

Introduction to Sponsored Research at Boston University

POST AWARD, DAY 2

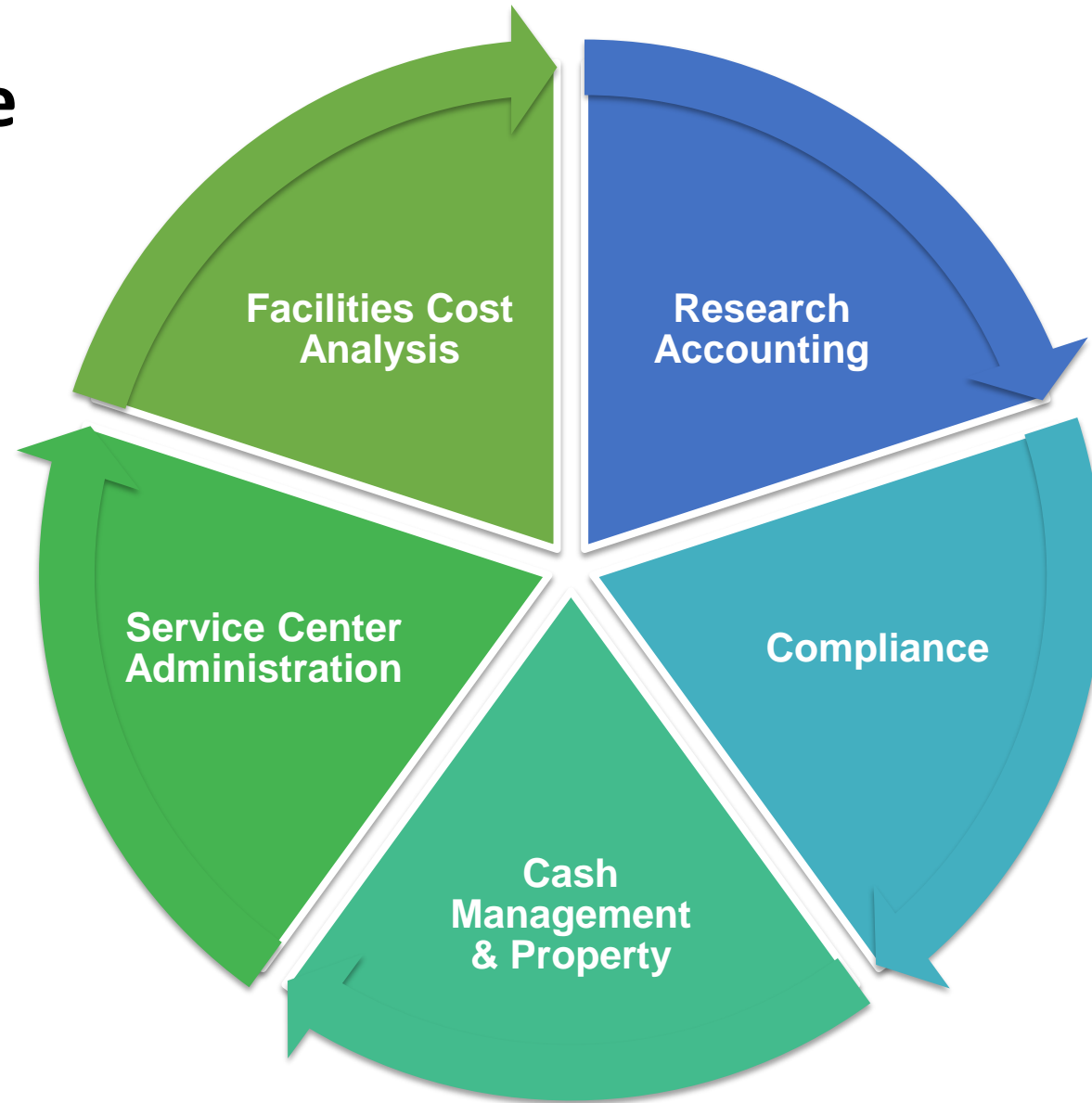
September 18, 2019

- Cost Principles
- Salary Management & Effort
- Subawards
- F&A
- Property and Cash Management
- Cost Transfers
- Closeouts

Grant Flow and Roles



PAFO: Who we are



There are a handful of important ongoing financial responsibilities in post-award, including:

- Ensuring that direct charges are allowable, reasonable, allocable and consistently treated
- Reviewing the ledger to ensure that transactions are charged to the correct cost center or project
- Tracking funding as compared to budget and projections
- Ensure Burn Rate is appropriate
- Completing journal entries and cost transfers as needed and timely (with documentation)
- Communicating spending with the PI



The Four Cost Principles



4 Cost Principles

Allowable

Reasonable

Allocable

Consistently
Treated

Allowable

Definition: If it conforms to any limitations or exclusions set forth in the regulations that govern the award (UG 200.403) or in the sponsored award

Major Considerations:

- Are there any terms, conditions, regulations or institutional policy prohibiting this charge?
- Was the cost incurred during the Project Period?

Challenges to Allowability:

- Lack of understanding/awareness of sponsor terms and conditions
- Workplace conflict of interest:
 - Individuals with authority insisting a charge should be applied when it should not

Painting a House - ALLOWABLE



Reasonable

Definition: If, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. (UG 200.404)

Major Considerations:

- Generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement?
- Actions are consistent with established institutional policies and practices, including sponsored agreements.
- Would you buy this item and pay this price if you had to pay for it personally?

Challenges to Reasonableness:

- Late Fees associated with a bill paid late for an allowable charge to a sponsored project due to departmental inefficiency
- Charging valet parking \$22/day when daily parking is available at \$14/day

Painting a House - REASONABLE



Allocable

Definition: the goods or services involved are chargeable in accordance with relative benefits received;
incurred for the benefit of only one project or can be readily assigned to multiple projects which benefit from the cost (UG 200.405)

Major Considerations:

Is the cost incurred solely to advance the work under a single sponsored award?

- Allocated on proportional benefit when costs easily attributed
- Allocated on reasonable benefit when costs can't be reasonable attributed

Challenges to Allocability:

- Lack of proper documentation for allocation decision and methodology
- Determination of a "Reasonable Basis" for allocation

Painting a House - ALLOCABLE



Consistently Treated

Definition: The costs incurred for the same purpose, in like circumstances, are either direct costs only or F&A costs only with respect to final cost objectives. This assures that the same types of costs are not charged to awards as direct AND as indirect costs. (UG 200.403 – Sections C and D)

Major Considerations:

- Have you verified “unlike circumstances”?
- Have you thoroughly documented / demonstrated an “unlike circumstance”?

Challenges to Consistently Treated:

Indirect types” of costs are the most at risk:

- Clerical and Administrative Costs
- Office Supplies
- Local Phone Charges
- Memberships
- Postage

Painting a House – CONSTISTENTLY TREATED





Allowable

Typical allowable direct costs include:

- Salaries and Wages
- Fringe Benefits
- Subawards
- Lab Supplies
- Equipment
- Participant Support Costs

- Participant support costs
- Recruiting costs
- Relocation costs



Unallowable

Not all charges are allowable on Federal awards. Typical unallowable charges include:

- Alcohol
- Alumni/ae Activities
- Audit Services
- Bad Debt
- Lobbying

- Administrative and clerical staff salaries
- Unused supplies exceeding \$5000
- Computing Devices

Resources

[Charging direct costs to Sponsored Awards](#)

[Uniform Guidance §200.420 – §200.475.](#)

[Travel on Sponsored Awards](#)

<http://www.bu.edu/researchsupport/forms-policies/travel-on-sponsored-awards/>

- **Check terms & conditions** of agreements before submitting any travel cost for reimbursement (some awards may prohibit foreign travel, restrict number of trips or travelers, require pre-authorization by Sponsor, or specify maximum meal, mileage or other cost rate)
- If federally funded, awards are subject to federal laws and Uniform Guidance

Air Travel

- **Upgrades:** Traveler is responsible for airline upgrade fees (if charged to travel card, should be designated as “personal”)
- **Unused tickets** and cancelled trips cannot be charged to a grant/sponsoring agency; if this does occur the transaction must be reversed and charged instead to a departmental account for future departmental benefit
- **Airlines:** Comply with the [Fly America and Open Skies Agreements](#)



PI Responsibilities

- Monitor spending to ensure compliance with Notice of Award
- Ensure compliance with BU applicable policies including Sourcing, HR, and Accounts Payable

DA Responsibilities

- First line of defense, should review and be aware of what costs can be charged to the award
- Escalate to PAFO Research Administrator with concerns of misuse or abuse of funds

PAFO Responsibilities

- High Level overview of expenses
- Complete internal audit, and contact DA when necessary
- Quarterly review of travel, internal audit of a range of invoices based on risk assessment and if RAs find any issues then RAs reach out to DAs to fix problems. (Percent of invoices PAFO looks at, and % of issues that come out of it)

Four Cost Principles

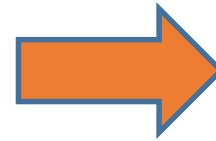
- Allowable
- Reasonable
- Allocable
- Consistently Treated

YOU are the gate keeper to ensure costs are charged accordingly

Salary Management



Salary is typically the
biggest expense on
any Grant



- Student Salary
- Staff Salary
- Faculty Salary

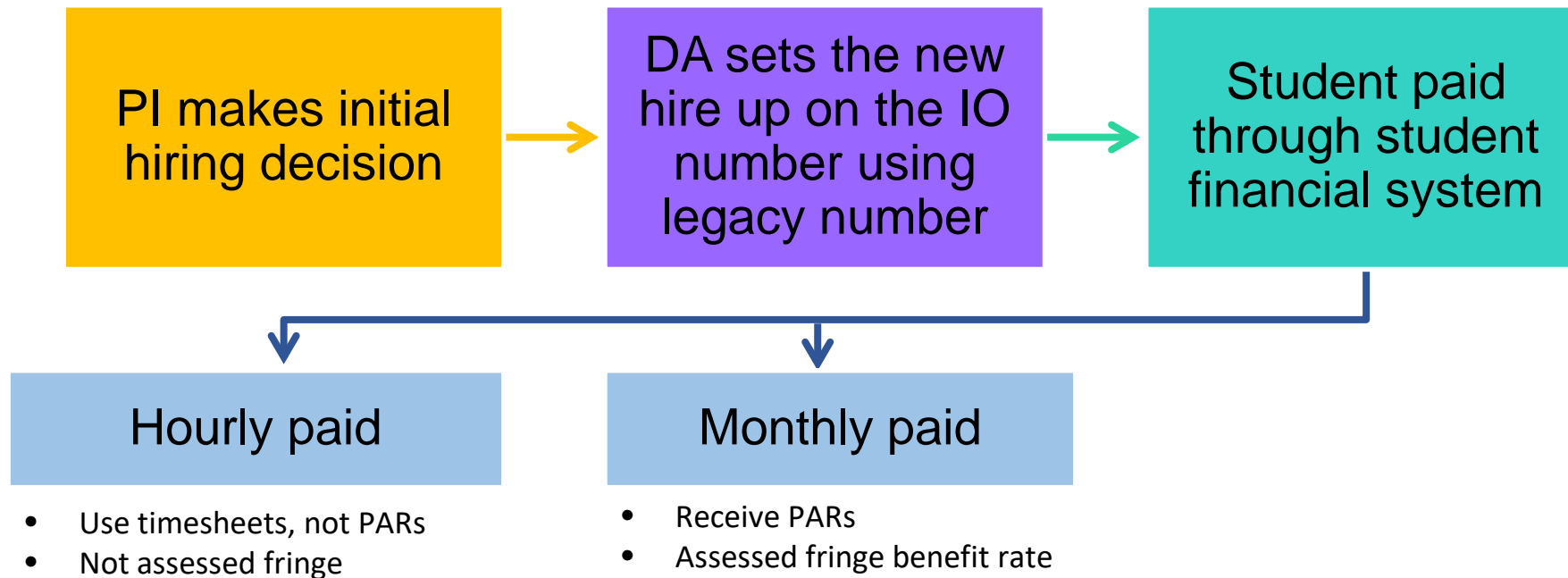
- All salaries on grants need to be for the people who are working on that Grant, within the start and end date of that Grant



- Any expense on the Grant is to further the research (Allowability)



Student (grad or undergrad) is defined as someone who is taking classes at Boston University



[F&A and Fringe Rates](#)

PI / DA Responsibilities

- Hire, monitor expenses are going to appropriate account
- Do adjustments and terminate timely (so students are not paid incorrectly)
- Schools have salary benchmarks, follow department policy and work with Student Employment Office

PAFO Responsibilities

- Approve adjustments and cost transfers, which all require two PAFO signatures before they can be processed
- Sends to student employment office (SEO) for keying into the student financial system which then feeds nightly to SAP

Resources

[Student Employment Office](#)

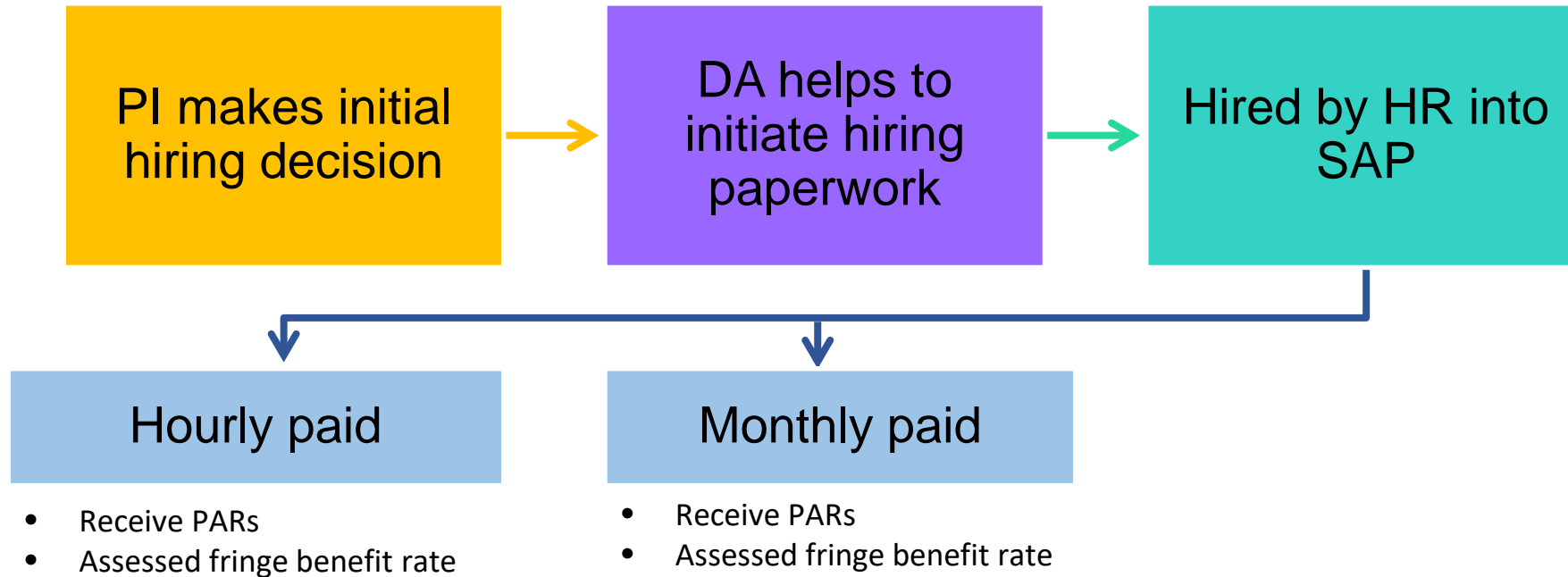
[Student SARF form](#)

[Fringe rates](#)

[Effort FAQs](#)

[RA/DA directory](#)

Staff on Grants are typically research staff, rarely administrative staff



[F&A and Fringe Rates](#)

PI / DA Responsibilities

- Ensure allocations are appropriate and within period of performance
- Monitor payroll expenses on Grant, initiating adjustments and cost transfers in SAP using salary cost distribution form, with appropriate justification
- Timely termination

PAFO Responsibilities

- Approve adjustments and cost transfers in SAP, which all require two PAFO signatures before they can be processed

Resources

[Salary Adjustment Procedure](#)

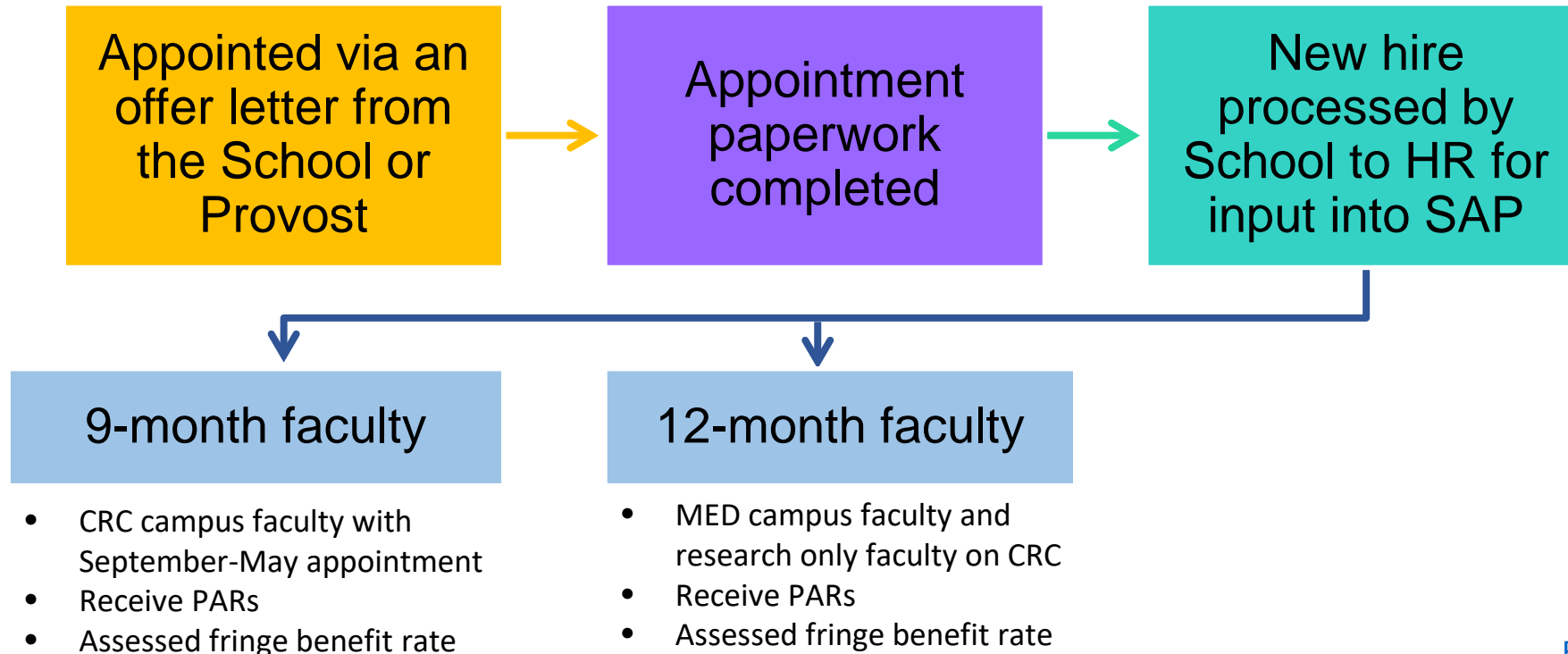
[Salary Adjustment Request Form](#)

[Fringe rates](#)

[Effort FAQs](#)

[RA/DA directory](#)

Includes faculty who teach and do research, and those who just do research



[F&A and Fringe Rates](#)

PI / DA Responsibilities

- Process payroll and terminations timely
- Notify PAFO if PI is leaving BU well in advance
- Ensure no key personnel has reduced effort by 25% or more without first notifying sponsor
- Complete salary cost distribution form for cost transfers or adjustments

PAFO Responsibilities

- Approves all retroactive payroll forms (staff and faculty), system will automatically include PAFO in approval path if date is in the past

Resources

[Salary Accrual video](#)

[Summer Salary guidance](#)

[Fringe rates](#)

[Effort FAQs](#)

[RA/DA directory](#)

Effort is the amount of time someone spends on any University activity

Effort Reporting Uniform Guidance requires a system of Internal Controls to track effort on Grants after the fact

Personnel Activity Reports (PARs) are the mechanism BU uses to report and certify effort after the fact

What is “Effort”

- **Expressed as a percentage**

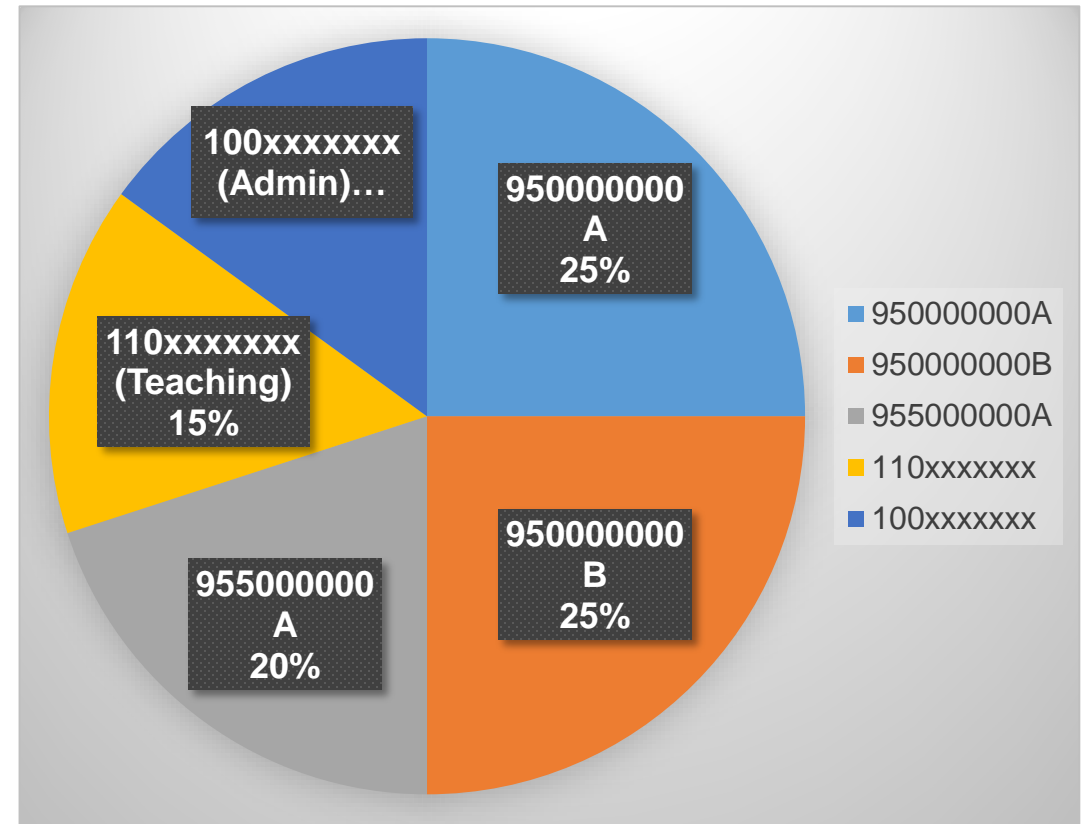
Not an exact measurement, because it is based on the “average” percentage, which will vary over time and does not hinge on a 40-hour work week.

- **Based on time spent**

All of a person's activities that are part of his/her institutional responsibilities (regardless of how many hours per week) are part of his/her effort.

- **Unrelated to who pays**

Allocation based on effort spent, regardless of monetary compensation.



- The first two columns reflect the % based on Salary Charged and is printed directly from SAP
- The last column is intentionally left blank for the BU employee to enter the corresponding Effort
- If no changes, simply fill in the Effort percent column, sign, and return the form to PAFO

CATEGORIES

I. BU NON-SPONSORED ACTIVITY

This includes Instruction, Departmental Research, Hospital Duty, Department Administration or Student Services.

1xxxxxxx – Administration

11xxxxxxx – Teaching

II. BU SPONSORED ACTIVITY

A. SPONSORED AGREEMENTS

955xxxxxA – NON-FED Sponsored Research Grant A

950xxxxxA – FED Sponsored Research Grant A

950xxxxxB – FED Sponsored Research Grant B

B. COST SHARING ACTIVITY - Time spent working on a sponsored agreement funded by BU
Sponsored Program Number

III. SERVICES PROVIDED TO BOSTON MEDICAL CENTER (as Vendor)

TOTAL EFFORT (must equal 100%)

Unrestricted Breakdown	% of Salary Charged	of Effort Expended
15%		15%
15%		15%
	20%	20%
	25%	25%
	25%	25%
	100%	100%

- If the % of Effort Expended column does not match salary, next steps depend on what the changes are.
- Employees can always have more effort than salary. When this occurs, the difference has to be added to cost share.
- If an Employee has less effort than salary paid, a salary adjustment has to be made to reduce the salary charged to the award. If not, this is considered fraud. i.e. the employee received more pay than work performed which is not allowed.

CATEGORIES

I. BU NON-SPONSORED ACTIVITY

This includes Instruction, Departmental Research, Hospital Duty, Department Administration or Student Services.

1xxxxxxx – Administration

11xxxxxxx – Teaching

II. BU SPONSORED ACTIVITY

A. SPONSORED AGREEMENTS

955xxxxxA – NON-FED Sponsored Research Grant A

950xxxxxA – FED Sponsored Research Grant A


950xxxxxB – FED Sponsored Research Grant B

B. COST SHARING ACTIVITY - Time spent working on a sponsored agreement funded by BU Sponsored Program Number

955xxxxxA – NON-FED Sponsored Research Grant A

III. SERVICES PROVIDED TO BOSTON MEDICAL CENTER (as Vendor)

TOTAL EFFORT (must equal 100%)



Unrestricted Breakdown	% of Salary Charged	% of Effort Expended
15%		15%
15%		15%
	20%	20%
	25%	25%
	25%	20%
		5%
	100%	100%

Reminder:

PARs are only printed from the system if salary is charged to a sponsored research account (950xxxxxxx, 955xxxxxxx, or 994xxxxxxx)

If a BU employee performed effort that was not charged to the sponsored research account, you must contact effort@bu.edu so that a PAR can be manually printed from the system.

When are PARs generated

Based on Fiscal year not calendar year

Example: FY19 Period 2 translation to calendar year is Jan to Jun, 2019

Period 1

July to
December

Period 2

January to
June

<http://www.bu.edu/researchsupport/project-lifecycle/managing-an-award>

POST AWARD FINANCIAL OPERATIONS

PARs & Effort Certification

A QUICK GUIDE TO COMPLETING AND RETURNING PERSONNEL ACTIVITY REPORTS

Reviewing your PAR form
Form indicates the percentages of the employee's University salary allocated to sponsored projects and other non-sponsored University activities. You must review and determine if the % of Salary Charged is a reasonable reflection of how you spent your time.

2 PAR periods a year
January - June
July - December

60 days
to complete and return certified PARs to PAFO

OCT 4, 2019
DUE DATE
FOR CERTIFIED PARS

Return completed PARs to effortebu.edu

If Single PDF → Label file with Last Name, First Name, and Employee Type (e.g., "Pro" for Professional; "Student" for Student; "NP" or "Non-Pro" for non-professional)

If Multipage PDF → Send a separate PDF for each Employee Type and label PDF as: "Professional," "Non-Professional," and "Student."

For questions, please email effortebu.edu or call 671.358.5259

A PAR is considered certified when:

- "% of Effort Expended" column is completed
- The column adds up to 100% (whole numbers only, no decimals)
- The appropriate certifier has signed, dated, and printed his/her name (digital signature is OK). If certifier is not the employee, the PI or supervisor box must be checked

⚠ Federal guidelines require timely certification. Late or incomplete PARs run the risk of disallowance and your department will be charged for salary, fringe, and indirect charges incurred.

Certifying (signing) the PAR

- Faculty → **Must** sign their own PARs
- Non-Faculty PI → **Must** sign their own PARs
- Non-Faculty → Sign their own PARs **or** PI or supervisor can check box and sign
- Students → Sign their own PARs **or** PI or supervisor can check box and sign

Email or digital signature is OK

Salary Adjustments

- If adjustment is needed for staff or faculty after they terminate then DA needs to complete paper SARF because you can't adjust someone no longer in the system

Budget Proposal

- Best practice is to have individuals being paid listed in budget from proposal, and ensure everything is within budget requirements of sponsor

After-the-Fact Review

- Find payroll information on labor distribution reports, if you have access. There is also a GM report called 'Labor Distribution by Grant.'

Vacation Time

- For all employees (both Sponsored and non-Sponsored) all Vacation and Severance Payout is charged to a Central Pool and no longer to individual Departmental Accounts.

- **Reduced effort** for key personnel without advance notification to sponsor could result in a fine
- **Late adjustments** could lead to disallowed costs or additional fines depending on sponsor
- **Not terminated timely** leads to overpayments
- If on a Grant:
 - DA needs to move salary off Grant and onto Department account until staff pays it back
 - Untimely terminations could lead to disallowance of expenses, fines and findings, late cost transfers



- Return PARs on time, don't wait until the last minute!
- Review your accounts on a regular basis with the PI
 - Reviewing accounts regularly reduces the need for cost transfers
 - Monthly is best practice (see [After-the-fact review guidelines](#))

Contact effort@bu.edu for effort related questions

Research Support Website:

- <http://www.bu.edu/researchsupport/>
- [Effort guidance and FAQs](#)
- [Manage an Award](#)

Subawards & Audit expectations

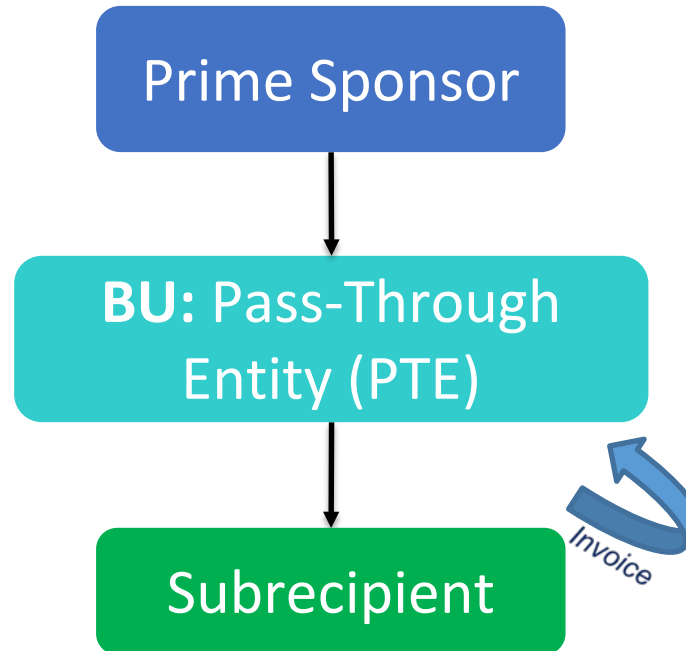


Subaward: An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity.

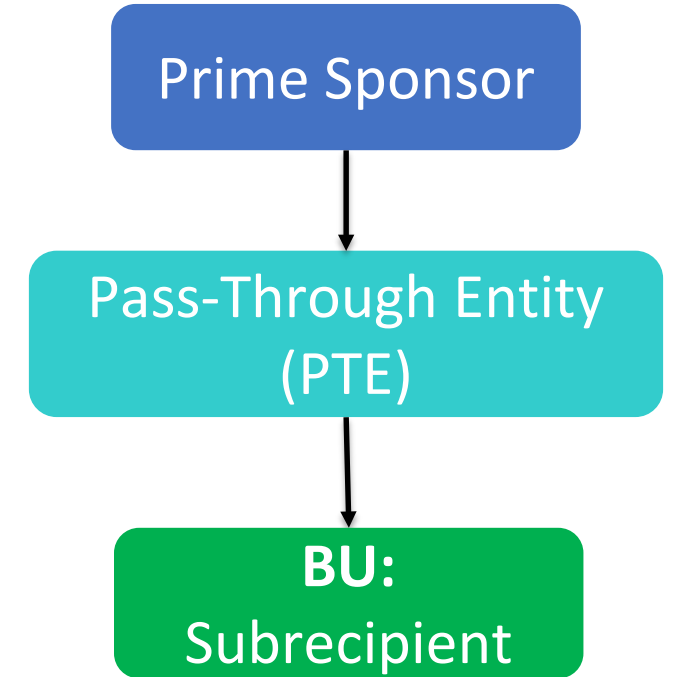
Pass-Through Entity (PTE): A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Subrecipient: A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.

OUTGOING



INCOMING



- There are a variety of reasons why the University would enter into a subaward agreement. (E.g., Subrecipient has resources or skills necessary to complete a task that are not readily available at BU).
- Treating entity as a subrecipient or a contractor is determined at Pre-Award stage.

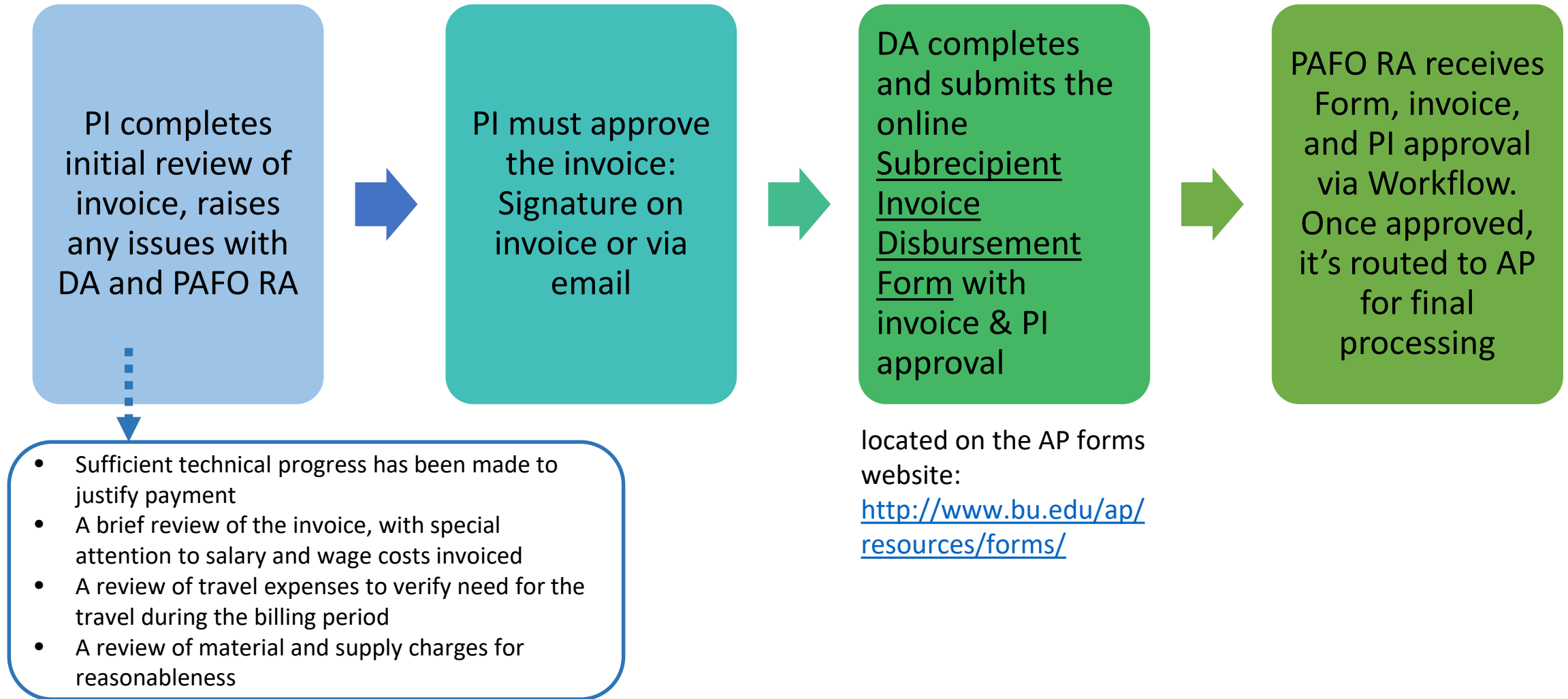
- PAFO receives over 2,500 subrecipient invoices annually

Subrecipient
invoices sent
directly to PAFO
(subinv@bu.edu)



PAFO emails
invoice to PI, DA,
and PAFO RA

Invoice Approval Process



Subrecipient Invoice Disbursement Form

This form may take a moment to load...

If the form does not load in Internet Explorer, please try using another browser like Firefox or Chrome.

Disbursement Request Form



Source Document No.

Disbursement Request Type *

Please review the Subrecipient Invoice with the Principal Investigator (PI). The PI should review the invoice to determine if sufficient technical progress has been made to justify payment of the subrecipient invoice.

This review should include:

- A brief review of the invoice, with special attention to the salary and wage costs invoiced;
- A review of travel expenses to verify need for the travel during the billing period; and
- A review of material and supply charges for reasonableness.

The signature of the PI on the invoice is required. Alternate signatures (e.g.: department administrator, graduate research assistant, postdoctoral fellow, etc.) are not considered adequate. In the instance where PI signature is not available, an email evidencing the PI approval will be accepted.

Subrecipient / Payee Name *

Submitter Name *

Address Line 1

Date Submitted *

11/07/2018

Address Line 2

Submitter Phone *

Address Line 3

Submitter Email Address *

City

State

Zip Code

* Must be an @bu.edu address

Country

F&A is only charged on the first \$25,000 in subaward expenses (unless F&A is waived)

GL 517510: Used to pay the first \$25,000 in subrecipient invoices. F&A charged.

GL 517520: Used to pay subrecipient invoice expenses in excess of the first \$25,000. F&A excluded



Disposition of Payment *

Account Distribution: For account distribution allocations, click the "Add" button to the right of the table.

GL Account *	Amount *	Cost Object (CC/IO/SP) *	Fund Reservation Number *	Fund Reservation Line Item *
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> Remove

Total Amount in USD: 0.00

PAFO Research Administrator:

Name * Date * Phone * Email Address *

*Must be an @bu.edu address

Invoice Number * Invoice Date *

All expenditures must have supporting documentation. (Information provided will be placed in the text field in BW reports) Please include Fund Reservation Number and period covered by invoice. Ex: 450000XXXX SEP-OCT 2017. *

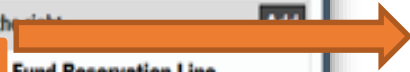
Attach Supporting Documentation (Attach Subrecipient Invoice to this form)

Invoice (include supporting documents in this file. Can be multiple pages.) *

Attach Invoice (include supporting documents in this file. Can be multiple pages.)

W9 W8

Attach W9 W8



Fund Reservation Number (FRN) is the subaward number (45xxxxxxxx)



Ensure name and email are spelled correctly in order for proper processing through Workflow

- Department should ensure invoices are sent directly to subinv@bu.edu 😊
- Uniform Guidance certification with actual signature is required if Federal sponsor ([UG Certification](#))
- Final balance/invoice
 - Final subrecipient invoices must be paid and posted to the account in order to be included in the final financial report, so please work with the subrecipient and PAFO RA to get the final invoice.
- GL Account Distribution
 - F&A is only charged on the first \$25,000 in subaward expenses (unless the F&A charges on the entire subaward have been waived)
 - [GL 517510](#): Used to pay the first \$25,000 in subrecipient invoices. F&A charged.
 - [GL 517520](#): Used to pay subrecipient invoice expenses in excess of the first \$25,000. F&A excluded.
- **Advances:** Most subawards are cost reimbursable. For those set up as Advances:
 - Paid from a Departmental Funds Center specifically for advance payments only. Contact PAFO to begin the request process.
 - Process through AP (not PAFO) using standard AP Disbursement Request.
 - Inform PAFO of invoice.
 - Desk Review conducted.
 - Journal entry completed to move expenses onto Grant.

Review your subawards to ensure they are spending accordingly

- PAFO conducts a periodic review (bi-annually) of all active Fund Reservation Numbers:
 - If a FRN has had \$0 expenditures charged against it and has no pending invoice within six (6) months of the execution date.
 - PAFO contacts the PI and DA for additional information as to why spending has not occurred.



Sample Subrecipient Invoice

Sandy Beach University

NOT A FINAL INVOICE

Sponsor:

Via Email to subinv@bu.edu
Trustees of Boston University
25 Buick Street, 2nd Floor
Boston, MA 02215
United States

Invoice No: 2
Invoice Date: 2/21/19
Payment Terms: Upon Receipt
Obligated Funding: 231,941.00
Award End Date: 12/31/19
Total Amount Due: \$17,825

Subaward No: 4500001234
Award PI: Janice Copeland
Award Sponsor: Department of the Interior, Fish and Wildlife Service
Award Title: Study of Migration Patterns of Hawaiian Monk Seal

<u>Categories</u>	<u>Billing period:</u>		<u>Cumulative Amount</u>
	<u>1/1/2019 thru 1/31/2019</u>		
Salaries and Wages	\$	8,000	\$ 18,000
Benefits	\$	1,976	\$ 4,446
Purchased Services	\$	100	\$ 100
Purchased Goods	\$		\$
Domestic Travel	\$	727	\$ 727
Facilities and Administration	\$	7,022	\$ 15,127
TOTAL COSTS		17,825	\$ 38,401
		TOTAL AMOUNT DUE:	\$ 17,825


"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)."



Tim Jones, Assoc. Dir. Research Finance

Sample Subrecipient Invoice

Disbursement Request Form



Source Document No.

Disbursement Request Type *

Please review the Subrecipient Invoice with the Principal Investigator (PI). The PI should review the invoice to determine if sufficient technical progress has been made to justify payment of the subrecipient invoice. This review should include:

- A brief review of the invoice, with special attention to the salary and wage costs invoiced;
- A review of travel expenses to verify need for the travel during the billing period; and
- A review of material and supply charges for reasonableness.

The signature of the PI on the invoice is required. Alternate signatures (e.g.: department administrator, graduate research assistant, postdoctoral fellow, etc.) are not considered adequate. In the instance where PI signature is not available, an email evidencing the PI approval will be accepted.

Subrecipient / Payee Name *

Submitter Name *

Address Line 1

Date Submitted *

Address Line 2

Submitter Phone *

Address Line 3

Submitter Email Address *

City
State
Zip Code
*Must be an @bu.edu address

Country

Disposition of Payment *

Account Distribution: For account distribution allocations, click the "Add" button to the right. Add

GL Account *	Amount *	Cost Object (CC/IO/SP) *	Fund Reservation Number *	Fund Reservation Line Item *	
<input style="width: 80px;" type="text" value="517510"/>	<input style="width: 60px;" type="text" value="4424"/>	<input style="width: 100px;" type="text" value="9500123456"/>	<input style="width: 100px;" type="text" value="4500001234"/>	<input style="width: 40px;" type="text" value="1"/>	Remove
<input style="width: 80px;" type="text" value="517520"/>	<input style="width: 60px;" type="text" value="13401"/>	<input style="width: 100px;" type="text" value="9500123456"/>	<input style="width: 100px;" type="text" value="4500001234"/>	<input style="width: 40px;" type="text" value="2"/>	Remove

Total Amount in USD:

PAFO Research Administrator:

Name *

Date *

Phone *

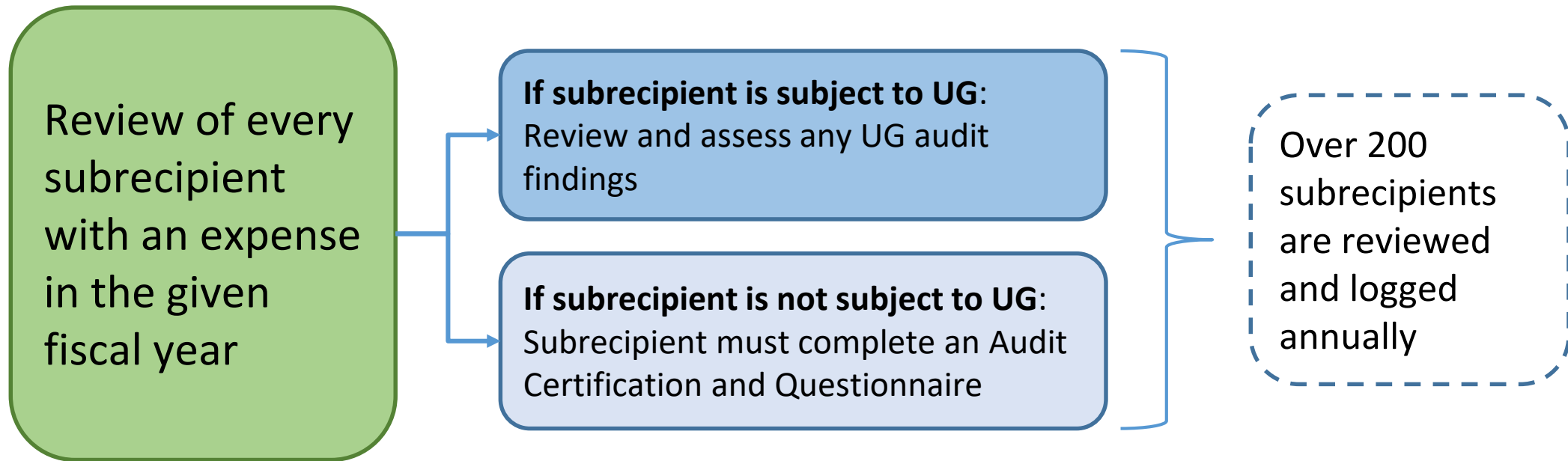
Email Address *

*Must be an @bu.edu address

Invoice Number *
Invoice Date *

All expenditures must have supporting documentation. (Information provided will be placed in the text field in BW reports) Please include Fund Reservation Number and period covered by invoice. Ex: 450000XXXX SEP-OCT 2017. *

PAFO conducts an annual subrecipient monitoring review as required by Uniform Guidance



PAFO conducts desk reviews of subrecipient invoices for a variety of reasons:

All **high risk** and **foreign subrecipients** are subject to desk review

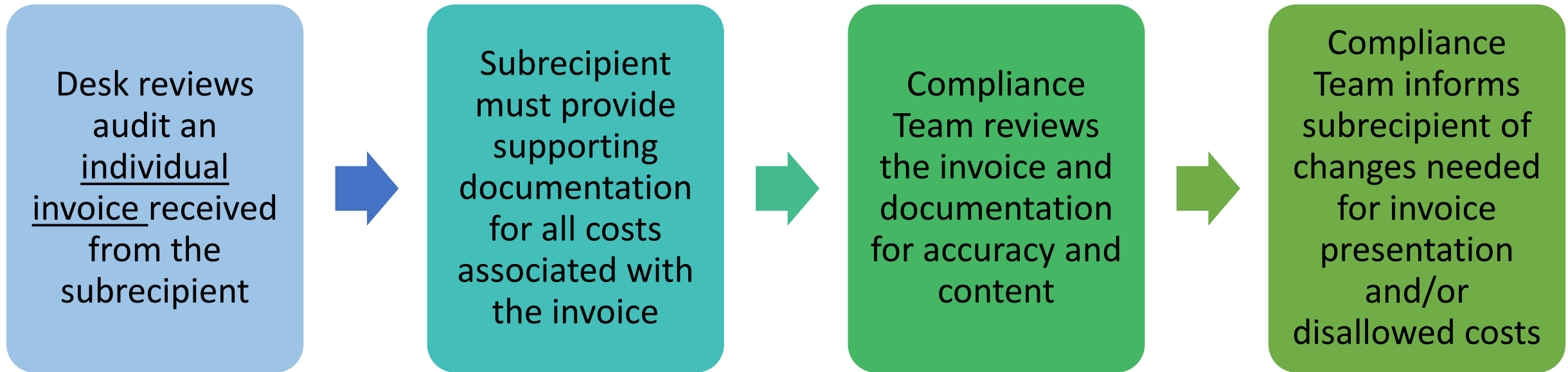
- Based upon Risk Analysis completed by SP. Works with PAFO to mitigate risk.
- E.g. additional subaward terms and/or desk review

As a result of the **annual subrecipient monitoring review**

- E.g. multiple UG findings, issues with responses to Questionnaire

At the **request** of the PI, DA, or PAFO RA

- E.g. certain charge(s) do not appear appropriate, charges not commensurate with science



- DA/PI/PAFO RA on both initial email and conclusion email from Compliance Analyst
- If subrecipient is unresponsive may lead to nonpayment of invoices. Compliance Analyst informs RA/DA/PI

As recipients of sponsored projects, our awards may be audited by Federal agencies, Federal sponsors, non-federal sponsors, and Pass-through Entities.

Types of Audits:

BU annual fiscal year audits

- Uniform Guidance Audit & Financial Statement Audit

External audits

- Specific award, specific invoice - desk review, site visit, specific payment

PAFO:

- Works directly with auditor as BU “point of contact” on financial matters;
- Informs PI and DA;
- Works with DA to obtain any supporting documentation or respond to auditor questions.

KPMG is our external auditor and does a random sampling of 20-25 grants per year.

- ❖ Please notify Craig Gerome (617.353.8085; cgerome@bu.edu) upon receipt of an audit/site visit notice.



- Department should ensure invoices are sent directly to subinv@bu.edu
- Department should work with PAFO RA to confirm final balance with subrecipient
- Please notify Craig Gerome (617.353.8085; cgerome@bu.edu) upon receipt of an audit/site visit notice

Fringe and F&A



Fringe Rate

Benefit costs regardless of employee status, e.g. vacation, retirement, health, dental, etc.

Negotiated with Federal government every 2 years

Rates for: Federal (Pro / Non Pro / Grad health plan); Non Federal (Pro / Non Pro)

F&A Rate

Expenses that can't be directly assigned to an award, e.g. buildings, utilities, central staff

Negotiated with Federal government every 4-5 years

Rates for: Organized Research, Instruction, Other Sponsored Activity, Off Campus

Fringe Rate

What you need to know

- Some Sponsors cherry pick components of the award; BU allows but it is a manual manipulation as the system is only set up to charge our negotiated rates.

F&A Rate

What you need to know

- Some Sponsors limit the allowable F&A Rate; BU accepts that when it's a Sponsor limitation
- Provost approval is required when the Sponsor does not limit the F&A Rate and Department wants a lower rate than the Standard

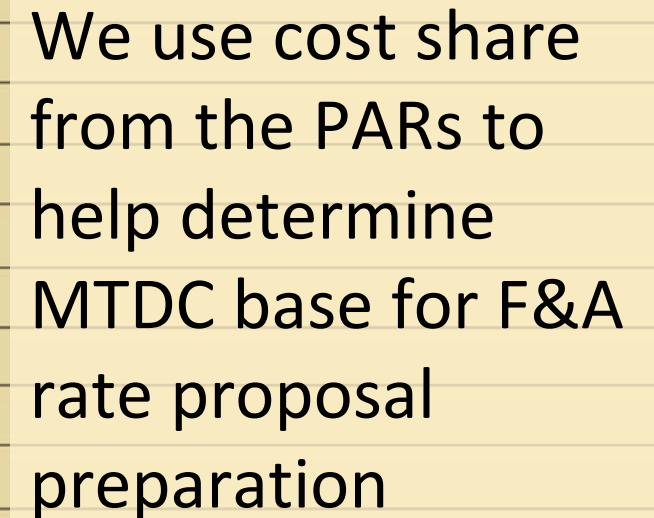
“F” = Utilities; Building Costs; Interest; Depreciation; “A” = PAFO/SP; HR; AP; etc

Base less Exclusions (capital equip; subs >25k, etc) + Cost Share including Over the CAP (OTC)

Indirect
costs

Modified Total
Direct Costs

= **F&A rate**



We use cost share from the PARs to help determine MTDC base for F&A rate proposal preparation

Scaffolding would be considered an “Exclusion” from MTDC as it is a piece of Equipment



The Paint Store Utilities would be a part of the “F” for Facilities

Paint would be considered a Direct Expense and included within MTDC



Indirect costs (institutional overhead) may not exceed 10% of direct costs or up to \$7,500 each year of the two-year Award period. The annual amount, including overhead, is \$82,500 per year for a total of \$165,000 over the two-year period of the Award.

In instances where there is a subcontract, the combined dollar amount for indirect costs taken by both the Award Recipient Institution and contracting institution may not exceed \$7,500 each year of the two-year Award.

KPMG, our external auditors, have tested SAP to ensure the system is calculating fringe & F&A rates accordingly

PI/DA Responsibilities

- Using the correct rates at proposal time
- Using the stepped up rates accordingly
- When viewing your IO using BW reports, look at “Overhead Key” free characteristic to find the rate

PAFO Responsibilities

- Calculating and negotiating rates
- Updating SAP with rates (system generated calculation in SAP)
- Ensuring new GL numbers are assigned F&A or fringe accordingly

Resources

[F&A Cost Rate Training Video](#)

[F&A Cost Analysis Webpage](#)

[Current F&A Rates](#)

The screenshot shows the BU Research Support website interface. At the top left is the BU logo and 'Research Support' text. A teal breadcrumb trail reads 'Home > Tools & Services >'. The main heading is 'Institutional Numbers and Rates'. Below it, a list of links is shown: 'Name of Applicant', 'Identification Numbers', 'Dates', 'Rates, F&A (Indirect) Cost Rates', and 'GL Numbers and Associated Fringe Rates'. A red box highlights the 'Rates, F&A (Indirect) Cost Rates' link, with a red arrow pointing down to it. Another red arrow points right from below the box to the 'GL Numbers and Associated Fringe Rates' link. The left sidebar contains an 'OPEN MENU' with items: Project Lifecycle, Compliance, Forms & Policies, Training & How To, Safety, and Tools & Services (which is highlighted).

Property & Cash Management



Cash Management is responsible for all non-student University Billing, both sponsored and non-sponsored. This area oversees all Miscellaneous Receivable billing and collection that is handled directly by University departments. In addition, the team is responsible for the collection of outstanding Accounts Receivable.

Cash Management

[Expand all](#)

Billing 

Collections 

Miscellaneous Receivables 

Payments 

Resources

[Cash Management](#)

[Escalation of AR](#)

[Miscellaneous
Receivables](#)

[Finance Report How Tos](#)

Let's talk about how BU gets the money

When you run the "GM Master Data – Revenue & AR" report in BW you can see the Billing Rule applied to the Award. Run at Grant level, not IO/SP level.

Billing Types

- ① Cost Reimbursable
- ② Milestone
- ③ Manual

	Grant	GM Billing Rule	Invoice Form Name	Letter of Credit	Sponsor Award Number	Grant Valid from	Grant Valid to	Project Start Date	Project End Date	Sponsor	Award Status	Cum Budget	FY 2018 Cum Expenditures Per. 11	Cum Billed	AR Balance
1	5020xxxx	3 RRB-Incurred Expense	Not assigned	DHHSP	5678	05/07/2018	03/31/2019	05/07/2018	03/31/2020	NIH/National Institute of Mental Health	Approved Award	300,000	15,173	15,173	
2	5020xxxx	3 RRB-Incurred Expense	ZGM_STANDARD_NVOICE_#		13141516	02/01/2018	08/31/2018	02/01/2018	08/31/2020	Harvard School of Public Health	Approved Award	10,000	2,157	1,516	973
3	552xxxx	5 Milestones	ZGM_STANDARD_NVOICE_#		9101112	05/01/2018	04/30/2020	05/01/2018	04/30/2020	ABC, LLC.	Approved Award	200,000	100,000	200,000	
4	5520xxxx	7 Manual Billing	Not assigned	#	1234	01/01/2014	06/30/2018	01/01/2014	06/30/2020	Commonwealth of Massachusetts	Approved Award	9,000	9,000		

- The Award Status in SAP effects whether or not you can bill to that account
- Statuses are updated through a manual process

Award Statuses (as listed in SAP)

- 1 Approved Award – allows for billing
- 2 Pre-Award Billable – allows for billing
- 3 Pre-Award Not Billable
- 4 Compliance Hold
- 5 Department/OSP – allows for billing
- 6 PAFO/OSP – allows for billing
- 7 Pre-close
- 8 Closed

- **Approved:** used when an award has been received and is fully executed.
- **Pre-Award Billable:** used when an award is not at BU but the sponsor has requested billing anyway. This is an unusual status and does not halt any expenses.
- **Pre-Award Not Billable:** used when an award is not yet at BU and is therefore an advance account and no billing to the sponsor is allowed. This status does not halt spending in any way.
- **Compliance Hold:** used by the Research Compliance Office and halts all activity on an account; when the PI or other Key Personnel haven't completed their financial conflict of interest training and forms. No charges are allowed when an account is in this status.

- The Award Status in SAP effects whether or not you can bill to that account
- Statuses are updated through a manual process

Award Statuses (as listed in SAP)

- 1 Approved Award – allows for billing
- 2 Pre-Award Billable – allows for billing
- 3 Pre-Award Not Billable
- 4 Compliance Hold
- 5 Department/OSP – allows for billing
- 6 PAFO/OSP – allows for billing
- 7 Pre-close
- 8 Closed

- **Dept/OSP:** prevents new commitments such as shopping carts, but does not prevent payroll or journal entries from posting. Used when award has ended but adjustment needs to be processed by department other than PAFO
- **PAFO/OSP:** used when account has had the final financial report or invoice submitted; when the account is overspent by more than \$25K or at the request of the department in order to halt spending. Only PAFO can initiate changes in this status
- **Pre-close:** signifies AEN has been sent to DA and PI
- **Closed:** when the Budget = Expenses = Revenue and AR balance is \$0.00 and all revenue and AR are matched

Property Management oversees all moveable capital equipment matters, from pre-purchase considerations, purchase & sale, accounting for, and disposal of equipment.

Capital Equipment defined as tangible property which meets the following criteria:

Useful life of **1 year** or greater

\$5,000 or greater, including delivery/installation cost, and including required attachments

BU has title to, is the custodian of, or is **responsible** to account for item

If you're responsible for ordering capital equipment

Details for item 1 Laser-based puller

Item Data Account Assignment Notes and Attachments Delivery Address/Performance Location Sources of Supply / Service Agents Approval Process 0

Reset

If the item is to be delivered to a different address, enter the new address here

Name: BU

C/O: BOAS/Kivilcim Kilic

Phone Number / Extension: 6173532805

Additional Name: Boston University

E-Mail: bmeorder@bu.edu

Floor / Room: Basement B-15

Street / House Number: 44 CUMMINGTON MALL

District:

Postal Code / City: 02215 BOSTON

Country: US USA

Postal Code / P.O. Box:

Region: MA Massachusetts

C/O should list the PI, not student or DA

Location listed should be the room the equipment will be in, not the mail room of the building

★ Use shopping carts so that it goes through the appropriate approvals

Item Overview

Details Add item Copy Paste Duplicate Delete Process All Items

Line Number	Item Type	Item Type	Product ID	Description	Product Category	Product Category Description	Quantity	Unit	Net Price / Limit	Currency
0001	Material			AV Hardware for 10 Buick St. 1803	45110000	COMPUTER-AUDIOVISUAL	8	A	140,616.00	USD

Include detailed description and the word "material" (not an invoice number)

Each piece of equipment must be on its own line

No one should dispose equipment without completing the Asset Relocation form. This form can be found by going to the Business Warehouse | Finance Tab | Asset Relocation folder

The screenshot shows the Boston University Business Warehouse interface. The top navigation bar includes links for Home, Employee Self-Service, Manager Self-Service, Organizational Chart, Finance, ACCT XWalk, Reporting, Procurement, Worklist, and WebGUI. The left sidebar shows 'Distributed Forms' with a sub-menu for 'Asset Relocation'. The main content area displays the following information:

BOSTON UNIVERSITY
 Post Award Financial Operations
 Property Management
 25 Buick St., Rm. 228
 Boston, MA 02215

Instructions: Fill out the form below on-line. Upon completion, print and send the signed form to Property Management. Then click the **SUBMIT** button to route the form electronically to the Property Manager for review. The Property Manager will contact you if additional information is required.

MOVEABLE CAPITAL EQUIPMENT FORM FOR ASSET RETIREMENT / TRANSFER / GIFT

After entering Tag number, please press enter to populate other fields.

Status	Tag Number if Assigned	Action Date	Description	Manufacturer	Model Number	Serial Number	Address	Room	Amount Received (if sold)
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00
▼									0.00

Notify Property Management of:

- People leaving or retiring from BU
- Disposals (only 5% compliance)
- Anything that gets moved in house (new labs / new buildings) or transferred
- Capital Equipment that is Leased, Loaned, or Donated to BU – may not be covered under our insurance unless we are notified, tagged and put into the property system



If equipment is not in our asset system it may not be covered by insurance if anything happens to it.



property@bu.edu

617-353-4555

Cost Transfers



Reviewing accounts regularly with your PI is vital to ensure that the costs on the account are correct, and nothing is missing.

Remember to ask:

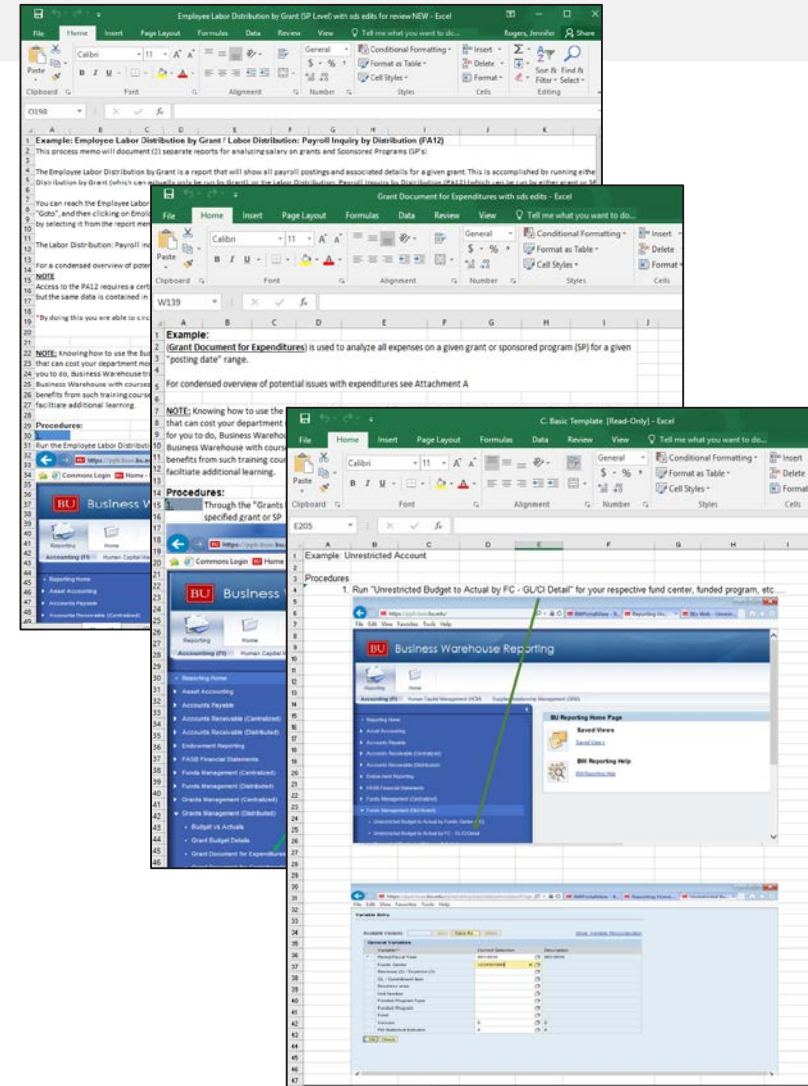
- Are the people whose salary is being charged to the grant correct? Is anyone missing?
- Expenses as expected? Any big purchases that aren't showing up?
- How is spending looking against proposal and projections? (Bring an award file when you meet with your PI. E.g. *The proposal shows 3 domestic trips and none have been booked yet, are they still happening?*)



Spot any errors and make cost transfers timely.

Useful BW reports and what items to look at:

- [Grant Budget vs Actual](#)
- [Employee Labor Distribution by Grant \(SP Level\)](#)
- [Grant Document for Expenditures](#)
- [Grant Document for Commitments](#)



Hood Foundation Example

When reviewing the account you compare the expenses to the approved budget.

Some of the line items have changed, is this OK?

Budget vs. Actuals												
				Grant	55206752	55206752	55206752	55206752	55206752	55206752	55206752	55206752
				Understanding the Hood Rules	Understanding the Hood Rules	Understanding the Hood Rules	Understanding the Hood Rules	Understanding the Hood Rules	Understanding the Hood Rules	Understanding the Hood Rules	Understanding the Hood Rules	Understanding the Hood Rules
				PVCO-PI	Denzel Washington	Denzel Washington	Denzel Washington	Denzel Washington	Denzel Washington	Denzel Washington	Denzel Washington	Denzel Washington
				Sponsor	Charles H. Hood Foundation	Charles H. Hood Foundation	Charles H. Hood Foundation	Charles H. Hood Foundation	Charles H. Hood Foundation	Charles H. Hood Foundation	Charles H. Hood Foundation	Charles H. Hood Foundation
				Sponsor Award Number	AGMT DTD 1/1/2019	AGMT DTD 1/1/2019	AGMT DTD 1/1/2019	AGMT DTD 1/1/2019	AGMT DTD 1/1/2019	AGMT DTD 1/1/2019	AGMT DTD 1/1/2019	AGMT DTD 1/1/2019
				Award Status	Approved Award	Approved Award	Approved Award	Approved Award	Approved Award	Approved Award	Approved Award	Approved Award
				Cum Budget	FY 2019 Cum Commitments Per. 09	FY 2019 Cum Expenditures Per. 09	Total(Exp+Comm)	Balance	FY 2019 Current Expenditures Per. 09			
Sponsored Program (IO)	SP Start Date	SP End Date	Sponsored Class		\$	\$			\$			
9550303759	Understanding the molecular	01/01/2019	12/31/2019	02 SALARIES & WAGES	20,000.00		8,000.00	8,000.00	12,000.00			
9550303759	Understanding the molecular	01/01/2019	12/31/2019	03 FRINGE	5,320.00		2,128.00	2,128.00	3,192.00			
9550303759	Understanding the molecular	01/01/2019	12/31/2019	04 RES SUP & MIN EQU	21,000.00	15,000.00	5,000.00	20,000.00	1,000.00			
9550303759	Understanding the molecular	01/01/2019	12/31/2019	05 CAPITAL EQUIPMENT			10,000.00	10,000.00	(10,000.00)			
9550303759	Understanding the molecular	01/01/2019	12/31/2019	06 DOMESTIC TRAVEL	18,000.00		4,235.68	4,235.68	13,764.32			
9550303759	Understanding the molecular	01/01/2019	12/31/2019	33 OTHER DIRECTS	10,680.00	1,200.00	5,322.75	6,522.75	4,157.25			
9550303759	Understanding the molecular	01/01/2019	12/31/2019	35 F&A	7,500.00		2,648.64	2,648.64	4,851.36			
Overall Result					82,500.00	16,200.00	37,335.07	53,535.07	28,964.93	0.00		

A Cost Transfer is an after-the-fact reallocation of the cost associated with a transaction from one project (account) to another.

An Adjustment or Cost Transfer has to move from the account that the charge currently appears on to the account you want the charge to go to, and must be of an expense that has posted to an account already.

The PI who approves the cost transfer should be on the debit side of the transaction, from the account charge is going to, not coming from.



DA Responsibilities

- Initiating all adjustments and cost transfers after meeting with PI

PAFO RA Responsibilities

- Review all salary and non-salary cost transfers and approve or reject

So for example...

- Expense was recorded under a University Cost Center by error
- An unallowable expense is moved from a Grant account to a Department account
- Lab supply expenses that need to be allocated to multiple Grant accounts
- Moving salary off of an account for a terminated employee



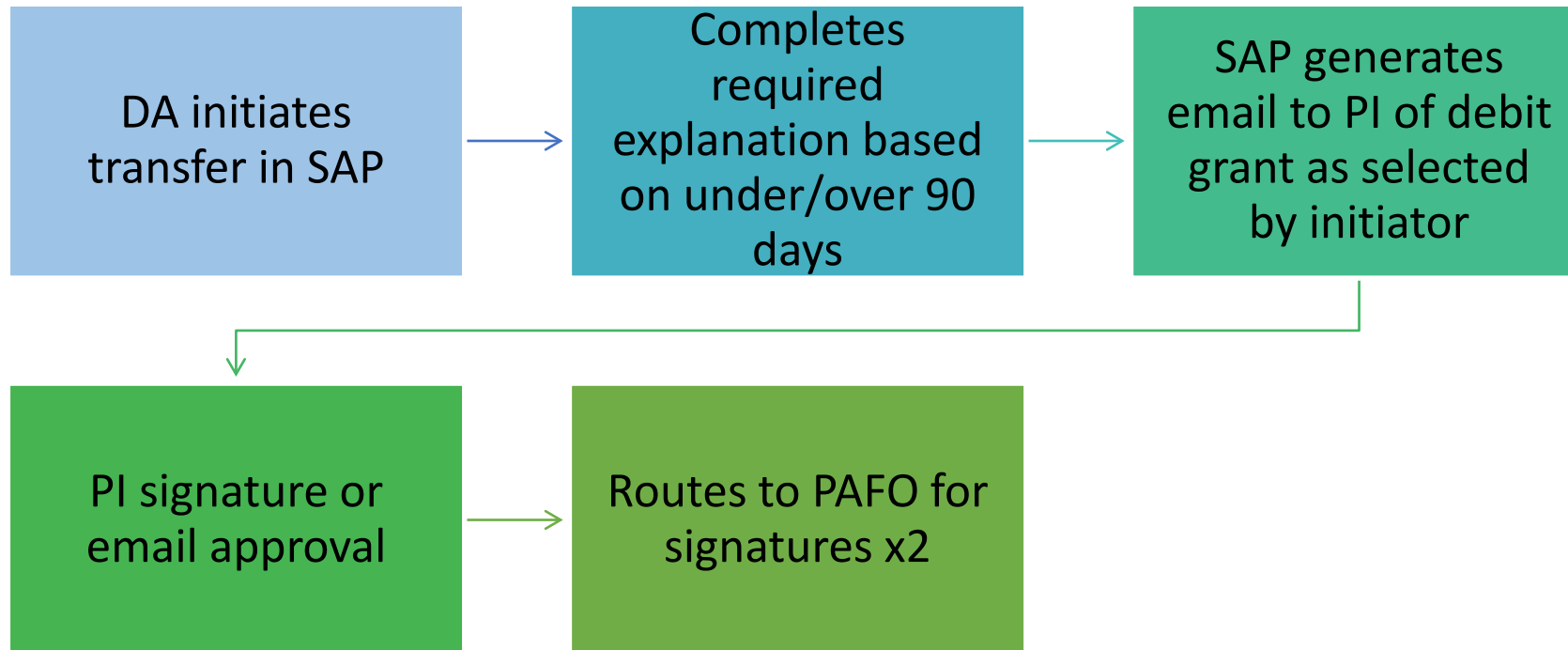
Moving expenses or correcting GL within the same SAP Grant

Moving an expense from Y1 I/O to Y2 I/O under the same SAP Grant

Process via ZJ type Journal Entry

Does not route to PAFO

Moving non-salary expense from Department to Grant, or from one SAP Grant to another SAP Grant, or from Grant to Department account



< 90 days

(ZK Journal Entry)

Explain how expense relates to account it's being moved to

Cause of the error, ie why it wasn't on correct account to begin with

> 90 days

(ZV Journal Entry)

Explain how expense relates to account it's being moved to

Cause of the error, ie why it wasn't on correct account to begin with

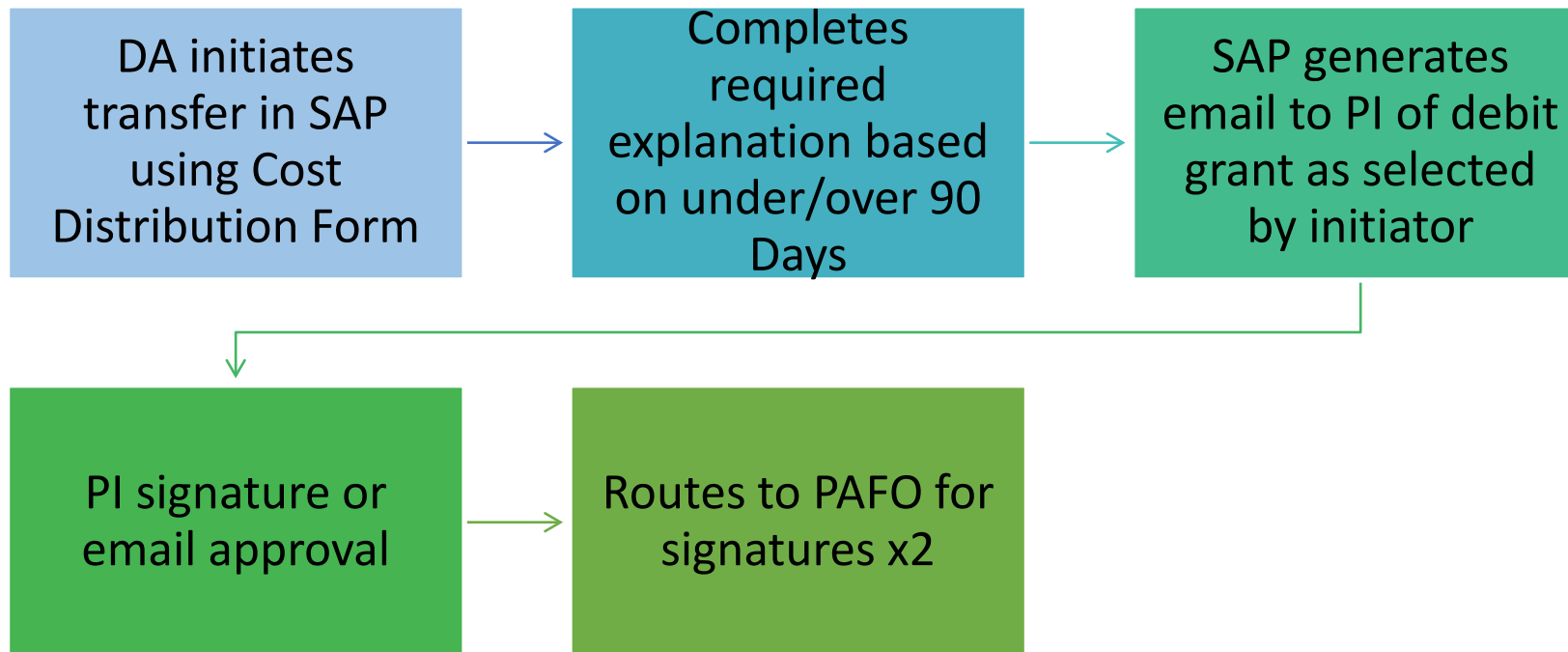
Why it took 90+ days to do correction

What control will be put in place to ensure it doesn't happen again

Cost transfer requests must include **justification** and **explanation of error**.

“DA inadvertently used wrong award code to purchase supplies; the transfer would charge the award originally intended. It was noticed during PI’s review of monthly financial report.”

Moving salary expense from Department to Grant, or from one SAP Grant to another SAP Grant, or from Grant to Department account



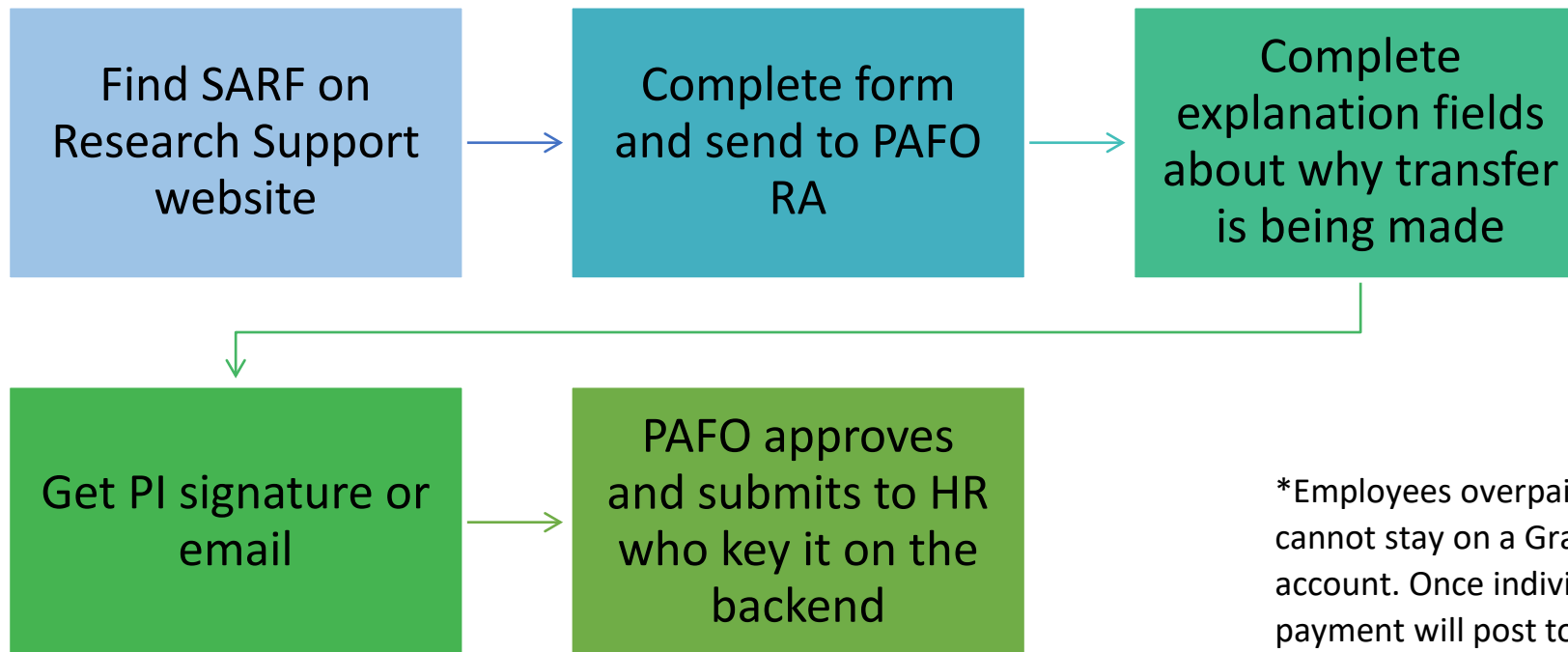
Salary Cost Transfer Requirements and Time Frame

Time Frame	Cross PAR Periods	Required Attachments	Required Signature
< 90 days of Effective Date	No	None	<ul style="list-style-type: none"> • Authorized Department Designee • PAFO RA • PAFO Manager
	Yes	PAR	<ul style="list-style-type: none"> • Authorized Department Designee • PAFO RA • PAFO Manager
> 90 days of Effective Date	No	PI Approval	<ul style="list-style-type: none"> • Authorized Department Designee • Principal Investigator • PAFO RA • PAFO Director or AVP
	Yes	PAR and PI Approval	<ul style="list-style-type: none"> • Authorized Department Designee • Principal Investigator • PAFO RA • PAFO Director or AVP

Please note it is at the discretion of PAFO to approve salary cost transfers; cost transfers will not always be approved, especially if entries are > 1 year old or are requested after final invoice or FFR has been submitted.

Salary Adjustment Request Form (SARF)

- For salary adjustment or cost transfer of terminated employee (because system is locked)
- Adjustment to recurring payments could be additional payments, salary payments, or EPU



*Employees overpaid due to late termination cannot stay on a Grant and must be moved to Dept account. Once individual pays back University the payment will post to the Dept account that the overpayment was moved to.

Stipend adjustments

Historical end date
in the past

Journal entry (ZK, ZV,
ZJ) to do a correction

Historical end date
not in the past

Use the stipend
request form in SAP



Example 1: You set a student up with stipend semester to semester, and you find out that distribution for the prior semester was incorrect then the historical end date is in the past

Example 2: You set up student for the academic year and discover the error within that time, you can use the stipend request form

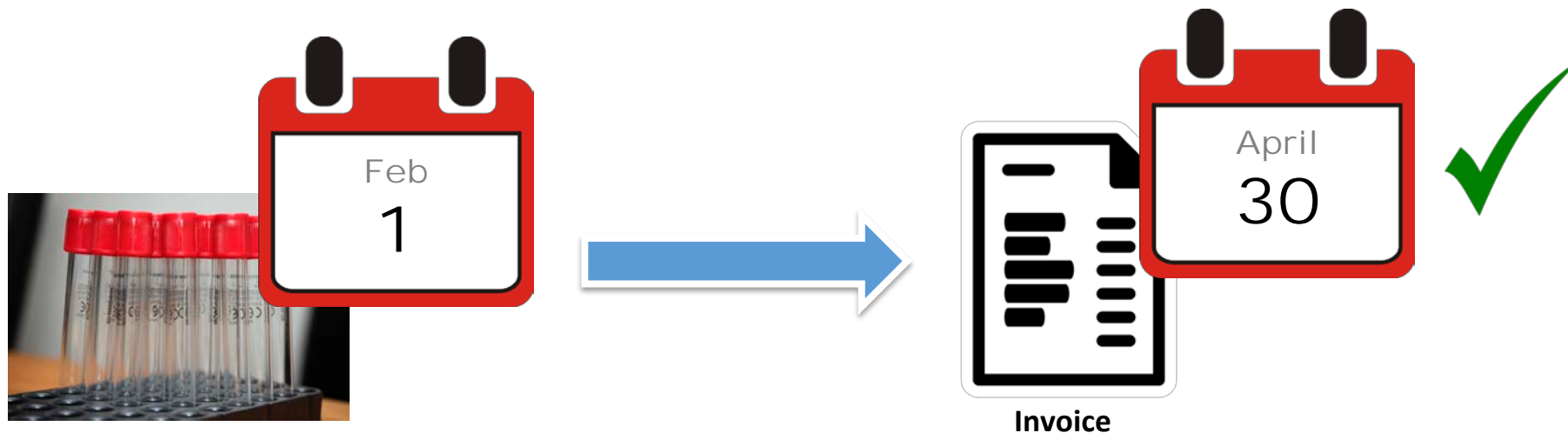
*Typically your school sets the rules on the period that you set stipends up for (some schools do semester by semester, some for whole academic year)

- Cannot use adjustments to clear overexpenditure to another Grant
- Cannot be used to spend down an award
 - In either case PAFO will likely ask for supporting documentation that this is not what you're doing, in the form of written communication
- Frequent cost transfers that are 90 days+ could indicate to auditor that you have no internal controls, so it's important to meet with PIs regularly to ensure expenses are where you expected them to be



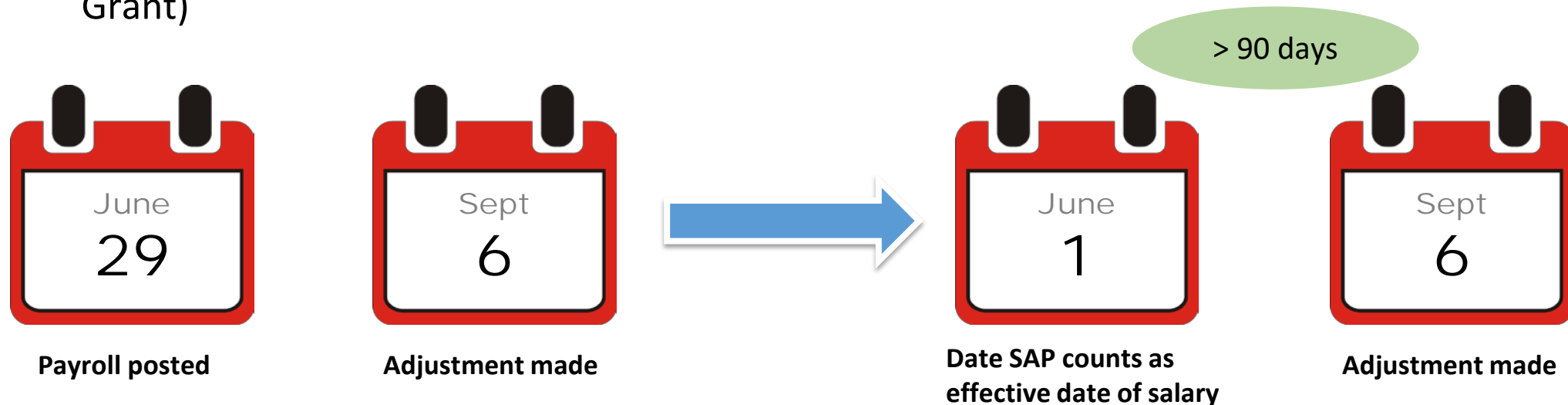
To determine if expense is over or under 90 days, use the date that the expense posted to the incorrect account

- For example, you order test tubes Feb 1, and the invoice came in and posted on April 30 to the wrong account. **April 30** is the date you use to determine if transfer is under or over 90 days.



To determine if over or under 90 days, use first date of the payroll period

- For example, June salary being adjusted in late September could generate the over 90 day explanation fields because SAP is based on initial effective date of salary, not posting date of payroll
- Any retroactive adjustments to a payroll form still routes to PAFO, even if not changing distribution, but only requires 1 approval (example annual merit increases for faculty on Grant)



- The key to a successful cost transfer lies in the documentation you provide
- References to phone calls or undocumented meetings are weaker cost transfers, so document with an email
- Timely review of accounts should minimize need for most cost transfers

Resources

[Non Salary Cost Transfer Policy](#)

[Salary Adjustment Procedure](#)

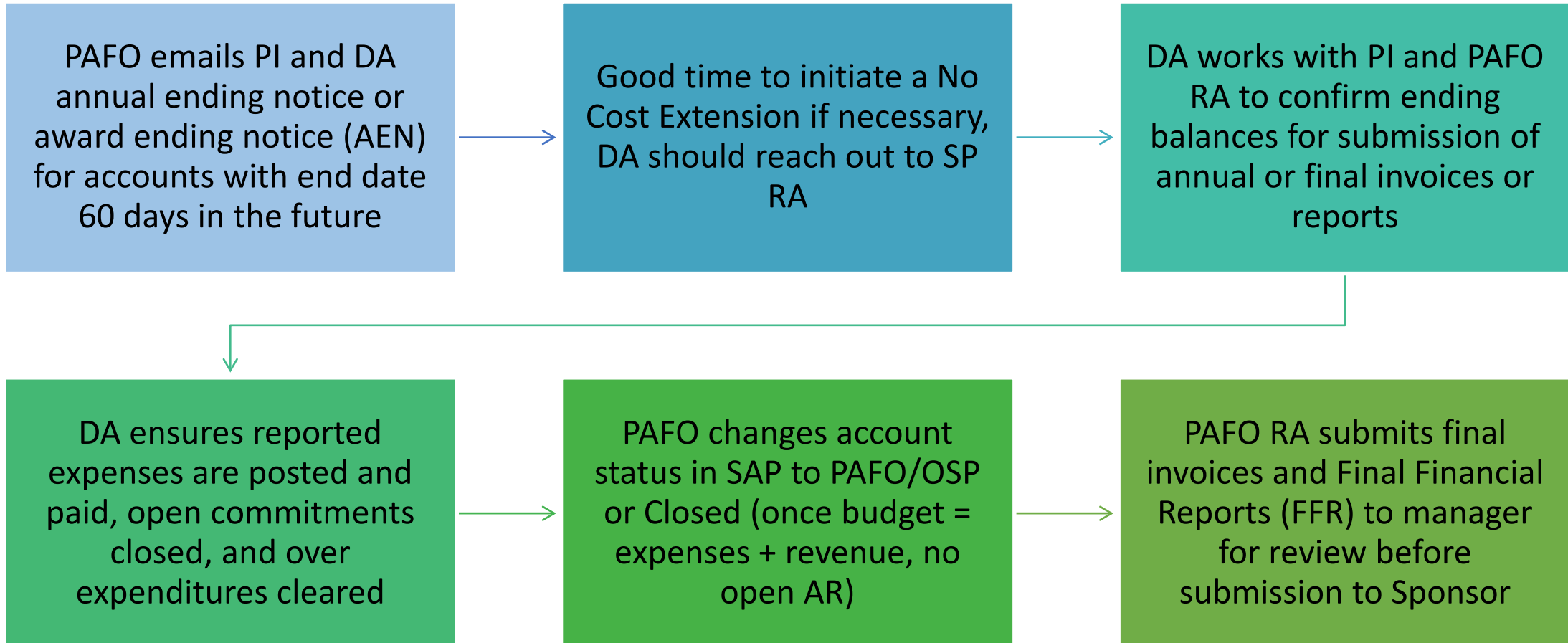
[Cost Transfer Training Video](#)

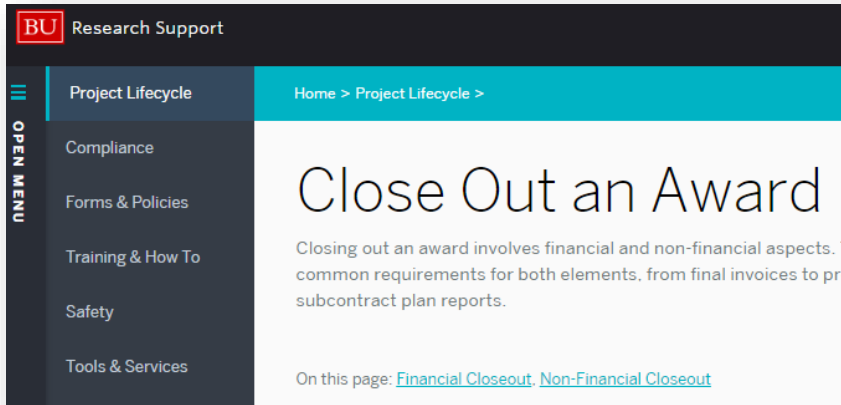
[Business Warehouse \(ZV\) guidance document](#)

[After-the-fact Review guidelines](#)

Closeouts







<http://www.bu.edu/researchsupport/project-lifecycle/closing-out-an-award/>

Access Codes	+
Cost Sharing	+
Equipment	+
Final Financial Reports	+
No-Cost Extensions	+
Operating Expenses	+
Over-expenditures / Cost overruns	+
Commitment Closeout	+
Payroll	+
Residual Funds/ Refunds to Sponsors	+
Subawards	+

Sometimes it's the end



Just because the grant or contract is ending doesn't mean that the PI and research team have completed this line of inquiry or answered all the research questions.

While it does sometimes mean the end of that PI's line of research, especially if he/she has exhausted all funding sources. It usually means that it is the end of this particular funding source.

Sometimes it isn't the end



For many sponsors, it is possible to renew an existing grant to extend its lifecycle by adding another segment of 2, 3 or 5 years; often called a renewal or competing continuation and the process is very similar to that of a new grant submission.

It may also be possible to extend the final budget period of the current grant without undergoing the competitive process. Most institutions that have expanded authority can approve the extension of the final budget period without sponsor approval because it does not involve additional funds from the sponsor. That is why it is called a no cost extension.

PI Responsibilities

Ultimate responsibility in closeout rests with the PI; required to

- write the final progress report
- approve the final financial statement
- report on any administrative issues (disposal of equipment, etc.).

DA Responsibilities

Review and preparation of financial reports. Ensure that initiators of transactions work to close commitments.

- Sourcing closes shopping carts or purchase orders
- PAFO closes subaward commitments
- Internal service providers close commitments on ISRs

PAFO Responsibilities

Produce and submit to sponsor final and annual invoices and financial reports including:

- final property reports if required
- Manpower reports
- Small business plans reporting
- Supplies in excess of \$5000 reporting

SP Responsibilities

- Assist with Carry Forward and No Cost Extension requests
- Assist with preparation and submission of invention statements when required

- Like annual reports, part of grantee's obligation to the sponsor
- Some sponsors send reminders about these deadlines, others do not. It is the PI's/DA's responsibility to track this deadline and compile the necessary reports
- Some non-financial closeout documents require SP's involvement (for signature or to submit), others are submitted directly by the PI
- Does not require internal transmittal form

Always refer to the award documents to find out sponsor requirements:

- What is required? Final technical report? Final invention statement?
- What period is to be covered (e.g., is it a final annual report or an overall summary)?
- Is there a special format or form required?
- How is it submitted?



- Late closeouts can lead to sponsors indicating that the University or PI is not compliant with sponsor rules and regulations.



- If award closeout falls on weekend date, we will always report on the preceding Friday not the following Monday. Check Award notices for closeout timelines as each award and sponsor can be different.



- In some rare cases, usually foundation awards, PI is asked to submit reports. In these cases PAFO will still generate and send to PI for submission and DA should let PAFO know when submitted.

Resources

[Closeout an Award Webpage](#)

[Award Finance FAQs](#)

[Carryover and No Cost Extension Guidance](#)