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Introduction

Teaching, scholarship, and service at Central Washington University are driven and informed by scholarly research, creative activities, and scientific discovery. These activities are vital to Central Washington University in fulfilling its mission: to prepare students for responsible citizenship, responsible stewardship of the earth, and enlightened and productive lives. Funded research and sponsored programs expand faculty, staff, and students' abilities to engage in scholarly research, creative activities, and scientific discovery by providing additional resources and expanding professional opportunities.

In recognition of the importance of funded research and sponsored programs, Central Washington University has committed resources to enable faculty, staff, and students to successfully compete for local, regional, state, and federal funding. The director of university research and the grant and contract specialist are available to assist with locating funding opportunities, editing proposals, developing budgets, and submitting proposals. Also, funds are available on a case-by-case basis for cost-sharing, attending federal workshops, and conducting pilot programs.

The objective of this handbook is to acquaint prospective grant seekers with the opportunities provided by the University to submit competitive proposals and to bring to their attention the policies and procedures relevant to externally funded research and programs. Submitting proposals and accepting grant awards or contracts imposes legal and administrative responsibilities on both the University and the principal investigator or program director. The intent of this manual is three-fold:

1. To provide a brief overview of general University policies and federal regulations as they relate to grants and contracts.

2. To detail the major administrative responsibilities of principal investigators and program directors.

3. To provide the basic information necessary to follow University procedures related to grant- and contract-related policies.

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General Information

A grant is an award of funds given to the University for the purpose of carrying out an approved program or activity. In accepting a grant or contract, the University assumes legal and financial responsibilities to make certain the funds are used in accordance with the terms specified and to ensure the performance of the grant-supported project. This responsibility is shared by principal investigators or program directors, hereinafter referred to as project directors, as the individuals designated to direct the project.

A grant is a legally binding contract with unique terms and conditions which must be followed. Some awarding agencies are quite restrictive in defining allowable actions, while others are more lenient. Violation of the conditions of the grant may cause the awarding agency to refuse to reimburse the University for grant-related expenditures and may jeopardize future awards. A project receiving either direct or indirect external support from any federal, state, local, foreign, or other governmental entity is deemed a sponsored project. A project receiving external support from any entity other than a governmental entity will be considered a sponsored project if the University is subject to any of the terms and conditions outlined in Appendix A: Externally Sponsored Project Determination and Classification.

The project director is accountable to the University for the proper management of grant-supported projects or programs. He or she maintains all program records and makes certain that all expenditures are reasonable, ordinary, and necessary in the performance of the grant-supported activity. The project director is responsible for monitoring the monthly accounting reports and is also responsible for promptly notifying the grant accounting office should any problems arise. In most cases, project directors are able to delegate these tasks to others, but final responsibility lay with the project director. In addition, the project director is responsible for the timely preparation and submission to the granting agency of any non-financial reports required, as well as sending copies of these reports to the research office. These may include, but are not limited to, progress reports, final performance reports, and reports of inventions or patents.
Research and Sponsored Programs and Grant Accounting, hereinafter referred to as the research office and the grant accounting office, are responsible for the administration of grants and contracts.

This responsibility involves protecting the interests and reputation of the University and includes reviewing proposals before they are submitted to agencies, monitoring the legality of expenditures and other transactions, periodic billing on contracts, preparing expenditure reports to the granting agency, and closing out accounts at the end of the grant period.

All commitments for grant-related expenditures must be initiated and approved by the project director or his or her designee and must also be approved by the grant accounting office. The grant accounting office will promptly forward the documents to the proper office for further processing.

Grants are typically awarded for a specific period of time. Funds may not be committed or expended prior to the start date of a grant or after the end date of a grant without specific written permission from the granting agency.

Recent federal and private audits nationwide have indicated a need for strong institutional control to ensure that the purchase of goods or services with grant funds is in accordance with conditions of the award. Under good management practices the costs charged to grants must meet the three required tests of allowability (necessary and reasonable, allocable, consistently applied), or expenditures may be disallowed through audit. Additionally, a 90-day standard is applied to grants and contracts. It is reasonable to expect all expenditures to be posted to a fund within 90 days of occurrence, although the preferred practice is to have costs immediately assigned to the proper funding source. It is important to record costs in a timely fashion since it improves the accuracy and audibility of the records.

**Before Submitting Proposals**

*It is the University’s policy to internally review all proposals submitted to external agencies, whether federal, state, local government, or private.* This review is to occur before proposals are submitted. In recognition that full review is sometimes unlikely given tight submission deadlines and the number of individuals who review each proposal, the following two procedures have been developed to ensure minimal review before proposals are submitted.

1. All faculty and staff within the division of academic affairs must submit a *PreProposal Approval Form* complete with signatures from their chairs and deans to the research office for review by the research director and signature by the graduate studies and research dean before proposals are submitted.
This document may be downloaded from the research office website; the URL is http://www.cwu.edu/masters/faculty-funding-forms.

2. Proposed budgets must be approved in advance by the research director for all proposals being submitted to off-campus agencies. It is highly recommended that prospective project directors contact the research director well in advance of the submission deadline to discuss the proposed budget's adequateness and reasonableness and to resolve issues related to allowable costs, cost-sharing, matching monies, use of facilities, and indirect cost recovery.

The Dean of the School of Graduate Studies and Research is the University's Authorized Representative. In his or her absence, the Provost or President will be asked to sign proposals requiring a signature by an authorized representative. See the University's Policy Manual (http://www.cwu.edu/~pres/policies/index.html) for additional information about who can legally sign grants and contracts. In most cases, project directors cannot sign legally binding documents on behalf of the University.

For full internal review, when a proposal is ready for submission a paper or electronic copy must be provided to the research office for the research director to initiate full internal review. The research director will prepare a cover sheet summarizing budget details, disclosing in-kind and hard match cost-sharing, beginning and ending dates, and who the Principal Budget Authority (PBA) will be. The following individuals must signify their review and approval of the budget and proposal by signing the cover sheet: project director, department chair, dean or vice president, dean of the research office, vice president for business and financial affairs, and provost/senior vice president for academic and student life.

The research office will assist with electronic submissions as well as paper submissions, including duplicating and mailing proposals.

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**When Proposals Are Funded**

It is the University's policy to follow applicable University, state, and federal guidelines in the administration of grant and contract funds. The following guidelines and procedures are intended to provide a general overview for project directors. This manual is not intended to be an exhaustive treatment of grant administration. Each granting agency has its own set of policies. It is the responsibility of project directors to become familiar with pertinent agency policies.

Some agencies notify project directors when proposals are funded. If this is the case, it is the project director's responsibility to notify the research office when an award has been made. Other agencies notify the research office or the president. If this is the case:

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case, the research office will notify project directors that their proposals have been funded.

Grants typically do not require additional signatures before they become effective. Contracts, however, typically require both agency and University signatures. The research office will facilitate this process as the Dean of the School of Graduate Studies and Research is the University's **Authorized Representative**.

Once a grant or contract is official, meaning the proper signatures have been obtained, the research director will send copies of the signed cover sheet to deans and the grants accounting office along with copies of the proposal and award notice.

**Establishing a Grant Account** A new fiscal project ID will be set up when official written notification of the award has been received by the research office and forwarded to the grants accounting office. The grant award notice must have original signatures and contain such information as the starting and ending dates of the award, a detailed budget, and any special terms and conditions of the award. See Appendix B: *Establishing a Fund 145/146 Project ID/Speedkey* for more information.

Project directors will need to submit a **Signatory Authorization Form** to the grants accounting office specifying which other individuals should have signing authority on the grant project ID. The budget for the new project ID is based on the approved budget from the funding source. This grant project ID is used to track all allotments, expenditures, and adjustments for that award.

Note that a 25% reduction in time devoted to the project by the approved project director or principal investigator requires written prior approval from the funding agency. *Appendix C: Guidance for Change or Absence of Principal Investigator* details the steps that are required.

On occasion, a project ID will need to be set up before the formal award notification arrives on campus. In these instances, the project director’s dean or principal budget authority must send an email to the grants accounting office requesting that the project ID be set up in advance and taking responsibility for expenditures should the grant award not materialize. See *Appendix D: Set Up of an Advance Fund 145 Project ID Prior to Agreement/Contract Execution* for more information.

**Fiscal Monitoring of Grants** In addition to fulfilling the proposed research or program objectives in the grant or contract, project directors are responsible for regular monitoring of grant expenditures. Correctness and timeliness of expenditures are the responsibility of the project director. Expenditures should be reconciled to summary and detailed activity budget reports monthly. Monthly summary and activity reports are closed each month by the accounting office and detail all charges to the grant during the preceding month. Budgets can also be checked at any time before month-end closing to ensure that only appropriate charges have been posted. Any discrepancies should be
reported to the grants accounting office immediately. For more information, see Appendix E: Fiscal Responsibilities on Grant and Contract Project IDs.

At times it may be necessary to change or rebudget the original budget that was submitted and approved by the sponsoring agency. Appendix F: Guidance for Rebudgeting of Grant and Contract Funds describes the procedures required when agency approval is or is not required.

**Determining Direct and Indirect Costs** At CWU most departmental office support expenses are regarded as overhead or indirect costs. Therefore, office support should not be charged to grants in most cases. Examples of office support costs include salaries and wages of the chairperson and departmental secretary, general photocopying, postage, phone line charges, and miscellaneous general office expenses. If the office supplies are for administrative purposes, then these charges are considered indirect costs and must be charged to a departmental budget. Other examples of administrative costs include communication between the PI and his or her supervisor or dean, or costs for items that are normally supplied by the departmental budget, such as pens, miscellaneous photocopies, basic local telephone charges, and legal pads. Note: It is important to remember that any costs for the preparation of a proposal must not be charged to a federal grant. Appendix G: Costing Issues on Sponsored Agreements details additional kinds of costs that can typically be incurred on grants and contracts.

**Documenting Various Types of Costs** It is University policy to treat expenses incurred on grants and contracts in the same manner similar expenses are treated throughout the University.

There are several types of expenses, however, that are unique to grant activity or have unique applications within grants. These are discussed in detail below to help project directors properly organize and document these types of activities.

**Charge/Credits** Attached to charge/credits should be (1) a copy of the query showing the expense line in the original project ID that paid the charge originally, (2) a copy of the approved budget with the proper budget line highlighted, (3) a full description of the items to be transferred, and (4) why it is appropriately charged as a direct cost item.

**Extended Use of Motor Pool or Private Vehicles** In accordance with University policy, employees authorized to operate University vehicles must complete, on a daily basis, a Monthly Mileage Log. The Monthly Mileage Log form is available on-line through the Motor Pool and the Accounting Office websites. Individuals who are grant funded and use private vehicles regularly must also use the Monthly Mileage Log form to document use of their private vehicles.

**Financial Aid—Tuition and/or Stipends** All financial aid requests (tuition and/or stipends) to be paid from grants and contracts must be initiated and approved by the...
appropriate principal investigator or project director and approved by the Financial Aid director.

**Food, Light Refreshment, or Meals.** Once the determination is made that an expense is allowable under the terms of the award, grant purchases are subject to the same policy and procedures as state funds. There are times, however, when a grant specifically authorizes the purchase of food, meals, or light refreshments that would not be allowed with general operating funds. In that case, the project director should attach documentation that shows the special grant circumstances that allow the purchase along with a list of attendees, agenda and purpose of need for food.

**Foreign Travel.** Typically, airfares purchased with federal monies must be purchased from U.S. carriers. For National Science Foundation grants, exceptions to this requirement are listed in its current proposal preparation guide. For grants funded by other federal agencies, consult the appropriate guidelines with regard to air travel. Otherwise, the University’s foreign travel policies and procedures apply. See Appendix H: External Grant/Contract Sponsored Travel for additional information about the Fly America Act and grant-supported travel.

**Group Travel.** Unless specified otherwise in agency guidelines or OMB circulars, the University's policies and procedures for domestic group travel and foreign group travel apply.

**Meal Cards.** When project directors determine it is cost-effective and efficient to provide grant-supported participants with CWU Connection Cards for purchasing on-campus meals, the University policy for Program Participant Meals Purchased with the CWU Connection Card applies. In summary, this policy states that (1) the amount cannot exceed the State per diem rates, (2) there is no limit on the amount the card holder can spend in any one day or meal, (3) there is a setup charge for a new connection card or to replace a lost card; and (4) prior approval from the grants accounting office is required if the purchaser uses a grant project ID number.

**Office Supplies.** Costs that would ordinarily fall under the office supply category that are research or program costs may be charged as direct costs to the grant provided they are allowed under the terms of the award document. Examples include duplicating costs associated with producing a student handout or copies of surveys and the postage associated with mailing the surveys. If photo copies are considered direct costs, they need to be reported via an auditron number; only actual copy costs can be charged.

If a grant program is complex enough that general office support, such as support staff salaries and office supplies, has been funded within the grant, then office supply costs may be charged to the grant as direct costs. Remember, these costs must still follow the reasonable, allowable, and allocable tests and the costs must be treated consistently.
Paper and toner may not be charged to grants unless the copier is used exclusively for that project.

Documenting office support expenses that are charged directly to the grant is essential. When planning to purchase office supplies or other support items with grant funds, document why these items are considered direct costs and how they will be used. It is helpful if a copy of the budget is attached with the proper budget line highlighted.

**Participant Activities.** Attendee rosters with attendee signatures should be kept for all grant-funded activities.

**Payroll.** *Time and Effort Reports* are supplemental payroll documentation required of all individuals who are paid with federal grant or contract funds or whose time and effort are being reported as matching or in-kind costs to federal grants. The purpose of the time and effort reporting procedure is to substantiate salary payments to personnel from grant funds. They are used in conjunction with the University’s payroll records to help satisfy audit requirements for time and effort reporting. *Time and Effort Reports* are generated in the grants accounting office and sent to project directors quarterly for review and signature. These *Time and Effort Reports* must be certified by someone with first-hand knowledge of the time and effort worked by the persons listed. In almost all cases this will be the project director. *Appendix I: Effort Reporting on Sponsored Agreements* provides additional information about certifying effort, what a faculty work week is, and how to determine institutional base salary.

**Purchases.** Purchase requisitions should include a copy of the approved budget with the appropriate budget line highlighted, a full description of the items requested, and how they will be used as a direct cost item.

**Documenting University Cost-Sharing** Some grants require active financial participation of the University in a funded project. This cost-sharing requirement is often stipulated as a percentage of the total project costs to be borne by the University. The amount of cost-sharing as well as the source of cost-sharing must be identified and approved before proposals are submitted. In order to be counted as cost-sharing, costs must (1) be verifiable from University records; (2) not be used as cost sharing for another grant; and (3) be an allowable cost to the program. On federal grants, cost-sharing may not be provided from other federal funds, except in rare circumstances.

Many federal agencies no longer require cost-sharing. Some agencies do not require it but encourage voluntary cost-sharing. When cost-sharing is not required, permission from the research office is necessary in order for voluntary cost-sharing to be committed. Once an award is funded, agencies treat voluntary cost-sharing as required cost-sharing; it requires the same documentation as required cost-sharing.

Costs counted as cost-sharing are subject to the same audit criteria as all other expenses of the grant. The grants accounting office will work closely with project.
directors to advise and assist them with proper documentation. Any back-up
documentation supporting the costs listed (such as signed statements of donated hours)
should be retained in the project director's files for at least six (6) years after the
termination of the grant. This means files for a three-year project need to be kept for
nine (9) years, files for a five-year project need to be kept for eleven (11) years, and so
on.

Adjusting Grant Accounts  Adjustments or transfers of costs affecting grant accounts
are subject to stringent federal policies and guidelines and must be approved by the
grants accounting office. Each agency has its own policies; typical policies include these
as outlined by the DHHS Grants Administration Manual, Chapter 6-05.

- Transfers of cost which represent corrections of clerical or bookkeeping errors
  must be made promptly after the errors are discovered. The transfer must be
  supported by documentation which contains a full explanation of how the error
  occurred and a certification of the correctness of the new charge. An explanation
  which merely states that the transfer was made to correct an error or to transfer
to the correct project is not sufficient.

- When closely related work is supported by more than one funding source, a cost
  transfer may be made provided that the transfer meets all of the following
  conditions: (a) the cost is a proper and allowable charge to the account, (b) the
  transfer is supported by documentation which contains a full explanation and
  justification for the transfer and a certification for the propriety of the transfer by
  the principal investigator, project director or other responsible program official of
  the grantee organization, and (c) the transfer is reviewed and approved by a
  responsible financial or administrative official of the organization.

- Requests to transfer expenditures incurred more than 90 days (due to
  extenuating circumstances) in the past must include an explanation of why the
  transfer request was delayed, in addition to the normal explanation and
  justification. Ninety days has emerged as the standard used by government and
  business auditors to determine whether costs are reasonably assigned to their
  proper funding source. It is a reasonable expectation that costs can be properly
  assigned within 3 months of their occurrence.

Additional guidance regarding transfer costs and making adjustments to affected grant
accounts is contained in Appendix J: Transfer of Expenditures between Project
IDs/Speedkeys.

Closing Out a Grant  Grants are considered closed when all the work has been
performed to the granting agency's satisfaction, or upon the termination date specified
in the award. If the work cannot be completed prior to the termination date, the project
director must submit a written request for extension or continuation, typically referred to
as a "no-cost extension," to the granting agency. Copies of no-cost extension requests

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should also be sent to the research office. Some agencies, like National Science Foundation, require someone from the research office to submit requests for extensions. Most agencies require such requests be made 45 to 90 days prior to the termination date.

The project director may be required (as part of the close-out process) to complete additional forms or reports. These may include statements of patents or inventions, equipment inventory verification, and final performance reports. Copies of any reports submitted by the project director must also be sent to the research office for inclusion in the official grant record. The grants accounting office will submit any necessary financial reports.

At the end of the grant award, it is the project director's responsibility to notify the grants accounting office of the following:

- Any necessary adjustments (subject to the 90-day standard), \\
- Any charges not yet posted to the grant account, such as University charges for telephone calls, work orders, etc.
- Outstanding petty cash reimbursements and travel advances.

Additional guidance on closing out sponsored projects is detailed in Appendix K: Closeout of Sponsored Programs.

**Auditing** All grants are subject to periodic audits. These may be conducted by the granting agency or its designated agent, the University's cognizant federal agency (DHHS), the state auditor's office, or the University's internal auditor's office. All records or back-up documentation should be on file in the project director's files. The project director may be requested to assist the auditor if there are program or performance questions the research office is not able to answer. **It is the research office’s policy that the research director or grant accountant be present when auditors are questioning or reviewing grant-related costs with project directors.**

Program records relating to the grant are normally retained by the project director and should be kept for six (6) years following termination of the award. Back-up documentation supporting the costs should be retained in the project director's files for at least six (6) years after the termination of the grant. This means files for a three-year project need to be kept for nine (9) years, files for a five-year project need to be kept for eleven (11) years, and so on.

Any expenditure disallowed by the audit must be paid back to the agency. In the event of disallowance or over-expenditures the project director will be notified and asked to assist the research office in determining the appropriate disposition.
When Proposals Are Not Funded

Some agencies notify project directors when proposals are not funded. If this is the case, it is the project director’s responsibility to notify the research office and provide them with a copy of the non-awarding of funding. Other agencies notify the research office or the president. If this is the case, the research office will notify project directors that their proposals have not been funded.

No one likes to learn that their proposal has not been funded. But if happens to all grant seekers at some point. Most federal agencies make reviewer comments available when proposals are not recommended for funding. It is helpful to request these comments so proposals can be strengthened and resubmitted. The director of research can help determine if it is feasible to revise and resubmit proposals based on reviewer comments.

The good news is that proposals that have been reworked incorporating reviewer comments have a higher likelihood of funding the second or third time around. If conversations with program officers indicate the chances for funding a resubmitted proposal are low, the director of research or the grant and contract specialist can help locate a more appropriate funding source.

Glossary

Following are some terms and definitions related to applying for and administering grants.

Agreements – See Subcontract.

Allocable Cost – A cost is allocable if it is able to be allocated to a particular project. In sponsored agreements such costs must (1) be incurred solely to advance the work under the sponsored agreement; (2) benefit both the sponsored agreement and the work of the institution in proportions that can be approximated using reasonable methods, or (3) be necessary to the overall operation of the organization.

Allowable Cost – A cost is allowable on a sponsored agreement if it is (1) reasonable for the performance of the award, (2) allocable, (3) in conformance with federal cost principles or in the Notice of Grant Award, (4) consistent with institutional regulations, policies, and procedures and applied uniformly in federally funded and other activities of the institution, (5) treated in a consistent manner as like costs, (6) is in accordance with generally accepted accounting procedures, and (7) not included as a cost in any other federally-funded grant.

Authorized Representative – The University official designated to sign sponsored agreements is often referred to as the Authorized Representative. At CWU, the Dean of the School of Graduate Studies and Research has
been designated as the Authorized Representative for grant-related signature authority. In his or her absence, the provost or president is authorized to sign.

**Award** – An award is an agreement made by a sponsoring agency to contribute funding to a specific project. Sponsors typically send written, formal notices of awards to the University's research office.

**Budget Period** – The interval of time into which the grant project period is divided for budgetary and reporting purposes is the budget period. It may or may not correspond to the University's fiscal year (July 1-June 30). It may also be called the 'period of performance.'

**Carry Forward** – Funds unexpended in a budget period that are carried forward into the next budget period are carry forward funds. The ability to carry forward funds is subject to agency regulations and should not be assumed.

**Cash Contributions** – Projects not fully funded by sponsoring agencies may require the university to provide cash toward the project. It may also include cash contributed by third parties for the project.

**Cognizant Agency** – Central Washington University’s cognizant agency is the U.S. Department of Health and Human Services (DHHS). DHHS, is responsible for reviewing, negotiating, CWU’s indirect recovery cost rate.

**Conflict of Interest** – Principle investigators (and their spouses and children) are required to disclose significant financial conflicts of interest. Financial conflicts of interest are defined in 42 CFR 50.603.

**Contract** – A contract is an instrument used to acquire property or services.

**Cooperative Agreement** – Cooperative agreements are similar to grants but typically reflect more substantial involvement and coordination by the funding agency.

**Cost Principles** – The U.S. Office of Management & Budget governs all federal awards and most state awards following cost principles described in its *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance").

**Cost Sharing** – When sponsoring agencies do not fund the full costs of the project, cost sharing is required. It may consist of both cash and in-kind contributions. For federal awards, only acceptable non-federal costs may be used. All cost-sharing must be documented. Cost sharing should be discussed early in the proposal development phase with chairs, deans, and research office staff.

**Direct Costs** – Costs that can be specifically identified with a particular project are direct costs.

**Disallowed Cost or Disallowance** – Expenses charged on a grant that the federal awarding agency deems to be unallowable are disallowed. Disallowed expenses typically become the responsibility of the PI and must be
transferred to another budget or be approved after-the-fact by the sponsor.

**Expanded Authorities** – This refers to a limited number of actions that normally require awarding agency prior approval when agencies have waived their authority and given this authority to the grantee. The Notice of Award will indicate whether or not your award is under expanded authorities. Granting agencies are permitted to waive certain "prior approval" restrictions and expand the post-award authority of grantee institutions to: (1) incur pre-award costs, (2) extend an assistance program, or (3) carry forward unobligated balances, unless prior approval is specifically required by a Federal agency.

**Facilities and Administrative (F&A) Cost Recovery** – CWU’s cognizant agency is the U.S. Department of Health and Human Services (DHHS). CWU negotiates with DHHS to establish a rate for recovering facilities and administrative costs (also known as F&A, indirect costs, and overhead). The current federally negotiated rate is 52.5% of salaries and wages. Recovered costs are currently distributed as follows: PI/project director’s dean, 35%; School of Graduate Studies and Research, 30%; Business and Financial Affairs, 20%; Provost, 15%.

**Grant** – A grant is an award of funds given to the University for the purpose of carrying out an approved program or activity

**Grants Accounting Office** – At CWU the grants accounting office is part of the Business and Financial Affairs division and currently employs a post awards manager and fiscal specialist.

**Hard Match** – A limited amount of funds is available each year through the research office for cost-sharing on grants. Contract the director of research to request funds.

**Incremental Award/Supplemental Award** – These are additional awards/funds provided for further research on a particular award. For example, NSF supplemental awards typically are granted in response to requests for funding student participation in research.

**Indirect Cost Recovery** – See Facilities and Administrative Cost Recovery.

**Indirect Costs** – These are costs that are not easily or reasonably identified with a particular project are indirect costs. Examples include utilities and office supplies.

**In-kind Contributions** – The value of non-cash contributions, including charges for real or personal property, or donated time and materials, comprise in-kind contributions. If full overhead is not charged on a grant, the amount which could have been charged and was not may be counted as in-kind match in some instances. Check with the research office before including this item as cost-sharing in budget proposals.

**Institutional Animal Care and Use Committee (IACUC)** – All proposals involving animal subjects must be approved before projects begin by Central Washington University’s IACUC
committee. Its URL is www.cwu.edu/iacuc.

Institutional Review Board (IRB) – All proposals involving human subjects must be approved before projects begin by Central Washington University’s Human Subjects Review Committee. Its URL is www.cwu.edu/hsrc.

Interagency Agreements. – See Subcontract.

Matching Funds -See Cost Sharing.

Memorandum of Understanding – See Subcontract.

No Cost Extension – No cost extensions may be requested of most federal agencies if it appears the project cannot be completed by the end date. Most agencies have a date by which they must receive requests for no cost extensions, ranging from 45 to 90 days before the project’s end. Some agencies accept requests directly from project directors; other agencies require requests to be submitted from someone in the research office. In both cases, project directors should consult with the grant accounting and research offices.

Obligated Funds – This term is typically seen on federal grant award notices indicating that the federal agency has set aside funds in its budget for this project.

Overhead – See Facilities and Administrative Cost Recovery.

Post-Award Functions – At Central Washington University post-award functions are performed by staff in the grants accounting office. These include setting up accounts, approving grant project expenditures, invoicing grant agencies, verifying time and effort, and closing out grants.

Pre-Award Cost – Costs which are incurred prior to the official start date of a grant are called pre-award costs. In some cases, these are allowed without prior approval. Project directors should consult with grants accounting staff before incurring any expenses prior to the beginning date of a grant award or contract.

Pre-Award Functions – At Central Washington University pre-award functions are performed by staff in the research office. These include alerting faculty to funding opportunities, assisting in the development of proposals and budgets, approving proposed budgets, submitting proposals electronically or via hard copy, facilitating subcontracts, negotiating awards, and submitting no cost extensions.

Principal Budget Administrator (PBA) – Those individuals designated by CWU vice presidents have final oversight on accounts. For faculty, the PBA will most likely be their college dean.

Prior Approval – Prior approval from granting agencies must be received when expenditures deviate from approved budgets. Staff in the grants accounting office will know which types of expenditures require prior approval.

Program Income – Federal projects that generate revenue are required to account for program income. If this is the case, project directors should work
closely with the grants accounting office
to set up a system to account for the revenue.

**Project Costs** - All allowable costs incurred by the performing organization, including cash expenditures and the value of any in-kind contributions to the organization or by third parties, are project costs. If the granting agency is a federal agency, only non-federal third party contributions may be counted as project costs.

**Project Director** – Project directors are those individuals responsible for carrying out the purpose of the grant or contract and responsible for the project’s fiscal management.

**Project ID** – Central Washington University’s designated account number for financial accounts is referred to as a project ID or PID or speedkey.

**Project Period** – The total time for which support of a project has been approved, including any extensions thereof, is its project period. Approval of a project does not necessarily commit funds for the total period. Each year’s budget may require separate approval by the granting agency.

**Research Office** – At CWU the research office is part of the School of Graduate Studies and Research in the Academic and Student Life division. The staff currently consists of a director of research and a grants and contracts specialist.

**Signatory Authorization Form** – This is a CWU form which details who is allowed to approve expenditures on specific accounts.

**Subcontract** – Subcontracts, agreements, memorandums of understanding, and interagency agreements are binding documents between Central Washington University and other entities which participate in carrying out the work of a grant or contract. The need for such documents should be discussed in the proposal development stage. After an award is received, project directors should contact the director in the research office who will work with the director of Business Services and Contracts to write and/or review such documents and ensure that appropriate policies are followed.

**Supplemental Award** – See Incremental Award/Supplemental Award.

**Unallowable Costs** – Certain costs charged to a grant account may later be deemed unallowable if they are found by the grant accounting office or auditor to be inappropriately charged to a grant. Any expenditure disallowed by an audit must be paid back to the agency. In the event of disallowance or over-expenditures, the project director will be notified and asked to assist the research office in determining the appropriate disposition.

**Unexpended Funds** – Unspent funds at the end of an award period typically must be forfeited to the granting agency. Some agencies will permit unexpended funds to be spent during a period of no-cost extension. See No Cost Extension for additional information.
**Uniform Guidance** – The U.S. Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance") was officially implemented in December 2014. The Uniform Guidance is a government-wide framework for grants management and is an authoritative set of rules and requirements for Federal awards that synthesizes and supersedes guidance from earlier OMB circulars.
SUBJECT: Externally Sponsored Project Determination and Classification

Purpose

Externally sponsored grants and contracts are awarded to the University; not to individual investigators or departments. Acceptance of a grant or contract by the University signifies the University's willingness to assume responsibility for the administration of the funds in accordance with the terms specified by the awarding agency. This responsibility is shared within the institution by the Principal Investigator (PI), his/her Principal Budget Administrator (PBA), and the Grant and Contract Accounting Office (GCA).

Classification Determination of a Grant

The term “grant” does not determine the classification of an award as a sponsored project or gift. Some grants may be classified as philanthropic gifts (e.g. donation from a tax-exempt foundation that is operating a charitable giving program). Grants may also be awarded by a government or private organization and may be classified as “exchanged transactions” (e.g. grant from National Institute of Health, the National Science Foundation or a commercial organization). Grants requiring contractual performance commitments from the University may also come from certain charitable foundations, but must be processed through the OGSR and GCA. Even though the donor is philanthropic in nature, the award itself may contain performance contractual terms and conditions requiring its classification as a sponsored project.

Classification Determination of a Sponsored Project

A “sponsored project” is any exchange transaction between the University and the sponsor that may occur in a number of forms. A University sponsored project is not a purchase or sale of goods or services or “work for hire” arrangement but instead is a mutual exchange involving the University and a sponsor. Sponsors may provide funding, equipment or other tangible items, such as goods and services, for research, training, education programs, analytical services or other rights or goods.
A project receiving either direct or indirect external support from any federal, state, local, foreign, or other governmental entity shall be classified as a sponsored project. A project receiving external support from any entity other than a governmental entity shall be considered a sponsored project if the University is subject to the following:

1. Delivery of specific goods, services or other deliverable;
2. Performance milestones;
3. Transfer of intellectual property, ownership, or related rights;
4. Insurance, indemnification, or warranty or any other contractual term or condition that establishes financial or legal responsibilities and/or the acceptance of risk by the University;
5. Restrictions on publication of research results;
6. Withholding or refunding of the support if the project fails to meet performance requirements or project objectives, including certain research outcomes;
7. Testing or assessment of the sponsor’s products or services or conducting research that is otherwise likely to have a significant effect on the sponsor’s business.
8. The support is from industry for research relating to the donor's products or immediate business.

The Office of Graduate Studies and Research and Grant and Contract Accounting reviews, processes; and programmatically and financially manages sponsored projects.

Questions relating to accounting matters, or requests for assistance in the establishment of record-keeping systems for monitoring grant and contract expenditures, should be directed to GCA.
Appendix B: Establishing a Fund 145/146 Project ID-Speedkey

Grant and Contract Accounting Office

Establishing a Fund 145/146 Project ID-Speedkey

Revised January 1st, 2017

SUBJECT: Establishing a Fund 145/146 Project ID-Speedkey

Establishing Project ID, Speedkey, Budget and Entering Data
The Grant and Contract Accounting Office (GCA) is responsible for assigning Fund 145 and 146 project ids and speedkeys in the Financial Management System (FMS) for new grants and contracts. The School of Graduate Studies & Research (SGSR) and/or the PI will route the executed award document and SGSR Internal Routing form to GCA. This information serves as the source documentation for project id, speedkey and budget set up in FMS. If the award has not been executed, the PI can submit via email an advance Fund 145/146 project id/speedkey request to GCA in anticipation of receiving an award (see Set up an Advance Fund 145/146 PID/Speedkey guidance).

The executed agreement or contract is the primary source document used by GCA when setting up project ids/budgets and entering information into FMS. As GCA creates new Fund 145/146 project ids/speedkeys, a new Grant/Contract Setup Form will be completed for file.
SUBJECT: Guidance for Change or Absence of Principal Investigator (PI)

As stated in the Uniform Guidance 2 CFR 200.502 Standards for Financial and Program Management Change, the absence for more than three months, or a 25% reduction in time devoted to the project, by the approved project director or principal investigator requires written prior approval from the funding agency. This may result when a PI leaves the University or is away for a period greater than three months.

Under these circumstances, disclosure to the funding agency is required. The PI should work with the School of Graduate Studies and Research (SGSR) on the official disclosure. Disclosure should state the reason for the absence; indicating who will supervise the research project after his/her departure or during his/her absence; and show the qualifications of the new, or substitute, PI. SGSR will submit the disclosure request to the funding agency and copy the Grant and Contract Accounting Office (GCA).
SUBJECT: Set up of an Advance Fund 145 Project id prior to agreement/contract execution.

This guidance is to outline the process for the expenditure or commitment of funds against a grant, contract or other agreement prior to the receipt of an executed award document.

I. GENERAL PROCESS

The Principal Investigator (PI) of a contract, grant or other agreement may request authorization from the Grant and Contract Accounting Office (GCA) to set up an advance Fund 145 project id and begin incurring costs prior to the receipt of an executed award from the funding agency. This need may arise when an award has not been received in the School of Graduate Studies and Research (SGSR) by the effective date of the award, negotiation or processing of the award is not complete.

The Principal Budget Administrator (PBA) who approves the set up of an advance Fund 145 project id will be responsible for any pre-award costs that are subsequently not allowed or not funded by the sponsor.

Advance Fund 145 Project ids requests can only occur on proposals being routed through the SGSR.

In general, advance Fund 145 project ids are not allowed when the forthcoming award has outstanding compliance issues that would prohibit spending on a project.

II. GENERAL PROCEDURE

The PI or SGSR is advised by the sponsor that an award is forthcoming. Provided that an official University proposal is on file with SGSR, the PI needs to
email a request to GCA along with all funding agency correspondence. The email request should explain the need for an advance Fund 145 project id and estimation of costs (i.e. amount, type) to be incurred prior to execution.

GCA will forward the request and any applicable material to the PBA for approval. GCA, when appropriate, may advise the PBA that an advance Fund 145 should not be approved for the following reasons:

1. Federal or state grants and contracts with no pre-award approval;
2. Requests on federally supported projects that are more than 90 days in anticipation of an award; or
3. Compliance with any sponsor requirements where advance spending is unallowable.
4. Human subject research expenditures to support the project will be charged and an Institutional Review Board (IRB) determination has not been obtained.
5. Animal use research expenditures to support the project will be charged and Institutional Animal Care and Use Committee (IACUC) approval has not been obtained.
6. Significant financial interest was disclosed by investigator(s) who will be on the project and a mitigation plan has not be established with SGSR and/or Human Resources.

If PBA approval is received, GCA will establish a Fund 145 project id and inform the PI and the administrative contacts.
SUBJECT: Fiscal Responsibilities on Grant and Contract Project IDs

Grants and contracts are awarded to the University; not to individual investigators or departments. Acceptance of a grant or contract by the University signifies the University's willingness to assume responsibility for the administration of the funds in accordance with the terms specified by the sponsor, the applicable costing policy requirements, and other applicable federal, state and local law and regulations. This responsibility is shared within the institution by the Principal Investigator (PI), his/her Chair and/or Director, his/her Principal Budget Administrator (PBA), Office of Graduate Studies and Research (SGSR) and the Grant and Contract Accounting Office (GCA). All parties involved carry out processes to see that the terms of the award are observed, and that expenditures during a given period are not in excess of funds awarded. The complementary roles are as follows:

A. Principal Investigator (PI)
   1. Develops an over-all plan for the commitment and expenditure of grant and contract funds, working with the authorized person(s) in the department, college and SGSR.
   2. Initiates expenditures to be charged against the grant or contract project id.
   3. Supervises expenditure of sponsored project funds and approves subrecipient invoices to assure:
      a. That funds are utilized only for purposes directly related to and benefit the activity supported in the award.
      b. That expenditures are consistent with all special terms, conditions, or limitations that apply to expenditures under the particular grant or contract.
      c. That expenditures do not exceed the total funds authorized for a given period under the grant or contract. In many cases the grant or contract may also specify expenditure limits by budget category or line item.
   4. Assumes accountability for deficits or disallowances that occur under a sponsored award.

B. Principal Budget Administrator (PBA) – Dean or Director
   1. Establish systematic procedures in the college for supervision of grant and contract project ids.
2. Provide reasonable coordinated administrative support for the management of grant or contract project ids. Administrative support will provide detailed monthly report of grant or contract expenditures and encumbrances.

3. Consult with principal investigator concerning the resolution of deficits or disallowances incurred on a grant or contract project id and work with the GCA to resolve the problem quickly.

C. School of Graduate Studies and Research (SGSR)
   1. Reviews proposals
   2. Accepts sponsored program awards on behalf of the University
   3. Communicates with sponsors regarding changes that require amendments to current award criteria, scopes of work, official requests for extensions and rebudgeting, or any other requests that are tantamount to a change to the grant or contract.
   4. Carries out entity level and project level risk assessment before issuing a subaward and aids in monitoring subrecipients throughout the life of the subaward.
   5. Is the contact office for disputes over contractual terms or performance on sponsored agreements, and will escalate as needed.

D. Grant and Contract Accounting Office (GCA)
   1. Creates and closes out restricted Fund 145 and 146 project ids.
   2. Provides principal investigator with information about any special terms, conditions, or limitations that apply to each grant or contract project id.
   3. Consults on specific questions about the appropriateness or propriety of a given expenditure, on budget monitoring techniques, and on other such matters.
   4. Processes restricted project budgets and budget revisions in the financial system.
   5. Reviews, approves and monitors grant/contract transactions daily, weekly and monthly to assure consistency with sponsor and University policies.
   6. Upon request, provides principal investigator with detailed reports or projections of grant or contract expenditures and encumbrances.
   7. Provides required monthly, quarterly and/or annual fiscal reports to sponsoring agencies.
   8. Prepares, signs and submits invoices, drawdowns and annual/final fiscal reports to externally sponsoring agencies. The post-award manager is the designated position that can legally bind CWU with the above actions. When the post-award manager is not available, the Director of Financial Services is authorized to submit the above actions.
   9. Receives and accounts for sponsor payments.

If a deficit or disallowance occurs under a grant or contract project id, the principal investigator, in consultation with his chair or dean, is to advise the GCA as to the appropriate disposition. After-the-fact transfer of expenditures from one grant or contract project id to another to correct a deficit or disallowance is usually not
acceptable as stringent audit requirements apply to such transfers under federally-funded grants and contracts.

The University has not budgeted separate funds for covering grant or contract deficits or disallowances so alternative sources must be found by the principal investigator; department and indirect project id’s are among the possibilities.

Questions relating to accounting matters, or requests for assistance in the establishment of record-keeping systems for monitoring grant and contract expenditures, should be directed to GCA.
SUBJECT: Guidance for Rebudgeting of Grant and Contract Funds

The budget plan is the financial expression of the project or program as approved during the award process. After a grant or contract has been awarded, the Principal Investigator (PI) may determine that the approved budget allocations are not consistent with actual project needs. S/he may request the formal reallocation of funds from one spending category another spending category that better reflects the project requirements. This process is called Rebudgeting or Budget Revision.

Informal rebudgeting occurs when actual expenditures exceed or fall short of the allocated amount budgeted in an account or when actual expenditures occur in an account that has no budget allocation.

Many sponsors allow rebudgeting without prior approval while others require approval when rebudgeting into or out of a spending category exceed a specified percentage of the award amount. If prior approval is not required then formal rebudgeting is not necessary.

Procedure for Rebudgeting on a Grant or Contract:
The PI with the support of the Grant and Contract Accounting Office (GCA) will determine if the sponsor of the grant or contract allows rebudgeting and whether prior approval from the sponsor is required. GCA will review the rebudgeting request to determine if it is allowable, based on sponsor regulations or contractual agreements in the award documents.

For example: on NIH non-modular budgeted awards, sponsor concurrence is required when a single direct cost budget category deviates (increase or decrease) from the categorical commitment level established for the budget period by more than 25 percent of the total costs awarded.

If sponsor approval is required, the PI will formally submit electronic rebudgeting request to funding agency copying GCA. If approved by funding agency, GCA will use approved request to post rebudget in the Financial Management System (FMS). If funding agency approval is not obtained, FMS rebudgeting will not occur.
If **sponsor approval is not required**, rebudgeting requests will be noted in Excel project spreadsheet/project file and monitored. Rebudgeting in FMS, other than opening up certain cost categories, will not occur. This is so thresholds or “swings” can be monitored.
SUBJECT: Costing issues on Sponsored Agreements

Introduction
Sponsored programs incur costs in support of the sponsored research, instruction or other sponsored activity that is carried out under the program. The University maintains this practice in order to ensure those costs are necessary, reasonable, and allocable to a particular sponsored program and administered consistently across all sponsored programs. The University maintains this practice, its policies, systems, internal controls and procedures that ensure that direct costs and associated indirect costs, consisting of and referred to as Facilities & Administrative (F&A) costs, are presented appropriately in proposal budgets and charged consistently to sponsored program project ids.

Per Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Chapter I, Chapter II, Part 200, Uniform Guidance), federal cost principles must be applied uniformly to all federal awards and must be consistent with practices, policies and procedures that apply to both federal awards and other activities of the university, including non-federally supported programs. Along with the general provisions of the Uniform Guidance, these cost principles are also subject to agency- and announcement-specific restrictions as well as the terms and conditions of the federal award.

Cost principles are those factors that are used to assess allowability of costs. These principles state that costs must be necessary, reasonable and allocable, and conform to limitations set out by regulation and the award itself. Additionally, a cost should not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost (F&A).

As §200.412 of the Uniform Guidance states, "There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances as a direct or indirect (F&A) cost in order to avoid double-charging of federal awards."

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All direct costs charged to a sponsored program must be necessary, reasonable, and allocable to the particular program and be incurred within the limitations set out by the sponsored award document and sponsor specific requirements, which may include seeking approval prior to charging certain costs to the award.

Any cost that is considered an F&A cost, such as administrative or clerical services, cannot be directly charged to a federally funded sponsored program unless certain conditions are met to justify the direct charging of the cost and prior sponsor approval is sought and obtained, consistent with the sponsor's definition of prior approval.

Costs that are normally recovered under F&A may be directly charged to non-federally sponsored programs if permitted by the sponsor's policies, award terms and conditions, or are otherwise approved by the sponsor.

The PI shall put into place adequate internal controls to reasonably ensure that all expenditures associated with the sponsored program are consistent with this procedure. Costs determined to be unallowable, through the audit process, by the sponsor, by the pass-through entity, by Grant and Contract Accounting (GCA) post-award compliance monitoring, or other body with oversight regarding sponsored program expenditures, become the responsibility of the PI for payment from alternative sources.

**Direct Costs**

Per §200.413 of the Uniform Guidance, "Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy."

Below is a list of the types of costs that should be directly charged to sponsored agreements when they can be specifically identified to the work performed under those agreements. Allowability of these costs should be documented at the proposal stage and throughout the project.

**Salaries, Wages and Fringe Benefits (see Sections §200.430, §200.431, §200.437, §200.466)**

- Faculty
- Research Associates, Scientists
- Predoctoral and Postdoctoral Fellows
- Technicians, Lab Assistants, Graduate Students
- Tuition remission for Graduate Students


- Chemicals
• Laboratory Supplies
• Computer Software
• Books
• Minor Equipment
• Photographic supplies
• Tools
• Animals
• Computing devices (this is allowable for devices that are essential and allocable, but do not have to be solely dedicated to the project)


• Travel
• Postage
• Subawards
• Consulting Services
• Equipment
• Animal Care
• Motor Pool
• Other costs specifically identified and justified in funded proposals
• Long distance telephone costs
• Freight and Express
• Research Subject costs
• Publication costs
• Recharge Center Fees

Indirect Costs

By definition in the Uniform Guidance, "Indirect (F&A) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved." Appendix III to the Uniform Guidance provides the costs that are generally identified as F&A costs for Institutions of Higher Education. Examples include:

• Administrative/Clerical salaries
• Basic Local Telephone Services On Campus - Basic services include phone installation, monthly line charges, basic instruments
• Routine Copying Charges
• Memberships
• Journals and Subscriptions

Prepared by Heather Harrell, March 2015
Reviewed and approved by Chris Huss, 6/8/2015

Grants and Contracts Handbook, September 2017
Appendix H: External Grant/Contract Sponsored Travel

Grant and Contract Accounting Office
External Grant/Contract Sponsored Travel

Travel plays an important role in many research projects. This resource provides helpful guidance to faculty and staff on the best way to plan travel and to be reimbursed for associated costs.

All travel by faculty, staff, students, and guests utilizing sponsored grant/contract funds administered through Central Washington University must adhere to institutional and state travel policies and procedures, except where sponsor requirements differ. Please check the terms and conditions of the grant/contract you will be using to make sure you understand what the sponsor requires for project-related travel. This includes ensuring that only travel directly related to the project is posted to the grant/contract and that the travel costs are reasonable, allocable, consistent and acceptable by the sponsoring agency.

**CWU designees with departmental travel cards are not allowed to incur travel-related costs (registrations, airfare, lodging or transportation) on external grants/contracts (fund 145, speedkeys that begin with 22XXXXX01).** Please direct travel requests to the Grant Accounting Fiscal Specialist at x2302 (for COTS related travel) or the Graduate Studies Grant/Contract Specialist x3111 (non-COTS related travel).

Travel sponsored by external grants/contracts are required to have copies of all receipts attached to the travel expense report if reimbursement is requested. In addition, travel authorizations and travel expense reports should be approved by the traveler whenever possible, unless the traveler is a student.

Travel sponsored by federal grants/contracts are required to have a justification on the travel authorization and/or travel expense report which states how the traveler’s trip ties to the goals and objectives of the award or why participation of the traveler is necessary to the federal award.

Domestic travel funded from federal awards are subject to the Fly America Act requirements mentioned below.
International Travel

Please review the guidelines listed below for international air travel before making any plans. Federally–funded travel must follow the Fly America Act which requires the use of U.S. Flag Carriers, regardless of cost.
Also, individuals traveling internationally on university business need to be aware that export control restrictions may apply depending on the travel destination. Traveling internationally with certain types of personal items, information, or equipment (including but not limited to laptops, web-enabled cell phones, GPS units, scientific equipment and controlled, proprietary or unpublished research data) may require that an export license or other governmental approval be obtained before you depart.

Fly America Act

The regulations below concerning the use of foreign air carriers on federal funds must be followed by all CWU personnel, students, trainees, consultants and collaborators who are reimbursed for air travel with federal or federal pass-through funds. It is the Principal Investigator’s (PI) or his/her designee's responsibility to ensure that all air travel charged to federal or federal pass-through awards are in compliance with this regulation.

It is highly recommended that all domestic and international airfare which will be supported from a federal award be booked through one of CWU’s approved travel agents: Wright Travel 206.524.8524 or Travel Leaders 800.735.2526.

If airfare is purchased directly by a traveler which violates the Fly America Act, airfare will not be reimbursed from the federal award.

What is the Fly America Act?

The Federal Fly America Act mandates that travel sponsored by the Federal government must be on U.S. airlines or a foreign air carrier that code shares with a U.S. Flag carrier on the flight taken. This includes flights within the U.S. If there is no U.S. carrier to your destination, you must travel on a U.S. carrier as far as possible. By law, additional cost for U.S. carrier flights is not sufficient justification to fly on foreign carriers. Please note that the same rules apply to a foreign visitor’s flights.

What is the Code Sharing?

If you are scheduling international travel that is federally funded, you are allowed to schedule international travel on foreign air carriers that code share with a U.S. Flag carrier. Code sharing occurs when two or more airlines “code” the same flight as if it were their own. In other words, a U.S. airline may sell a seat on the plane of a foreign airline carrier; this seat is considered the same as one on a plane operated by a U.S. flag carrier. Compliance with the Fly America Act is satisfied when the U.S. flag air carrier’s designator code is present in the area next to the flight numbers on the airline
ticket, boarding pass, or on the documentation for an electronic ticket (passenger receipt). This code indicates that the flier is in a U.S. Flag carrier seat, regardless of the air carrier, which owns the aircraft. **The key to meeting the requirements is whether the ticket is purchased through the U.S. air carrier.** If the ticket is issued through the U.S. air carrier the expense will, in most cases, be eligible for reimbursement, provided the U.S. air carrier is identified on the ticket. If the ticket is issued by a foreign air carrier, (even under a code sharing arrangement), the ticket is not eligible for reimbursement on a Federal award.

For example, Delta has a code share agreement with Air France to Paris, France. If the boarding pass (flight coupon) or e-ticket identifies a flight as DL##, the requirements of the Federal Travel Regulations would be met, even if the flight was on an Air France airplane. If however, the boarding pass (flight coupon) or e-ticket identifies the flight as an AF ###, then the requirements of the Federal Travel Regulations would not be met.

**What are the generally permitted exceptions?**

- No U.S. flag air carrier provides service on a particular leg of the route. (Travelers may use foreign air carriers to or from the nearest interchange point with a U.S. Carrier, additional supporting documentation required).
- Use of a foreign air carrier is necessary for medical reasons (additional supporting documentation required)
- Use of foreign air carrier is required to avoid unreasonable risk to traveler’s safety (additional supporting documentation required).
- **Travel to and from the U. S., use of a foreign carrier is permissible if:**
  - The airport abroad is the origin or destination airport, and use of a U. S. carrier would extend the total travel time 24 hours or more than would travel by foreign carrier; or
  - The airport abroad is an interchange point, and use of a U.S. Carrier would require the traveler to wait six (6) hours or more to make connection or would extend the total travel time six (6) hours or more than would travel by foreign carrier.
- **Travel Between Points outside the U.S., use of a foreign carrier is permissible if:**
  - Travel by foreign carrier would eliminate two (2) or more aircraft changes en route; or
  - Travel by U.S. carrier would extend the total travel time six (6) hours or more than would travel by foreign carrier.
- **Short Distance Travel.** For all short distance travel, regardless of origin and destination, use of a foreign carrier is permissible if the elapsed travel time on a scheduled flight from origin to destination airport by foreign carrier is three (3) hours or less and service by U.S. carrier would double the travel time.

If an exception is requested, supporting documentation must be provided prior to approval being granted and ticket purchased.
For questions regarding international travel supported by federal awards, please contact Heather Harrell, Post-Award Manager at 963.1988 or CWU’s Travel Specialist at 963.1986.
SUBJECT: Effort Reporting on Sponsored Agreements

Effort Certification
Effort Report Certifications (ERCs) are quarterly reports designed to track the effort of individuals who have been paid from and/or committing sponsored project effort on a federal award. A individual receives an ERC if he or she is paid by Central Washington University and

- Performs effort paid on federal and/or non-federal sponsored projects;
- And/or performs cost sharing on federal and/or non-federal sponsored projects.

The purpose of the ERC is to certify that the remuneration received was a reasonable reflection of the effort committed by the employee. This process supports the Uniform Administrative Requirements for federal awards as prescribed in 2 CFR 200.

What is Effort?
For the purposes of sponsored agreements, effort is the time an individual spends on their university activities, including research, instruction, administration and service.

What is Institutional Base Salary (IBS)?
Institutional base salary is the annual budgeted compensation paid by Central Washington University for an employee's appointment, whether that individual's time is spent on research, instruction, administration or service. Typically, this figure is based upon their nine month appointment. Institutional base salary excludes any income that an individual is permitted to earn outside of duties for Central Washington University.

Faculty Work Week
A faculty work week is the average number of hours a faculty member normally works during a week. Hours are to be averaged over the effort reporting period. For many faculty this number will vary from one week to another. On average, each faculty work load unit equates to 32 hours, 160 hours per month (5wlu), 480 hours per effort reporting period (15wlu) and 1,440 hours per nine month assignment (45 wlu).
**Charging salaries**
Salaries should be charged to sponsored projects by determining the percentage of the faculty member's average work week devoted to the project and charging no more than that percentage of the faculty member’s IBS to the sponsored project.

**Certifying effort**
On the ERC, individuals certify to their grant effort (both paid and committed) as a percentage of total University effort.

Faculty generally have responsibilities for such activities as non-sponsored research, instruction, administration or service that would preclude their devoting 100% effort to sponsored activities. Proposal preparation for new and competing renewals would also preclude faculty from devoting 100% time to research. Accordingly, faculty, department administrators, and department chairs should assure each reporting period, including summer for those on a quarterly reporting period, that there are no other activities required of the faculty member that would reduce the effort available for sponsored activities during that period. Salary support for teaching, administration, service, institutional governance and proposal preparation effort must come from non-sponsored funds, except for normal scholarly activity during summer time outside of the main nine-month academic year and sponsored projects specifically awarded for those purposes.

Although all university activities must be included in a faculty member's effort for reporting purposes, not all of a faculty member's professional activities must necessarily be considered university activities. For example, outside professional work and volunteer community or public service are types of activity that would normally be deemed non-university activities. Interdepartmental consulting for which supplemental compensation is paid and service on review panels or other advisory activities for federal sponsors that include an honorarium and/or travel reimbursement are also considered outside of total effort.

**Change in Level of Effort**
2 CFR 200 requires grantees to obtain the sponsoring agency's approval in writing if the PI or key personnel specifically named in the Notice of Grant Award (NGA) will:

- Withdraw from the project entirely;
- Be absent from the project during any continuous period of 3 months or more; or
- Reduce time devoted to the project, by 25 percent or more, from the level approved at the time of award.

This rule applies to all federal grants unless waived in writing by the sponsor. The sponsoring agency must approve in advance any alternative arrangement proposed by the grantee, including any replacement of the PI or key personnel named in the NGA.

The effort commitment (both paid by the sponsor and paid by the University) at the time the award is issued is considered the threshold against which reductions of 25% or more need to be requested and approved in advance. In order to be in compliance, the
PI should compare the original commitment in the award document against actual grant effort on the ERC.
SUBJECT: Transfer of Expenditures between Project Ids/Speedkeys

Federal, state, and private agency policies and audit guidelines have become quite stringent as they relate to cost transfers between grant and contract programs. Costs allowable to a particular sponsored agreement . . . may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience per cost principles set out in Title 2 in the Code of Federal Regulations (2 CFR), subtitle A, chapter II, part 220 (formerly Office of Management and Budget, Circular A-21).

The Department of Health and Human Services (DHHS) has issued a definite policy statement containing specific guidelines on cost transfers. Since DHHS has the Federal audit responsibility at most universities, including Central Washington University (University), these guidelines are extended in audit practice to the University's sponsored programs from other Federal agencies as well. State and public auditors use similar audit guidelines when reviewing nonfederal grants and contracts. Since the University has a stewardship responsibility for all funds made available for research and training, these cost transfer guidelines are applied consistently to all sponsored agreements.

PI's and departments should have expenditure review systems in place to detect posting errors within a reasonable time frame. The untimely discovery of errors could ultimately be an indication of poor internal controls.

Transfers of Goods and Services Transactions

When transferring non-salary expenditures to or from a sponsored project id/speedkey, the conditions which should be adhered to are as follows:

1. Transfers are to be processed within 90 days after the expense was occurred. In addition, charge credits should be submitted promptly to the Accounting Office after the end of the financial reporting period to facilitate timely submission of financial reports by the Grant and Contract Accounting Office (GCA).
2. Revenue transfers and project id changes for outstanding requisitions (encumbrances) are governed by separate processes.
3. The following information should be included on all cost transfers:
- The reason(s) for transferring the expenditure should be sufficiently stated to establish that the transfer is within the approved guidelines of the budget to be charged and is in direct support of the project objectives. It is important to stress the benefit to the program receiving the cost in all instances.
- The reason(s) the expenditure was initially charged to the incorrect budget.
- Expenditure transfers should be processed within 90 days after the expense occurred. If, however, the transfer is requested more than 90 days after occurrence, a 90-day Cost Transfer Explanation Form should be attached to charge credit.
- The GCA reviews and approves most, if not all Fund 145 and 146 charge credits prior to posting to ensure compliance. Questions concerning allowable transfers should be referred to GCA. The GCA can also provide assistance in establishing project id monitoring procedures to minimize the need for expenditure transfers.

**Documenting Salary Transfers**
The same principals apply to payroll transfers as apply to non-payroll transfers. In addition, the following conditions which should be adhered to are as follows:

- Most payroll transfer requests should be submitted directly to GCA with the reason(s) for transferring the expenditure sufficiently stated to establish that the transfer is within the approved guidelines of the budget to be charged and is in direct support of the project objectives. It is important to stress the benefit to the program receiving the cost in all instances.
- Request should also state the reason(s) the expenditure was initially charged to the incorrect project id.
- The transfer request should be approved by the Principal Investigator (PI) or an individual who has been delegated authority by the PI or has direct knowledge of how the work benefitted the receiving project (i.e. timesheet).
- Expenditure transfers should be processed within 90 days of when the effort was committed. If, however, the transfer is requested more than 90 days after occurrence, a 90-day Cost Transfer Explanation Form should be attached to charge credit.
- For salaries already certified through a GCA Effort Report Form, please contract GCA directly on how to proceed.
- The GCA reviews and approves most Fund 145 and 146 payroll transfers prior to posting to ensure compliance. Questions concerning allowable transfers should be referred to GCA. The GCA can also provide assistance in establishing project id monitoring procedures to minimize the need for payroll transfers.

**Countering Assumption of Transfer for Convenience**
In the examination of expenditure transfers, auditors are especially skeptical of both salary and non-salary transfers involving project id’s in a deficit condition or those having unexpended funds at the expiration date. If such conditions exist, it is particularly essential to provide convincing evidence that the transfer is not for reasons of budgetary convenience.

**Consistency between Payroll Documents and Effort Reporting Reports**

It is essential that the salary distribution reported on the GCA Effort Reporting Form (which is supported by the FMS payroll distributions/transfers) be consistent with effort performed. When the salary distribution reported on the GCA Effort Reporting Form reflects a material difference from the actual effort distribution, a FMS salary transfer will be prepared that reflects the change and PI approval sought by GCA.

**Late Awards**

Care should be taken to not start work on a project before funding is assured. When an award is late, or a project id set-up is delayed, salary and non-salary expenditure transfers may be avoided by using the GCA process for obtaining project id in advance (see Set-up of Advance Fund 145 PID). When it is not possible to establish an advance Fund 145 project id, interim appointment(s) may not be made to another sponsored funding source.

**Number of Payroll Changes**

Frequent or inadequately explained cost transfers raise serious questions about the propriety of the transfers themselves as well as the overall reliability of the PI/department's cost distribution system, and may result in a comprehensive audit by internal and/or external auditors. It is therefore important that departments have procedures in place which ensure accurate accounting for costs and timely correction of errors.

Questions concerning salary transfers involving grant and contract project ids should be referred to Grant and Contract Accounting (GCA). Questions concerning non-grant and contract salary transfers should be referred to the Payroll Office.
Appendix K: Closeout of Sponsored Programs

Purpose
Federal and many other sponsored programs require final reports be submitted and all obligations incurred under the award liquidated no later than 90 days after the end of the period of performance. In accepting sponsor funding, the University has an obligation to comply with the sponsor's reporting requirements. Failure to submit these final reports and manage the fiscal closeout appropriately can lead to closer monitoring by the sponsor, future award delays, the sponsor withholding future funding to the Principal Investigator, the Principal Investigator's department and the University. This guidance discloses the University's roles and responsibilities with respect to meeting these final closeout report and submission requirements and final fiscal management of sponsored programs.

Background
The federal government has established Uniform Administrative Requirements for federal awards as prescribed in 2 CFR 200. These requirements set out the final administrative actions, including reporting, needed at the end of a sponsored program. This final reporting consists of a final performance report, a final fiscal report and also usually includes a final invention statement and equipment inventory report. Other final reporting requirements may be mandated in the terms of the award from federal or non-federal sponsors (i.e. list of publications or a security report).

Persons / Offices Impacted
- CWU Principal Investigators (PIs) with federally sponsored programs
- Principal Budget Administrator (PBA)
- School of Graduate Studies & Research (SGSR)
- Grant and Contract Accounting (GCA)

Process and Guidance
Central Washington University requires closeout of sponsored programs in accordance with federal regulations, specific sponsor policies and the terms of the award within the timeframe required by the sponsor. The exact nature of the reports required and the deadlines for their submission are typically outlined in the award terms and conditions or published sponsor policies.
It is the Principal Investigator's responsibility to prepare and submit the final technical and/or performance report to the sponsor, per sponsor requirements. The PI will either submit or work with GCA on the final invention statement.

If the PI responsible for completion of the closeout documents is no longer with CWU, the department chair and/or applicable dean is responsible for assuring that a final performance report is submitted and information required to complete equipment and financial reporting is submitted to GCA and the sponsor.

GCA will send an email notification to the PI and departmental administrative contacts roughly 60-90 days prior to the end date of the award, informing that the award is scheduled to end and that closeout responsibilities may exist. The PI, with the help of GCA, must check the terms of the award for the specific reports needed to fulfill sponsor requirements regarding his/her obligations. The PI may request a no-cost extension at this time by contacting SGSR and/or funding agency. Once an extension is approved by funding agency, the PI/SGSR will route extension approval to GCA.

Responsibilities

**PI:**
- Review award terms and conditions for all closeout requirements.
- Review and confirm all expenditures on GCA detail and summary report.
- Draft final technical/progress report and submit to sponsor per sponsor requirements.
- Work with GCA on final invention statement/property closeout report to sponsor.
- Work with GCA on notifying all sub-recipients of requirement to submit final invoice, technical report and invention statement (if applicable) to CWU prior to prime agreement end date.

**PBA:**
- In coordination with PI, SGSR & GCA, ensure closeout requirements are met for sponsored programs within unit/school/college.

**SGSR:**
- Enter sponsor electronic systems to approve closeout documentation as Institutional Authorized Official, if required.

**GCA:**
- Notify PI of fiscal closeout requirements.
- Work with PI on notifying all sub-recipients of requirement to submit final invoice, technical report and invention statement (if applicable) to CWU prior to prime agreement end date.
- Review and prepare project id for closing and reporting (i.e. send PI detail and summary report and obtain confirmation)
- Prepare and submit final invoice or final financial statement per sponsor award requirements.
• Change status of project id to *inactivated* once all expenditures, cash and revenue are posted and cost share has been met.
• Work with PI on final invention statement/property closeout report to sponsor.