employment or change start date.
- Add ORSP to the routing queue for all grant-paid/cost-shared personnel.
- Include the end date of the appointment on the grant in the comment section. This is important because the EPAF does not require an appointment end date.
- Complete a Separation EPAF for all employees WITHIN A WEEK of the end of employment.
- Graduate Assistants must be identified correctly on the EPAF based on their principal assignment (Research = GRA 670101; Admin. Asst = GAA 670103, Teaching = GTA 670090).
- Leave forms are used as needed for grant-paid staff employees.
- Do not use the Additional Pay (ACMP) EPAF categories for grant staff. At the current time, additional compensation cannot be initiated on an EPAF.
- Confirm that employee benefits (health insurance and retirement) and withholding (social security, workers compensation, unemployment compensation) were separately budgeted in the grant budget to ensure that EPAF amounts are accurate and the grant fund will not be overdrawn. See the section on Fringe Benefit Calculation for current rates.

Additional Compensation Request and Payment Forms

Additional compensation applies only to full-time employees. Payment for extra-duty services for a less-than-full-time employee goes on an EPAF. Note that an alternate payment method may be required for non-exempt (classified) staff eligible to earn time and one-half. Please contact ORSP for more information. See also Part 3.

Additional compensation must be outlined in the grant application, contract, and/or award document or otherwise approved in advance by all sponsors. ORSP will verify sponsor approval.

The Additional Compensation process is as follows:

- Complete the Human Resources [Authorization for Additional Compensation Services](#) form BEFORE work begins for all exempt positions that will be paid additional compensation from a grant, contract, or other sponsored agreement. Route with the ORSP Additional Compensation Verification (ACV) form and submit both to ORSP with all appropriate departmental and/or college signatures.
- Consider employee benefits when preparing additional compensation forms. Although withholding taxes and retirement will be withheld from the payment to the employee, the state match portion of retirement will be charged to the grant fund in addition to the additional compensation payment, as well as other benefit charges. See the section on Fringe Benefit Calculation for current rates.
- Complete and submit an [Authorization for Additional Compensation Payment](#) form to HR after work has been satisfactorily completed.

Human Resources Information and Forms

- [Employment Selection Procedures](#)
- [EPAF Resources](#)
- [Additional Compensation Forms](#)
- [Exit Forms & Information](#)

Please contact Human Resources, ext. 2304, if you have any questions about how to complete their forms.

Quick Reference Guide: Navigating Employment Forms

G. Effort Certification (Time and effort reporting)

Effort Certification Instructions

Certifying Your Effort in SSB

Certifying Another Persons Effort in SSB Instructions

What is effort and effort certification?

The term "effort" is defined as the activities, functions, or categories to which an employee directs time and energies, including instruction, sponsored projects, and departmental administration, and other effort devoted to sponsored projects for cost sharing. Effort certification reports confirm, on a best-estimate basis, the percentage distribution of effort for the period reported and serve to substantiate salary and wage charges or contributions to federal or state grants and contracts.

Effort refers only to base salary. Additional compensation is accounted for separately and IS NOT included in effort reports.

The effort certification report confirms that the charge made to the payroll system "reasonably reflects" each employee's activity. Significant deviations (+/- 5%) from payroll charges may require an adjustment to the payroll. An effort report requires the signature of the employee, Principal Investigator, Project Director, or other responsible official to confirm (certify) that the percentages allocated to each activity represent a reasonable estimate of the work performed.

- Effort is based on total time, not on a 40-hour workweek or percent of salary.
- Effort used as cost-sharing must be documented in the same fashion as if receiving salary from the grant or contract.
- Effort CANNOT exceed 100% - For example:
 - If you work a total of 20 hours a week and 10 hours is spent on grant activities, effort on the grant(s) is 50%.
 - If you work a total of 60 hours a week and 30 hours is spent on grant activities, effort on the grant(s) is still 50%.

View Effort Certification and Reporting PowerPoint (updated 6.29.18)

Who must certify effort?

Any person who is paid by or cost-shares any portion of base salary on state or federally funded grants or contracts must report effort expended on the project.

- Faculty and professional exempt staff must certify that the average, estimated effort on all activities over each academic term (fall, spring, and summer) for which effort is expended on a state or federal project matches the percentage salary split for the term. Effective spring 2011, effort is certified in Banner Self-Service.
- Non-exempt staff must certify that the average estimated effort on all activities over each month in which effort is expended on a state or federal project matches the percentage salary split for the month. Effective spring 2011, effort is certified in Banner Self-Service.

- Hourly paid staff and students report their actual time on all activities over each pay period in which effort is expended on a state or federal project. This is recorded and verified in the TimeClock Plus System and/or manual university time sheets.

Why must effort be reported?

Effort certification is required by SFA policy, and federal and state laws and regulations ([2 CFR 200.430](#), [OMB Circular A-21](#), Texas Governor's Office, [Uniform Grant Management Standards](#), and policy 8.1 (Effort Reporting and Certification for Sponsored Activities)).

Each grant or contract award budget and budget justification outlines employee time committed to that project. To document that the commitment was honored, SFA must maintain complete and accurate records of effort expended by employees paid from a grant or contract or contributed to a grant or contract as cost-sharing.

Principal investigators or project directors are responsible for ensuring that only legitimate expenses are charged to or contributed as cost-sharing to the grants and contracts.

Effort charges to any award must represent work done on that project only. It is inappropriate to charge time and effort from any other project or activity for any reason whatsoever.

Mandatory Training Requirements

SFA policy requires training in the effort certification process for employees, who directly certify effort for themselves and/or for employees that report to them, with payroll expenses charged to or contributed (cost-shared or matched) to externally funded grants, contracts, or other sponsored agreements subject to effort reporting requirements, and for departmental and other employees involved in the effort reporting process.

Beginning in February 2011, ORSP will provide and document training activities with refresher training offered whenever there are major changes in the effort reporting system or sponsor requirements.

Principal Investigators and Project Directors are responsible for ensuring that effort reports for persons paid/cost sharing on their respective grants are completed in a timely manner as specified by the effort certification email sent by ORSP, whether the PI/PD or the employee certifies the report.

Effort Notification Process

During the initial grant setup process in Banner, ORSP sets up effort certification, and establishes a cost-share Banner fund to account for cost-shared salaries as applicable. Reports are generated for each employee paid by a grant or cost-sharing on a grant, and are available in Banner SelfService for either monthly certification (non-exempt staff) or by semester (faculty, exempt staff, graduate students). E-mail notification is sent to the employee for electronic approval and/or to the PI or PD, who is designated as the certifying official.

Persons actually working on the sponsored project or a responsible party with direct knowledge of the employee's activities should certify reports. If any changes are required after a report has been certified, these are requested and approved on the Expenditure Transfer Request (CTR) and the PI/PD must include a full and complete explanation for the revision.

Starting with the Fall 2013 reporting cycle, ORSP follows this notification procedure:

- Initial effort certification notice: When reports are available, ORSP sends faculty/staff an effort certification email with a deadline for certification
- 1st overdue notice: ORSP sends an overdue notice to the employee after the above deadline has passed and copies the employee's chair
- 2nd overdue notice: Two weeks after the 1st overdue notice, ORSP sends a 2nd notice to the employee and copies the employee's dean concerning any uncertified reports
- Provost notification: One week after the 2nd overdue notice is sent, the Provost/VPAA will be sent a list of all late effort reports

Changes and Corrections to Time and Effort Reports

It is important to report time and effort accurately to avoid the necessity of making retroactive corrections. Retroactive changes may be warranted when it is necessary to correct clerical and data entry errors, when subsequent information is received indicating an incorrect original entry, and/or when charges applicable to a continuing project have been charged to an old Banner fund number because the new fund was not established when the expense was incurred. (See also the expenditure transfer procedure.)

Retroactive changes and transfers will not be approved when sufficient reasons and explanation are not provided or when the changes or transfers violate the restrictions of an account.

For more information on effort certification requirements, training, and certification procedures, contact ORSP.

H. Technical Reports and Other Deliverables

The majority of externally funded projects require periodic reports such as progress reports and final reports. These reports allow the funding agency to see detailed progress and track any changes that the investigator might require during the project. Details on report deadlines are usually outlined in the signed agreement or at project director meetings held by the sponsor.

Federally funded projects typically require a final technical report within 90 days of the termination of the project and may also require interim progress reports.

PIs/PDs are reminded of the need to submit reports required under the terms of the awards they receive or obtain formal approval to submit them at a later date. Similarly, PIs/PDs must submit other deliverables according to the timetable established for the project, seek an extension, or formally explain why the deliverable cannot be provided.

Please submit a copy of the final project report (if less than 10 pages) to ORSP for our files either paper or via e-mail. Investigators with reports over 10 pages may submit an abstract of the report.

If you need assistance with technical reports, or if you need any financial information in connection with the report, please contact ORSP or Letitia Hamilton (hamiltonlg@sfasu.edu). Financial reports are NEVER submitted by project staff. They are always submitted by the Controller's Office or ORSP.

A Report Approval Form (RAF) is required for reports to external sponsors that require university certification or ORSP/Controller's Office submission.

The form should be completed and signed and returned to ORSP no later than 3 business days before report due date.

I. Program Income and Other Credits

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award and is reportable to the sponsor. Program income must be documented on federal and non-federally sponsored projects, which includes proper recognition of revenue and expenses within a Banner fund established specifically for the income.

Income that is not required to be reported to a sponsor or not directly connected to an award is considered sales and service income, which also requires a separate Banner fund for all deposits and expenditures. Contact ORSP to determine if income is reportable for a specific award.

Examples of program income may include:

- Fees for conferences or workshops funded by a project;
- Income from fees for services provided during the grant term (e.g., consulting, chemical analysis);
- The sale of products created under an award (e.g., maps, books, videos, curriculum guides, software, research materials);
- The use or rental of property acquired under an award (e.g., sale, rental or usage fees of equipment purchased with project funds); and
- Note that royalties related to patents and copyrights are generally not reportable as program income.

The treatment of program income is directly related to the nature of the original award (federal, non-federal, research, non-research), sponsor limitations if any (additive, match, or deductive), and the timing of the receipt of the income (during or after the award). Program income can only be used for allowable costs in accordance with applicable cost principles and/or sponsor guidelines.

Accounting of program income earned during the term of a project is as follows:

- Additive Method - Program income is added to the funds provided by the sponsor and are used to further eligible project objectives and activities. A Banner fund is established by ORSP for all program income deposits and related expenditures (suffix "P") and indirect costs are assessed on expenditures at the same rate as the project. At the end of the project term, IDC is assessed before the balance is transferred to a Fixed Price Residual fund for use by the PI/PD on project related activities.
- Matching Method - Program income is used for the non-sponsor share of a project with mandatory cost share as outlined in the project budget. A Banner fund is established by ORSP for all program income deposits and related expenditures (suffix "A") and indirect costs are assessed on expenditures at the same rate as the project. At the end of the project term, IDC is assessed before the balance is transferred to a Fixed Price Residual fund for use by the PI/PD on project related activities.
- Deductive Method - Program income is used to offset the total cost of the project thereby reducing the amount owed by the sponsor. A Banner fund is established by ORSP for all program income deposits and related expenditures (suffix "D") and indirect costs are assessed on expenditures at the same rate as the project. Coordination with the Grants Accountant is required to ensure that the sponsor is not overcharged.

Federal Awards - Unless otherwise specified, federal regulations require that program income funds be expended before sponsor funds and any funds remaining in the income fund at the termination of the project (and any no-cost extensions) will be returned to the sponsor. The manner in which income from federal projects is managed is determined by **2 CFR 200.307** (previously federal circular [OMB A-110, Section C.24](#)).

- Research - Unless otherwise specified in the award, the additive method applies.
- Non-research - Unless otherwise specified in the award, the deductive method applies and an amount equal to the program income is deducted from the total award.

Non-federal Awards - Income generated is handled according to sponsor guidelines and/or terms of the award. If the sponsor is silent on program income, the additive method is applied to the income.

If you anticipate any form of income from a sponsored project, complete a Program Income Notification Form. Contact ORSP if you have any questions about how program income should be handled. Although a department may invoice for program income, appropriate documentation must be kept with the project records for the appropriate retention period. All checks and other receipts, along with copies of invoices and purchase orders, should be forwarded to the Grants Accountant for deposit into the correct fund.

Also, unless stated otherwise in the terms and condition of a federal award, the recipient may keep program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. Patent and Trademark Amendments (35 U.S.C. 18) do apply to inventions made under federal awards.

J. Sponsorship Acknowledgement, Disclaimers, and Disclosures

All publications arising from work supported by the federal government must acknowledge support by the agency and award number, and provide a disclaimer that findings do not necessarily reflect the views of the awarding agency, and/or as provided for in the terms and conditions of the award.

Non-federal sponsors, in particular private foundations and corporate sponsors, may also have requirements for acknowledgments and/or disclaimers. Principal Investigators and Project Directors must review the terms of their awards to determine if the sponsor requires disclaimers or additional acknowledgments, and to determine if the sponsor requires any specific wording in the acknowledgement.

For any research project funded by an external source, the state of Texas now "requires the public disclosure of sponsors of research in any public communication, including both oral and written publications" (House Bill 1295, effective 9/1/2015). See SFA's Disclosure Guidelines for further details.

K. Intellectual Property and Publications

The University encourages participation by faculty, staff and students in scholarly research and creative activities that support and enhance teaching in its classrooms and laboratories.

While research conducted at SFA is aimed at discovery and dissemination of knowledge rather than profit from commercial application, the SFA Board of Regents (BOR) recognizes that questions regarding intellectual property rights may arise from such activities. The BOR seeks to balance the interests of the public, the University and the inventor, author, or creator in intellectual property arising from research and creative activities conducted by employees of the University. The BOR further seeks to ensure that inventions, discoveries and creative works are used and controlled in an efficient and prudent manner which will result in maximum benefit to the public, the University and the inventor, author, or creator.

Contracts must be reviewed by the University's General Counsel for intellectual property and confidentiality clauses before they are forwarded to the President for signature.

For more information, see SFA policy 9.4, Intellectual Property.

L. I'm leaving SFA, can I take my grant with me?

Some awards can be transferred while others cannot. Since the award is made to SFA, transfer is not automatic. Contact your Dean and ORSP to determine if SFA should request that the award be transferred. Factors that impact this determination include the sponsor, the amount of work that remains, which university the GRAs will attend, among others.

Transferring a grant to another institution is a complicated process and requires proper timing to allow for the transfer and to allow for start-up at the new institution. This process requires coordination between ORSP and the grant office at the new institution. Both institutions must be involved in the transfer.

Some sponsors have specific forms which must be completed to obtain a transfer (e.g., NIH Relinquishing Interests Form, NSF Grant Transfer Form). Other sponsors may not have formal guidelines for transfers.

Transfer of Awards

There are general procedures that need to be followed at SFA to prepare for a transfer. Please note the following steps in preparing for a grant transfer:

- First, select an arbitrary expiration date for your project. You may need to submit non-competing continuations for the next year's funds through your new institution.
- In order to relinquish the project, the Controller's Office must be able to determine the residual funds remaining after all SFA obligations have cleared. It takes at least 60 days after the expiration date to obtain this information.
- Have your new institution's research and sponsored programs office contact ORSP, or provide us with contact information, so we can coordinate transfer of the award.
- If you purchased equipment, have been approved to take the grant with you, and want to take equipment purchased by the sponsor for this specific grant activity with you when you move, you must obtain prior, written approval from the sponsor, your Chair, Dean, and the Vice President of Finance and Administration.

Please contact ORSP as soon as you know you are leaving so we can guide you through this process.

X. Project Close-out

A. Close-out Procedures

When a grant or contract is nearing completion, it is the responsibility of the Principal Investigator or Project Director to ensure that steps are taken for close-out that are required by SFA and the sponsor.

Federal award close-out is governed by **2 CFR 200.343**. In general, all program and financial reports must be submitted to the sponsor within 90 days of the end of the project period,

The PI/PD must take the following actions:

- For personnel paid or cost-shared from a sponsored project, contact your administrative assistant to submit termination or change EPAFs within one week of the end of the employee's appointment or the end of the project (whichever comes first).
- Review and clear outstanding encumbrances, including P-Card encumbrances, standing purchase orders, and encumbrances for subawards and contracts.
- Correct overdrawn Banner accounts and correct fund overages by submitting an expenditure transfer request within the designated time frame.
- Submit all technical reports to the sponsor and verify that they have been accepted by the sponsor.
- Verify all required time and effort records are complete.
- Complete any additional forms or reports required by the sponsor (e.g., disposition of equipment).

ORSP/Controller's Office must take the following actions, in conjunction with the PI/PD as needed:

- Follow sponsor instructions for positive fund balances after conclusion of the project (either return funds to sponsor or facilitate transfer to appropriate fund).
- Ensure all financial reports have been submitted and accepted by the sponsor.
- Verify official project close-out or release by the sponsor.

Before the end of each project, ORSP typically sends a Notice of Project End Date (NOPED) and may conduct a close-out Technical Assistance Desk Review (TADR) to identify areas in the project that may need to be addressed. The review includes assessing whether grant funds appear to have been expended according to the sponsor approved budget, project amendments were processed appropriately, reports were filed in a timely manner, etc.

B. Disposition of Supplies, Materials, and Equipment

In general, at the conclusion of a project supplies and materials purchased with grant funds remain the property of the department and/or college that received the funding. For federally funded projects, the first priority for the use of these items is other federally sponsored projects at SFA. Federal property standards are governed by **2 CFR 200.310 - 200.316**.

Inventoried equipment (of any value, capital and controlled) remains the property of the University and usually stays in the department and/or college that received the funding, unless otherwise provided for in the award document or sponsor policies. Some federal and state sponsors include very specific

requirements for the accounting of, and possible return of, inventoried equipment purchased with grant funds.

It is the responsibility of the PI/PD to know and understand the policies and procedures required for their individual projects and to record the transfer or disposition of any items for audit purposes. Contact ORSP for assistance.

C. Records Retention, Inquiries, and Audit Considerations

Records Retention

It is the responsibility of the Principal Investigator or Project Director to ensure that project or program records are maintained for the time specified by the sponsor. Records should be clearly marked with the contents and the disposition date. The best location to keep grant records is in a departmental storage area to ensure that they are not misplaced if a faculty member leaves the employment of SFA.

As of September 1, 2015, the records retention requirements of the State of Texas state that all contracts (including grant awards) must be kept for seven years after the contract expires. The language as added by Acts 2015, 84th Leg., R.S., Ch. 326 ([S.B. 20](#)), Sec. 3, eff. September 1, 2015 is below:

Sec. 441.1855. RETENTION OF CONTRACT AND RELATED DOCUMENTS BY STATE AGENCIES. Notwithstanding Section [441.185](#) or [441.187](#), a state agency:

- (1) shall retain in its records each contract entered into by the state agency and all contract solicitation documents related to the contract; and
- (2) may destroy the contract and documents only after the seventh anniversary of the date:
 - (A) the contract is completed or expires; or
 - (B) all issues that arise from any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving the contract or documents are resolved.

This seven-year time frame should meet or exceed any federal records retention requirement as governed by [2 CFR 200.333](#).

Please work with ORSP to ensure that records are kept for the length of time required by a specific sponsor for a specific award.

For more information on records retention requirements for grants see Grant Records Retention handout and for SFA in general, see [Records Management](#).

Inquiries

A Principal Investigator, Project Director, and any other grant personnel who receives a request for information from a sponsor, or any other person or entity, should immediately notify ORSP that an inquiry has been made, the nature of the inquiry, and the name, title, institution, and e-mail/phone number of the inquiring individual.

ORSP will in turn notify the Internal Auditor and/or the University's General Counsel, if warranted.

ALL inquiries and/or correspondence about an audit (formal or informal) must be directed to the Internal Auditor's office and to ORSP.

Audit Considerations

In conducting an audit of externally funded grants and contracts, auditors will look for documentation to verify the following:

- Conditions of the grant are being followed.
 - Matching funds have been received and cost-sharing commitments have been honored.
 - Personnel paid by grant funds actually worked on the grant and have payroll and effort certification records as documentation.
 - Faculty salaries paid from grants are consistent with limitations included in grant conditions, if any.
 - Equipment purchased with grant funds was specifically listed, pre-approved, actually needed to conduct grant activities, and actually used during conduct of grant activities.
 - Travel paid from grant funds is directly related to and supports grant activities.
 - Budget transfers in excess of those authorized by grant conditions received prior approval from the funding agency.
 - Sponsor, SFA, and ORSP policies and procedures are followed.
 - Project funds are expended for items included in the agency-approved budget.
 - Subrecipients are monitored to ensure compliance with agency regulations.
 - Changes are made to key project personnel, the project budget, key objectives, and/or subcontracts with prior agency approval.
-