



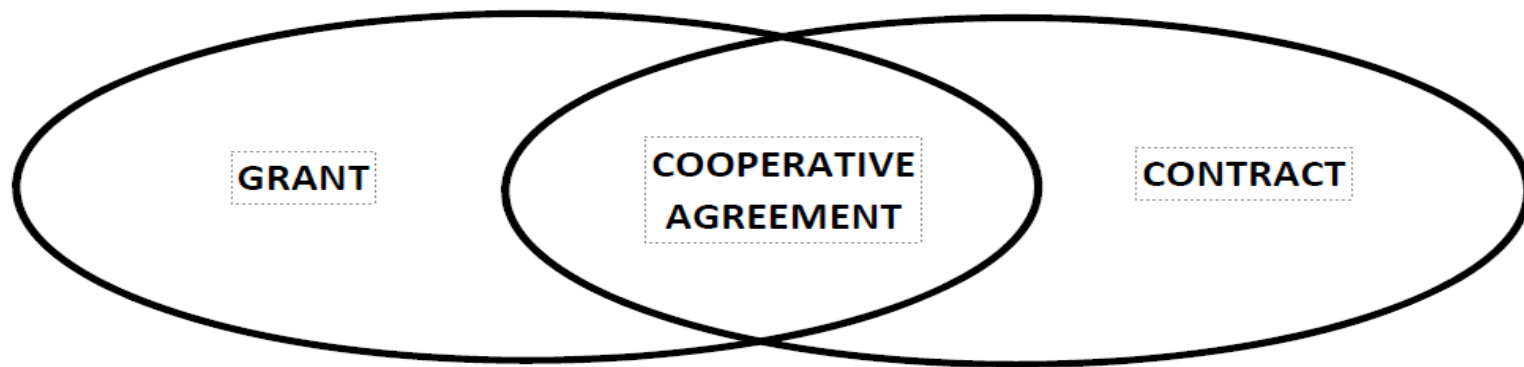
Sponsored Awards Basics

CARL R. ICE COLLEGE OF ENGINEERING
NEW FACULTY ORIENTATION
PRESENTED BY
SPONSORED PROGRAMS ACCOUNTING
KANSAS STATE UNIVERSITY
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Post Award Lifecycle Overview

- ▶ Federal funds grants vs. cooperative agreements vs. contracts
- ▶ Award setup and review
- ▶ Award management & monitoring
- ▶ Cost reimbursable and fixed-price agreements
- ▶ Invoices, letter of credit and reporting
- ▶ Matching, cost share and effort reporting
- ▶ Subawards and consultants
- ▶ Award closeout

Federal Funding (Grants vs Cooperative Agreements vs Contracts)



Federal Funding (Grants vs Cooperative Agreements vs Contracts)

	Federal Grants	Federal Cooperative Agreement	Federal Contracts
Basic Purpose	A flexible instrument designed to provide money to support a public purpose. Assistance with few restrictions.	A flexible instrument designed to provide money to support a public purpose. Assistance with involvement between parties.	A binding agreement between a buyer and a seller to provide goods or services in return for consideration (usually monetary). Procures goods or services.
Terms & Conditions	Governed by the terms of the grant agreement	Governed by the terms of the cooperative agreement	Governed by Federal Acquisition Regulations
Scope	Conceived by PI. Flexible as to scope of work, budget, and other changes	Conceived by PI. Typically flexible as to scope of work, budget, and other changes	Conceived by sponsor. Relatively inflexible as to scope of work, budget, and other changes
Solicitation	Application kit or guidelines	Request for application	Request for proposal or quote
Effort	Diligent efforts are used in completing research and the delivery of results	Diligent efforts are used in completing research and the delivery of results	Significant emphasis placed on delivery of results, product, or performance
Sponsor Involvement	None	Substantial involvement	Approves activity, expects results
Payment	Payment awarded in annual lump sum	Payment awarded in annual lump sum unless otherwise specified in the cooperative agreement	Payment based on deliverables and milestones
Re-budgeting	Flexible	Usually flexible	More restrictive
Reporting	Annual reporting requirements	Reporting requirements determined by the cooperative agreement	Frequent reporting requirements
Flexibility	Principal Investigator has more freedom to adapt the project and less responsibility to produce results	Substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement.	High level of responsibility to the sponsor for the conduct of the project and production of results

Federal Funding (Grants vs Cooperative Agreements vs Contracts)

More about Federal Contracts: The federal government awards funds via a grant, cooperative agreement, or contract. Like a grant or cooperative agreement a Federal Contract is an instrument used by the Federal Government to provide funding for research and development projects. However, unlike a grant or cooperative agreement, the Federal Government uses contracts as a procurement mechanism. The primary purpose of the Federal Contract mechanism is to purchase services for the direct benefit or use of the United States Government. Federal Contracts are subject to a strict set of terms and conditions, including clauses from the Federal Acquisition Regulation (FAR) and usually require frequent reporting and a high level of responsibility to the sponsor. A failure to accomplish the agreed upon results or deliver the product on time and on budget could result in criminal and/or civil actions and/or financial consequences to the University, administrators, or others involved.

Post Award Review Award Setup and Modifications

▶ SPA Review and Setup in FIS

- Review terms and conditions and if contract review FAR clauses and setup accordingly
- Review budget periods versus project periods. A project period may be greater than a budget period. If this is the case the award will have an end date based upon budget period rather than project period. Sponsor will need to provide a modification to extend any dates and incremental funding
- Review budget & any matching requirements
- Assign Award number and projects
 - Award Alpha is based upon sponsor & Invoicing
 - Project Numbers are based upon departments involved and subawards. Lead Department is the parent project and the responsible department to collect any required information from the other departments
- Determine Reporting and Invoicing requirements
- Complete instruction sheet and send to Accountant I for setup in FIS
- Return to Grant Accountant for review and enter pertinent FIS data in Cayuse

▶ Modifications for Budgets, Time Extensions and Miscellaneous Items

- Review time extensions and/or budget revisions
- Complete instruction sheet and send to Accountant I for processing in FIS
- Returned to Grant Accountant for review and enter pertinent information in Cayuse

Award Funding Monitoring

- ▶ Certain documents are reviewed by SPA for allowability and/or need sponsor approval
 - Foreign Travel – In many cases foreign travel must be pre-approved by the sponsor
 - Rentals
 - Subawards and Consultants & Other Professional Fees
 - Office & Computer Supplies & Computers & Office Furniture & Cell Phones
 - Food – Is not normally allowable
 - Participant Costs. For federal awards the budget will be setup in a separate project.
 - Stipends are not allowable on research projects. Awards for fellowships/participant costs for K-State students will be disbursed via student financial aid. REU funds may be added to a research award under a separate project number. These will also be disbursed via student financial aid.
 - Equipment
 - Administrative Salaries – must be in the approved budget and their time must be at least 25%
 - Vacation Leave payouts are the responsibility of the department and not the award. [Employee Leaves, Holidays, FMLA and Other Absences for Employees of Kansas State University \(k-state.edu\)](#) Payment for Unused Vacation Leave

Award Funding Monitoring

▶ Post Award Procedures

- [Post Award Procedures \(k-state.edu\)](#) PPM Chapter 7050

Unallowable costs are covered in PPM 7050.075

Additional Guidance for Specific Costs

- [Post Award Procedures \(k-state.edu\)](#) PPM Chapter 7050.070
- This includes specifics on
 - Administrative Salaries
 - Computing Devices
 - Participant Costs

Cost Reimbursable and Fixed-Price Agreements

Cost Reimbursable Agreements

- ▶ Federal funding via grants or cooperative agreements are usually cost reimbursable. We request funds after they are spent.
- ▶ Non-Federal funding may also be cost reimbursable.

Fixed-Price Agreements

- ▶ Federal funding via FAR contracts where work is based on deliverables or milestones. Funds are requested based upon these deliverables or milestones. There may be some awarded via grant or cooperative agreement but not frequently.
- ▶ Non-Federal funding may also be fixed-price. Industry partners use this method more prevalently.

Reminder

- ▶ Awards based upon deliverables/milestones and classified as fixed-price may require an accounting at the end and any unused funds are to be returned to the sponsor. Pay attention to the payment portion of an agreement and any reporting requirements. The reporting may also be required in technical reports.

Invoices vs. Letter of Credit Draws vs. Event Based Payments

- ▶ **Awards will fall into different categories for receiving funds**
- **Cost reimbursement**
 - Invoice – May or may not include backup documents and/or matching
 - Report – May or may not include backup documents and/or matching
 - Letter of Credit – Larger federal agencies use this method to draw funds from a federal website. We draw funds at the beginning of each month for the prior month
 - NASA/NSF/Dept of Energy/Dept of Education/EPA
 - HHS – Multiple Divisions
 - USDA – Multiple Divisions
 - Other Federal Agencies
 - Deliverables – based upon reports provided by the Principal Investigator and directed by the agreement
 - Time Lines – Usually on a quarterly basis or fixed timeline directed by the agreement
- **Advanced Payment or Event Based Payment**
 - Initial – There should always be an initial payment
 - Deliverables – Based upon reports provided by the Principal Investigator and directed by the agreement
 - Time Lines – Usually on a quarterly basis or fixed timeline directed by the agreement.

Reporting During Award

- ▶ **Reports can include one or more of the following during the life of the award:**
 - **Report of Expenditures – K-State or sponsor form**
 - **SF425 – federal form**
 - **Equipment**
 - **Technical reports – usually submitted by the principal investigator**
 - **Miscellaneous reports required by specific sponsors**

Matching

- ▶ **When there is matching tied to an agreement a matching letter will be generated by SPA with the specifics of the match and forwarded to the department and any area promising the match. This information comes from Cayuse and has been approved in advance by those areas who have given a match commitment. In general all matching funds are to be spent within the time frame of the agreement they are matching.**
- ▶ **Types of Matching:**
 - **Salary:** At K-State we mainly call it Cost Sharing but it is a form of matching. Separate projects are not setup but are paid from departmental projects and reported on a quarterly basis.
 - **Hard Dollar/Internal:** Non-salary matching commitment made on an agreement. An "M" project is created to coordinate with the award/project. Funds are to be spent according to how you are receiving your matching funds from the different areas.
 - **Hard Dollar/External:** In some cases matching funds may come directly to K-State for use against the agreement. These funds are also processed through PreAward Services as an award and follow the same process. It will be noted in Cayuse and FIS these funds are matching for a specific project. According to federal guidelines federal funding is not allowable as matching funds against other federal funding. External matching funds should have the same date range as the agreement they are matching to be allowable. PPM Chapter 7070.050 [Cost Sharing \(k-state.edu\)](http://k-state.edu)
 - **Third Party:** Matching that is provided by an entity other than K-State. This type of cost-share is usually provided only when required by the sponsor. It is reported on a third-party match form which can be found in eforms. The form needs to be signed by the entity providing the match and the Principal Investigator.
- ▶ **As always, the responsibility for matching lies with the Award lead department. The SPA office can assist with guidance and information regarding the matching commitments and needed transfers, but the department that received the award needs to communicate as necessary with any other departments involved and ensure that all matching expenditures are charged to the "M" Project or reported via Cost Sharing if salaries.**

Cost Share and Effort Reporting

- ▶ **Cost Share is time spent on the agreement that is not paid by the agreement and is reported on a quarterly basis. PPM Chapter 7070 [Cost Sharing \(k-state.edu\)](#)**
 - **Mandatory Committed**: Cost-sharing that is required by a sponsor in order for your proposal to receive consideration and review. Without it, your proposal will be returned without review.
 - **Voluntary Committed**: Cost-sharing that is not required by the sponsor for eligibility purposes, but is included in a proposal and becomes required at the time of award.
 - **Voluntary Uncommitted**: Not required to be tracked or reported
 - **Third Party**: Cost-sharing that is provided by an entity other than K-State. This type of cost-share is usually provided only when required by the sponsor. It is reported on a third-party match form.

Effort Reporting is total time spent on the agreement whether paid by the agreement or another source. Effort reporting is tracked by individual for all award related time during a semester. PPM Chapter 7080 [Effort Reporting \(k-state.edu\)](#)

Subawards & Consultants

▶ Consultants, subawards, and other professional services resources

- ▶ See <https://www.k-state.edu/finsvcs/sponsoredprograms/consulsubs/>

▶ Subawards

- **Subaward** - an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
- ▶ Requires prior written permission of the sponsor. When planned and described in the proposal, the award provides permission. If need arises after the award is made, permission must be obtained from the sponsor. Contact PreAward Services for assistance.
- ▶ • Subawards are not subject to competitive procurement requirements because of the sponsor's approval.
- ▶ • Only the 1st \$25,000 of the subaward is included in KSU's MTDC F&A calculations.
- ▶ • KSU must perform subrecipient monitoring responsibilities. See Consultants, subawards, and other professional services resources website for information regarding subrecipient monitoring.
- ▶ Subawards have the award guidelines and terms and conditions flowed to them via their agreement.
- ▶ Any reporting requirements of the award are also required of the subawardee.

Subawards & Consultants

► Consultants

- An individual or entity who provides professional advice or services for a fee, but normally not as an employee of the engaging party.
- The sponsor may have limits on consultant pay rates.
- Most consultant agreements are prepared by PreAward Services. If over the Purchasing threshold you will need to contact Purchasing for a waiver through their internal process or in some cases you may have to seek a competitive bid. There may be some agreements which are handled exclusively in Purchasing depending upon the nature of the service. These would be more of a service being provided that is not unique to the research.
- Costs incurred are subject to full F&A recovery.
- Any internal consulting will need to have salary posted directly to the award to document effort.
- There are restrictions when trying to hire former employees as a consultant. Be sure to ask questions before an agreement is completed.

Award Closeout

Excel spreadsheets will be sent to you monthly on any awards ending with the items required by the department to be sent to SPA

- ▶ **At the end of an award there are certain items which will be required of the department. This list is a partial list and all documents may not be required of each agreement depending upon whether the funding is federal and sponsor requirements. Most agreements need to be reported within 90 days. If funds have flowed to us from another non-federal entity we will need to report to them within 60 days. Some require reporting within 30 days.**
 - **Outstanding List** – All agreements will require an Outstanding List. The report is in eforms. It is to be completed as of the end of the agreement. If the agreement falls during a month the report must be completed as of the last monthly report available. This form is completed by the department.
 - **Equipment Reporting** – Most federal agencies require an equipment report. This would include any equipment purchased on the agreement as well as any equipment loaned to us by the sponsor. This form is completed by the department and reviewed by SPA. Depending upon the sponsor a specific report form may be supplied to us. Otherwise there is a form on eforms. Be careful when charging a piece of equipment to multiple awards. Some sponsors retain title and could request the equipment be returned to them. Splitting funding causes you to have to go back and complete transfers to satisfy sponsor requirements
 - **Report of Inventions and Subcontracts** – This is form DD 882 and is normally completed for federal awards. There may be a form specific to certain federal agencies. Department is responsible for the information on the form which is submitted to us and we have reviewed by KSURF prior to submission. It is compared against iEdison where patent information is reported during the course of the agreement and verified at the end.
 - **Any other reporting required of a specific sponsor that SPA is not able to complete without department input. The department will complete these reports and we will review prior to submission to the sponsor.**

Award Closeout

- ▶ Any awards requiring matching will need to have matching met. If the award was not fully spent out then matching must be in relation to the amount spent. If matching is not met then expenditures will need to be moved from the agreement to the matching project or cost share salaries to satisfy the match.
- ▶ Awards remain active until all expenditures have posted and final funds received.
- ▶ Any expenditures over agreement amount are the responsibility of the college/department.
- ▶ Fixed Price Agreements are covered under
 - [Policy and Procedures Manual | Sponsored Programs | Division of Financial Services | Kansas State University \(k-state.edu\)](#) under the heading of Special close out procedures – Fixed amount agreements



Questions and Pertinent K-State links

- ▶ SPA Webpage - <https://www.k-state.edu/finsvcs/sponsoredprograms/>
- ▶ DFS Webpage for General Accounting & Purchasing -
 - <https://www.k-state.edu/finsvcs/>
- ▶ PreAwards Webpage –
 - [Preparation Information \(k-state.edu\)](#)
 - [PreAward Services | Administration | Research | Kansas State University \(k-state.edu\)](#)

- ▶ Cayuse Webpage - <https://k-state.cayuse424.com/>