

Part 2

Award Management



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Session 1: April 21st, 2016 Overview



- **PREAWARD STAGE**
 - Proposal development
 - Award Negotiation
 - Advance / Risk Accounts
- **AWARD INITIATION SET UP**
- **PERIOD OF PERFORMANCE (Part 1)**
 - General concepts
 - Review Strategies
 - Audit preparation



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Session 2: April 28th 2016 Overview

- **PERIOD OF PERFORMANCE (Part 2)**
 - Cost Transfers
 - Cost Sharing
 - Program Income
 - Sub-awards
- **AWARD CLOSEOUT**
 - Processing Costs
 - Final Financial Reports and Final Draw Downs
 - Managing Balances on Expiring Awards
 - No Cost Extensions



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Period of Performance

COST TRANSFERS



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Cost Transfers

General Expectation: Costs should be charged to the appropriate account at the time an expense is incurred. Cost transfers onto federal sponsored awards are always red flags but some transfers are higher risk than others



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Cost Transfers

What are some examples of **higher risk** transfers and **what's the risk?**



What **extra process steps** does your organization require for **managing** higher risk transfers?



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Managing Risk

The earlier the need for a cost transfer onto a federal sponsored award is identified and requested, the lower the risk related to that transfer and the more likely the transfer will be approved



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Cost Transfers

What **proactive** steps
can you take **to reduce**
the need for cost
transfers?



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Period of Performance

COST SHARING



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Cost sharing or matching means “the portion of project costs not paid by Federal funds”

§200.29 Cost sharing or matching



What are the
different types
of cost share?



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Awards that include **committed cost share** require **additional administrative effort** by both central and departmental staff in terms of **tracking, documenting and reporting.**



Some federal sponsors disallow **voluntary committed** cost share. Does your organization have a policy to **actively discourage** cost share?



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Cost Sharing

What **criteria** must be met
for costs to count as
cost sharing on a federal
award?



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Cost Sharing

Can **unrecovered**
indirect costs,
(including indirect
costs on cost sharing),
be included as part
of cost sharing?

How are
unrecovered
indirect cost
calculated?



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How do you **track** cost share commitments?



What are some of the **risks** associated with cost sharing?

Is cost sharing **less of an issue** in light of the **UG** and steps taken by sponsors such as NSF to actively disallow?



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Program Income

“Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance”

2 CFR 200.80



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Program Income Examples

What are some **examples** of program income?



Do you set up **separate accounts** to track it?



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Accounting for Program Income

1. Additive
2. Deductive
3. Cost Share / Matching

Usually only required to account for program income during the period of performance



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Period of Performance

SUBAWARDS



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Sub-awards

What are the **key differences** between a **subaward** agreement and a regular **vendor** agreement?



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Subaward Risk Assessment

A **risk assessment** should be performed prior to issuing the subaward and on an annual basis thereafter **to determine level of monitoring** required.



What are some of the **factors** that might make a subawardee **higher risk**?



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Subaward Monitoring

Who should be involved in the **monitoring** process?



What should be reviewed?

What should be **reviewed** on an **invoice** prior to approving for payment?



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AWARD CLOSE-OUT



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Expiring Awards

1. What categories of cost require extra scrutiny if charged in the last few months of an award?



2. Are there any circumstances where it's possible to charge costs to an award after the end date?



3. What type of costs are typically charged after the end date of an award? (lagging costs)



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Why is it so important
to close out federal
grants timely?

What about
contracts or
non-federal
sponsors?



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Awards Expiring Within 90 Days

Are there any
additional steps you
need to take or consider if
there is a **sub-award**
on the grant?



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Award Closeout

MANAGING BALANCES ON EXPIRING AWARDS



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Awards Expiring Within 90 Days



What can you / should you do if you compare budget expenditures to actual expenditures and there's a **large available balance** on an **expiring award**.



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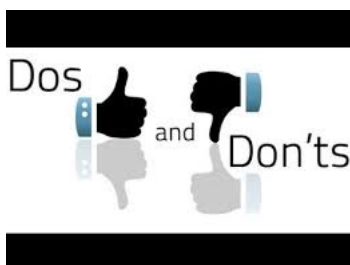
No Cost Extensions (NCE)

*Depending on the sponsor, the award terms and conditions, and whether this is the first request for an extension, the Sponsored Programs office may be able to **internally authorize** a NCE with certain federal sponsors (subject to adequate justification being provided by the dept.) or, it may be necessary to contact the sponsor to request*



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What are some of the **do's** and **don'ts** when drafting a NCE request?



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Reminder:

The rules of the initial grant extend to the period of the NCE. The funds are not available indefinitely.



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What Do Auditors Look For?

Salaries

- ☐ Is everyone whose salary is being charged to the award actually working on the project?
- ☐ Is the percent of salary charged commensurate with percent of effort spent to further the scope of work being performed?



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Supplies

What Do Auditors Look For?

- ☐ Were the supplies bought to support the scope of work being funded by the specific project?
- ☐ If the supplies were shared between different projects, was only a portion of the costs allocated to the sponsored award?
- ☐ Vendor name review



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What Do Auditors Look For?



“Spending Down”

- ☐ Look out for high volume of spending and / or service requests in the last 90 days
- ☐ High dollar value purchases in the last 90 days



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