

Office of Grants and Contracts Administration Information Manual 2009

Preface

*The purpose of this manual is to provide **guidance** to those people who have administrative oversight or technical research responsibility relative to restricted fund accounts. In addition, it provides the users with an understanding of the role the Office of Grant and Contract Administration plays in the administration of restricted funds.*

The role of the Office of Grants and Contracts Administration (OGCA) is to provide support to UAF constituents for all post award activities for the University of Alaska Fairbanks' externally funded projects. OGCA's responsibilities include the set-up of new accounts, budget revisions, the preparation of bills and collection of amounts due from funding agencies. OGCA also provides compliance reviews for all actions subsequent to award. Further responsibilities are to minimize conflicts of interest and assure compliance with applicable regulations and requirements for restricted funds according to their award terms and conditions.

The Office of Grant and Contract Administration is the focal point for dealing with all external funding agencies. The Institute Responsible Official for all awards (signing authority) is the Director, OGCA. Amendments to existing awards are handled through OGCA. OGCA is also responsible for responding to internal and external audits of transactions related to externally funded projects.

The Statement of Principles of Research Administrators:
http://www.ncura.edu/content/about_us/statement_of_principles.php

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Definitions:

ACCOUNT — budget line item according to the award document.

AGENCY — generic term for sponsor; may be federal agency, state agency, private foundation, other university, etc.

AWARD — acceptance by UAF of a grant, contract, agreement, or subaward that has been made to UAF by an external source. An award document bears the signature, electronic or otherwise, of the awarding agency.

DEPARTMENT AUTHORITY FORM (DAF)- This form is to be used only after the Vice Chancellor for Administrative Services has approved a request to delegate authority to Deans or Directors. The form, initiated by the PI, requests permission to change a sponsored project. A request under the waiver of prior approvals from the agency is approved by the dean or director and then reviewed for compliance by the IRO.

FUND — sub-level budget setup; linked to investigator and unit.

GRANT — prime tracking number utilized by UAF to record incoming awards. Governs all subsequent funds.

IRO – Institute Responsible Official; an authorized representative of UAF who has signatory authority, by delegation of the Chancellor, to commit UAF to legal agreement. (Both pre- and post-award.)

ORGANIZATION CODE — identifier at the unit level.

[PRINCIPAL INVESTIGATOR](#) — person who has scientific and technical responsibility to fulfill the scope of work proposed.

RESTRICTED FUND NOTIFICATION OR REQUEST FORM (RFN)- the form, initiated by the PI, requesting permission to change a sponsored project. A request under the waiver of prior approvals from the agency is approved by the IRO, and a request requiring agency approval is forwarded to the agency.

RESTRICTED FUNDS — budgets for awards for which there are specific scopes of work, deliverables, terms and conditions, and accountability.

SUBAWARD — the passing-through of that part of an award's scope of work that will not be performed by or at UAF, but will be performed by a legal entity not affiliated with the University of Alaska.

UNIT — the department/institute/center and/or business office at UAF that assumes additional oversight for administrative matters relative to agency-funded projects.

VENDOR PROCUREMENT — acquisition of goods or services in order to carry out the project for which funds have been awarded.

Chapter 1 –

Services Furnished by the University of Alaska Fairbanks' Office of Grants and Contracts Administration

A. Awards

Office of Grants and Contracts Administration (OGCA) is the office to which all funding agencies should address their awards and modifications. The correct contact information for sponsor awards is:

USPS Box	Courier	Electronic
Office of Grants & Contracts Admin University of Alaska Fairbanks P.O. Box 757880 Fairbanks, AK 99775-7880	Office of Grants & Contracts Admin University of Alaska Fairbanks 3295 College Road, Suite 109 Fairbanks, AK 99709	fygrcon@uaf.edu

OGCA reviews all proposed awards received by the University of Alaska Fairbanks. When OGCA receives the proposed award document from the agency, a copy of the proposed award may be sent to the unit prior to acceptance for comment on the terms and conditions regarding the principal investigator's (PI) responsibilities, whenever said contents require Pi review.

OGCA receives a number of incoming agreements (grants, cooperative agreements, MOU, MOA and contracts) which often include a host of agency terms and conditions requiring compliance with various state, federal and local laws and regulations. The complexity and nature of the project often dictate the terms and conditions attached to an agreement.

Incoming agreements are reviewed and negotiated by the Grants Management Officer (GMO). The GMO performs a comprehensive review of each agreement to identify areas that are either unfavorable or unacceptable to UAF. Comments and revisions are made by the GMO and forwarded to the appropriate officers for review, comment, and/or approval of the recommendations (e.g., General Council (GC), Office of Technology Transfer (OTT), Risk Management (RM), and Office of Research Integrity (ORI)).

These offices are charged with reviewing those elements of the agreement that relate to their specific area of expertise.

Once the requested offices have completed their review and have submitted comments and/or suggestions on an agreement, the changes are compiled, summarized and sent back to the sponsor. The sponsor reviews UAF's changes and either accepts the changes, prepares a counter-offer, or advises the sponsor that the terms of the original agreement must remain intact. Depending on the sponsor's response, the GMO either incorporates the approved changes and recommends signing the agreement, or reviews the counter-offer for possible re-routing through the appropriate office(s), or

counters back to the sponsor. If UAF cannot accept the terms and the sponsor is unwilling to change the language, OGCA will meet with the PI and General Counsel to evaluate the degree of risk the agreement may pose to the UA, and discuss any deal breaking areas of the agreement.

The OGCA Director has the authority to decline an award, if after consultation with the GMO and the PI, the agreement cannot be signed. The Director may also consider the risk to UAF, and, with consultation and coordination of the dean/director and the PI, make the determination that the award may be undertaken. UAF makes all reasonable attempts to reach agreement with a sponsor. Depending on the complexity of the agreement and the type of sponsor (commercial, federal, other university), the timeline from receipt of an agreement to full execution can vary widely. A simple negotiation with minimal changes can take 6-8 weeks. A more complex agreement with many counter offers may take 6-9 months. All agreements under review and negotiation prior to execution are assigned to the GMO and are listed in the Suspense log on the OGCA website <http://www.uaf.edu/grcon/suspense/index.html>. Departments and PI's should feel free to contact the GMO in OGCA, extn 6073, for the status of any award in suspense for more than 6 weeks.

After acceptance of the award by the University of Alaska Fairbanks, OGCA will return the required documents to the funding agency. **See Appendix A (p.53)** for details of the routing procedures for approval and acceptance of grants, contracts, and other agreements. **(See Chapter 4, page 17,** for internal award setup procedures.)

B. Pre-award costs

Under [2CFR 215.25e](#) (OMB Circular A-110), recipients of awards may incur expenses associated with start-up of the project as follows:

“Except for requirements listed in paragraphs (c)(1) and (c)(4) of this section, Federal awarding agencies are authorized, at their option, to waive cost-related and administrative prior written approvals required by 2 CFR parts 220 and 230 (OMB Circulars A-21 and A-122). Such waivers may include authorizing recipients to do any one or more of the following.

(1) Incur pre-award costs 90 calendar days prior to award or more than 90 calendar days with the prior approval of the Federal awarding agency. All pre-award costs are incurred at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).”

Letters of Assumption

The Unit may opt to assume financial liability for project expenses for up to 90 calendar days prior to receiving the actual award in circumstances where the sponsor's type of award allows for pre-award costs. The sponsor will have notified the Unit/PI that the award is en route to the university. The Unit may submit set-up documentation accompanied by a [OGCA memorandum of Assumption of Liability](#) and provide proof of "intent to award" by the sponsoring agency. An "intent to award" can be any type of written notification (email, letter) from the sponsor. There are three form options available:

- (a.) Letter of Assumption of Liability, New Award without Invoking Pre-Award Costs to set up a new Banner grant under assumption pending receipt of the award. The assumption is an assumption of financial responsibility by the department requesting the account. If costs are incurred and an award is not issued by the sponsor, the department is liable for the charges made. This request will allow the assumption to be entered into Banner on the anticipated start date- no pre award costs are involved.
- (b.) Letter of Assumption of Liability, New Award Invoking Pre-Award Costs to set up a new Banner grant under assumption pending receipt of the award and allowing pre-award spending up to 90 days prior to the anticipated start date. The assumption is an assumption of financial responsibility by the department requesting the account. If costs are incurred in the pre award period and an award is not issued by the sponsor, the start date is later than the originally anticipated start date, or the award is issued as a contract, the department is liable for any unallowable charges. Pre award costs are involved.
- (c.) Letter of Assumption of Liability for Use of Residual Funds to allow for continued spending funds already awarded pending receipt of modification. This request will not change your existing grant end date, but will extend the funds thru the approved assumption period. If a modification extending the award period is not issued by the sponsor, the department is liable for all charges after the project end date.

C. Budget Approval of Charges to Projects

UAF management has charged UAF OGCA with the responsibility of monitoring all expenditures involving restricted fund accounts, and related unrestricted fund accounts (e.g., fund 14), to ensure that they are in compliance with the contractual terms and conditions. Expenditures are monitored, utilizing the Banner Finance system, to assure fund use is allocable, allowable, and reasonable.

Any budget amendment requests must be routed through OGCA for consideration of allowability. If the award allows, OGCA will have internal authority to exercise the budget amendment. All other budget requests will be forwarded to the funding agency for correct endorsement and approval. Approvals will be relayed to the unit when they are received.

D. Billing and Financial Reporting of Projects

OGCA prepares the billings and periodic financial reports for UAF awards, with the exception of some awards to the Geophysical Institute. Upon request, copies of billings and reports will be sent to the unit conducting the project.

Before the final billing or fiscal report is prepared, a check is made with the unit to ensure that all proper charges are in the accounts.

OGCA will check with the unit business office after the contract ending date to see if all direct charges are in the project. The account is then closed to prevent any entries into the account after the end date. (See Closeout Procedures, Chapter 10(B), P. 41.)

E. Journal Vouchers

Journal vouchers written upon UAF restricted fund accounts are to be routed to Financial Services for initial review then forwarded to OGCA if necessary. Journal vouchers are used for correcting charges and credits to accounts and to record the charges and credits for interdepartmental services rendered. Journal vouchers may not be used for any changes or corrections of salary charges. JPAY's should be used for labor charges. A copy of the journal entry is returned to the originating unit by Budget and Cost Records if a copy is attached to the original submission.

F. Charging of Facilities and Administrative (F&A) Costs

In most cases, F&A will be calculated and charged automatically. The F&A will be charged and the proper income accounts credited in the month in which the direct charges for the base of the F&A costs are recorded in the project.

In rare cases where the F&A charge cannot be calculated and posted by the accounting system, the entry will be manually calculated and posted by journal voucher in the following month by The Office of Grants and Contracts Administration.

For awards received with less than 21% F&A recovery, a fee for under-recovered F&A apply in accordance with the [memorandum](#) issued jointly by the Interim Vice Provost for Research and the Vice Chancellor for Administrative Services on April 07, 2005.

G. Subawards

If a prime award has an allowed component that requires sub-letting of a part of the scope of work as described in the proposal, upon acceptance of the award to UAF, OGCA will request that the unit complete a subaward document. Briefly, the subaward document will comprise the subaward, the subrecipient's part of the scope of work, their budget, and a copy of the prime terms & conditions.

For a broader explanation of services furnished by OGCA regarding subawards and vendor procurements, see [Chapter 8 \(p. 33\)](#) of this manual.

H. Continuation of Existing Awards

For grants that are multiple year awards, wherein an annual request for continuation is required by the sponsor, the request for continuation funding should be routed through OGCA. Because the original proposal has already been reviewed and processed correctly through the UAF Office of Sponsored Projects (OSP) process, it is not necessary to repeat this step. Any corrections in scope of work or budget will be handled by OGCA on behalf of the PI.

For the National Science Foundation, annual increments are automatic and depend on the timely submission of annual technical reports by the PI. For the National Institutes of Health, annual requests for continuation (Streamlined Noncompeting Award Process [SNAP]) will be handled through OGCA, via the e-SNAP web portal as required by NIH. Researchers submitting e-SNAP via web portal must also create a print screen, sign and send to OGCA for retention. This satisfies the NIH requirement that the grantee institution has the investigator signature on file.

I. Revision of Existing Awards

The Restricted Fund Notification and Request Form (RFN) is an internal use form only, and will have the record of original request, with requisite signatures, for audit purposes.

Revisions to existing awards will be routed to OGCA. Grouped under “revisions” are actions such as change in scope of work, change in PI, budget changes, and no-cost-extension requests. Utilizing the information on the RFN form, OGCA will contact the agency and request the change(s) that are not included under the waiver of prior approvals. Once the agency has agreed to the revision, OGCA will notify the unit and the PI so that follow-up action can be initiated by the unit.

National Science Foundation (NSF) and National Oceanic and Atmospheric Administration (NOAA) have online award management systems that allow the PI to initiate requests and notifications for changes to their awards. These systems are Fastlane and Grants Online respectively. For active NSF and NOAA awards, OGCA is electronically notified of requests to amend a current award, and OGCA will be the Institute Responsible Official (IRO). OSP will continue to be the IRO for original and supplemental proposals. As these systems are username and password protected, a RFN is not longer required for change requests and notifications submitted in either system as the requests must be generated by the PI. The systems show the user who initiated the change and serves as an electronic signature.

For active National Institutes of Health (NIH) awards, OGCA will exercise expanded authority where assigned by NIH to UAF on behalf of the PI. Awards without expanded authority will be handled in the normal manner, through OGCA to the agency. An RFN must be submitted to OGCA and may be accompanied by a separate letter of request, if the PI so deems.

J. Other Services

Except for property management matters, OGCA responds to questions from the internal auditors, external auditors, and funding agencies as they apply to restricted fund transactions for UAF awards (including special reports, analysis, etc.). The office of the Chief Procurement Officer responds when the issue concerns property management.

Upon request, OGCA will assist UAF units or other divisions of the university by responding to inquiries concerning current benefit rates, F&A rates, university policy considerations, and other questions that may arise. When questions are asked that may be better answered by another office, the unit will be referred to the proper person or unit.

K. Project Closeout

OGCA, with the unit's participation, prepares and submits all final financial, intellectual property (IP) /inventions reports, and equipment reports as required by the funding agency. It is the unit's responsibility to file final technical reports. The unit will provide OGCA a copy of the transmittal letter for the technical report. Upon request, OGCA will assist the unit business office in filing project reports if financial data is required for the narrative. For information and helpful checklists on project closing, see Chapter 10 (p. 41) of this manual.

L. No Cost Extensions

Agency requirements for processing extensions range from 30 days prior to the end date through the end date of the award. To insure a request will be considered by the funding agency, requests for a no cost time extension to current awards must be processed, at a minimum, no later than 30 days prior to the approaching end date. An extension request must be submitted, along with sufficient scientific or programmatic justification for the extension, to OGCA so that OGCA can make the request to the agency. The RFN form should be used. No requests for time extension will be processed after the award end date has passed. However, where the agency has shown a willingness or need to extend the award after the end date, OGCA will work with the agency to effect the change.

Any funds remaining in a state award at the end of the calendar year, if the award scope of work is incomplete, will be deobligated and reissued in the following calendar year, where permissible. All requests for such a carryover requirement should be submitted to the state no later than 30 days prior to June 30th. An RSA will be issued by the state reducing the current award and a BRF is required to reduce the grant in that amount for the current year. The State will issue a new RSA after July 1 with the balance remaining in the grant; a new grant/fund will be issued.

M. Time Limitations of Charges

In all cases, the charges to a project must fall within the period of performance (project start through project end dates). No charges can be made to the project prior to the start date or after the end date unless UAF has prior approval from the sponsor. An award with approval for prior-to-the-award spending will be listed in FRAGRNT under "FOATEXT".

The pre-award costs must be otherwise allowable and incurred within the time frame specified by the pre-award cost clause. All pre-award costs are incurred at the risk of the responsible unit until the pre-award cost clause is approved by the funding agency. If pre-award costs are later disallowed by the funding agency, or the grant is not approved, the costs must be absorbed by the unit. No expenditures may be incurred on a project after the expiration date. Payments for items that were encumbered and received prior to the expiration date of the project may be made after the close date under the "liquidation of encumbrances" condition.

Purchases of supplies and equipment should be processed as early as possible to assure receipt of and use during the project period. If an award is not going to continue in future year increments, no equipment may be purchased 60 days prior to the project end date without significant justification and OGCA Director approval. Any commodities acquired prior to the end date that will not be used within 60 days after the end date must be liquidated and the funds returned to the account. Residual inventory greater than a value of \$5,000 must be liquidated and funds returned to the sponsor (federal awards).

In the case of a continuing grant, the receipt of equipment at the end of a project year may be accepted, depending on agency regulations, since it can be used in the continuing grant year. Transfers of accountable property valued at \$5,000 or more per unit must be accomplished in accordance with procedures established by the [Statewide Property Manual](#), page 20.

Chapter 2

Responsibilities of the Unit Business Office (Unit) in the Management of Restricted Fund Awards

A. General

It is the responsibility of the unit business office to provide financial oversight and logistics management of awards on behalf of the unit's principal investigator.

The PI and the unit business office will review the technical and logistical requirements upon receipt of an award. If necessary, they shall request that the OGCA IRO negotiate with the funding agency for modifications. OGCA will review the contractual terms and conditions related to the financial and administrative requirements and, with participation by the PI, proceed with the necessary request to the funding agency.

The unit business office should advise the principal investigator on salaries, purchasing procedures, current F&A rates, staff benefits, and all manner of regulations of various granting agencies, and therefore, must stay well informed on these matters. The function of the unit business office is to provide support to the college/institute and PI.

B. Setup Procedure

If a PI is notified of "intent to award" by a sponsor, the unit may prepare budget request forms (BRFs) and a signed memorandum of Assumption of Liability. Assumption BRFs should have dollar amounts in only the 8003, Assumption Budget line item on the fund setup. A copy of the notice of intent to award should accompany the memorandum; such notices may be in facsimile or e-mail format. These documents shall be forwarded to OGCA for review and approval.

Upon notification by OGCA of receipt of an award, the unit should prepare the final BRFs and forward them to OGCA. The budget must match the line items as stated, or adopted by reference, in the prime award. At the same time, assumption amounts must be removed.

C. Charges to Projects

The unit will assist the PI in monitoring the requests for expenditure of funds to see that they are expended within agency and award guidelines. It will report the project expenditures of a fund to the PI in a timely and accurate manner, preferably monthly, and may provide assistance in planning future expenditure requests.

The unit is responsible for charging appropriate account codes and expenditures on restricted funds. In addition, the units assure that expenditures on the project agree with the budget (as amended) in the agreement. Purchase requests for the project expenditures will be processed by the UAF Procurement and Contract Services (P&CS)

Department. Subawards will be processed through OGCA. A subaward templates are available at the [Procurement Forms](#) website. It is advisable to go to the forms on the website each time a subaward is necessary so that the most recent iteration of the subaward templates are utilized.

The unit should carefully monitor budget levels so as to prevent an over-commitment of funds. If a project overrun occurs, OGCA will generate a standard form letter that informs the PI of the overrun, with a copy to the respective unit business office. The unit is responsible for removing project overages (see Chapter 10, page 41).

D. Assuming Liability for Residual Funds Use, Pending Receipt of Incremental Support.

Sometimes incremental funding on multiple-year programs does not arrive in a timely fashion. In those instances, the unit may assume financial liability for continuing to spend against the restricted fund past the current end date, thus removing the need to file for a no-cost-extension to the sponsor and possibly using up their one-time expanded authority to do so. The unit should file an Letter of Assumption of Financial Liability, with multiple-year program document backup, with OGCA and request that the fund(s) to be left open beyond the current award end date.

BRF(s) should be submitted with the memorandum assigning funds to the 8003 Assumption line. Upon receipt of the incremental funding award modification, the assumption will be released.

If the sponsor does not issue a modification/amendment to the award, the charges incurred past the actual end date will be JV'd against the unit's fund one by OGCA during the closeout procedure.

E. Other

Recruitment. The unit business office handles all business matters in conjunction with OGCA so that the PI is free to pursue the research or training aspects of the project. The PI will select the project personnel using UAF guidelines and the unit business office will handle all the paperwork required for employing them.

Travel. The unit business office will handle all travel details at the request of the PI after approval for the travel has been received according to university guidelines.

Subawards, Vendor Procurements. In conjunction with the PI, the unit business office is responsible for initiating all requests for subawards and vendor procurements (see Chapter 8, p. 33). They will ensure that all documents required for each type of order are provided to either OGCA or Procurement & Contract Services (P&CS), as appropriate.

ProCard Use. It is especially important that the unit is aware of levels of spending according to supply accounts on restricted awards. It is recommended that while it is

UA policy that ProCard use be encouraged, the availability of restricted funds be released in levels that protect over-spending during quarters of the budget year. (For example, if a supply line provides for \$8,000 in supplies, release only \$2,000 per quarter on the ProCard unless the award specifically calls for “up-front” expenditure to get the scientific work completed.) This selective release should be arranged by understanding and agreement between the unit and the PI. All ProCard documentation and receipts will be maintained in the unit business office, according to [UAF procedures](#).

Minority/Women/Disadvantaged Business Entities (MBE/WBE/DBE)

Reports. Small Business Subcontracting Plans for individual sponsoring agencies, where necessary, are the responsibility of the unit business office and P&CS. The Statewide system is responsible for reporting requirements to the federal agencies for UA as a whole.

Closeout or Renewal of the Award. The unit business office should alert the PI prior to the close of the award, and assist in the decision to request either additional funds and/or an extension of time to complete the project. The unit should also remind the PI, in a timely manner, of the need for a renewal proposal if the project is to continue. The unit will then assist the PI in the preparation of a request for an amendment to the current award, or a competitive renewal submission (e.g. NIH requirements).

Cost Sharing/Matching Funds. The unit is also responsible for documenting such cost sharing or matching as is required on the award. OGCA should receive, in a timely manner, documentation needed to accompany financial reports as prescribed in the award document. See Appendix B (p. 54) for detail.

Chapter 3

The Responsibilities of the Principal Investigator or Project Director in the Management of Awards

A. General

The award recipient is the University of Alaska Fairbanks. The award is made under the condition that the Principal Investigator (PI) named in the document is the key person for the project, and is available to complete the scope of work. The PI assumes those responsibilities when that individual prepares the proposal for the project. The PI has full responsibility for the completion of the scope of work, and the correct allocation of costs to the project according to the budget.

Agency notification requirements must be adhered to regarding the availability of the named researcher to serve on the award as principal investigator. The agency may permit the naming of a substitute PI if warranted, but has the right to rescind the award if the change of PI is not acceptable to them.

If a PI receives multiple awards, and as a consequence finds that they are over-committed on time and effort for both teaching and research (i.e., in excess of 100%), they should immediately work with their unit to either obtain release from teaching load, or to identify another PI with suitable credentials to take on some of the research load. If another PI is brought onto the research project, the sponsoring agency will need to be notified, through OGCA, of the change in PI time and effort, and requested to approve the addition of the second co-investigator. Notification is required whenever the effort changes by greater than 25% or an absence for more than three months ([A-110, Subpart C, part 25](#))

B. The Award Process

Intent to Award: Assumption of Liability:

[Award Process Chart](#): Unless either a letter of notification of intent to award or an actual award is received by UAF, OGCA may not set up project funds. Upon receipt of notification of intent to award, the unit may assume financial liability to allow the PI to begin the work. The PI should check with their unit if they receive such advance notification, and may request that the unit assume such financial liability. At that time, the unit may initiate setup procedures.

Actual Award: The Real Deal:

When the actual award document is received, OGCA will provide a copy to the business unit, who will, in turn, provide the PI with a copy of the award. They each should read the award document for content and terms and conditions. It is the PI's responsibility to check the award to ensure that it contains a statement of work to be performed (whether actual or by reference to the proposal) which agrees with the proposal as submitted. The PI should make a note of all limitations imposed by the proposed grant or contract

or agency manual since those are the rules under which the project will be required to operate.

If any discrepancies are found in either the work statement or operating rules that prevent the proper performance of the project, they should be made known to the unit and OGCA. Negotiations with the agency by OGCA, with the help of the PI, may be conducted to amend unacceptable clauses prior to execution of the award document.

On the basis of the award, the budget request forms (BRFs) for the project will be prepared by the unit for the PI. Changes required by the PI must be within the agency limitations, and may be processed through the unit.

The PI approves expenditures of funds including labor hours and effort. The PI must use the funds awarded within the guidelines described in the awarding document and/or the agency manual. Effort reports should be submitted to the unit in accordance with unit procedures and must be signed by the PI (See [Statewide Accounting Manual P-120](#)). The PI should procure prior approval for ProCard use according to unit policy.

In conjunction with the unit, the PI is responsible for initiating all requests for subawards (see Chapter 8; p. 33).

With the assistance of the unit business office, the PI should remain familiar with the financial condition of his/her project and make decisions as to changes needed in the budget allowances of the project as the project proceeds. Any change(s) to the budget must be coordinated with the unit business office. A Restricted Fund Notification or Request Form (RFN) form should be completed and submitted through the unit to OGCA. If an agency has allowed a waiver of their prior approval to UAF, the approval will be granted by IRO. If an award's terms and conditions require prior agency approval, a letter to the agency's grant specialist will be prepared by OGCA, according to the RFN, outlining the need to rebudget. The PI will provide an amended budget in the agency's format.

Initiation of requests for the extension of an end date, increase of award, or preparation of renewal proposals are the responsibility of the PI. Such requests should always be coordinated with the unit prior to submission to the funding agency, through OGCA, according to the unit and university policies and procedures.

C. Progress/Technical Reports

The PI is responsible for the preparation and timely submission of all progress and/or final technical reports required by the agency. A full copy of the technical report must be kept on file in the unit for future possible audit.

Instructions for the Principal Investigator:

For all projects, *except* NSF, NIH and formula funds, PI prepares and submits progress and final reports according to the terms of the award, and provides his/her unit with one full copy. The unit then has the responsibility of providing OGCA with a copy of only the cover page or transmittal letter so OGCA has proof that the report is filed.

Exceptions:

1) For NSF - PI files electronically and Fastlane notifies OGCA electronically - no further action by PI.

2) For NIH - PI will need to provide interim reports with the renewal paperwork (PHS 2590) since OGCA will be signing off on those and will check the submission for correct form and format (the unit will probably be the liaison for the PI); if eSnap is required, see instructions [eSNAP User's Guide](#). For final reports, file normally with the agency, copy to the unit. The unit will provide OGCA with a copy of the cover page or letter as proof of filing to the agency.

3) For Formula Funds - these funds require no technical report.

4) For NOAA- Pi files electronically thru Grants Online, and forwards to ROI. Grants Online notifies OGCA electronically – no further action by PI.

With the exception of Formula funds, the final financial report and/or billing is always dependent upon the submittal of the final technical report, and the interim billings are often dependent on the interim technical and/or progress reports. The PI should also be prepared to assist the post-award office in submitting inventions (DD882) and acquired property (DD1662) reports if the award requires them. If these reports are required by the agency and there are no inventions or property to report, negative reports will be filed by OGCA.

Chapter 4

Restricted Fund Setup

Under the University of Alaska Financial Accounting System (Sungard Higher Education), a record number is used to identify each new restricted award. Separate fund identifiers have been assigned to Anchorage, Fairbanks and Juneau campuses since each campus assigns its own project numbers. Record numbers begin with the letter "G." On occasion, a fund '5' allocation may be used to track capital equipment or construction/renovation. The grant number is a hierarchy number that maintains the award information, e.g. start and end dates and agency award number. The fund number is the accounting record that roll up to the grant. Each fund has one grant number assigned, but each grant can have multiple funds.

For setup to occur, the following three components are necessary:

1. The award notification;
2. The proposal documentation; and
3. The grant and fund budget request forms (BRF's).

If either of the human subjects or animal use boxes on the proposal routing form are checked, OGCA will not set up the award until notified of the appropriate protocol number.

A. Banner Input

It is OGCA policy to accept forms that are approved for use by UAF for grant and fund setup by either hard copy or electronic means. These are not limited to, but include, BRFs. Units should have in place an internal procedure to identify an individual, or individuals, authorized to send forms to OGCA by e-mail attachment. Submission by e-mail attachment will be regarded by OGCA as sufficient evidence of unit authorization and constitutes approval authority by the unit, i.e., signature. This method should be especially utilized by remote sites to diminish delay in setup caused by lengthy mail delivery times.

I. Under Letter of Assumption of Financial Liability

If a PI or unit has been officially notified, either by electronic mail or by letter of intent to award, that an award is imminent, the unit may opt to assume financial liability for any expenditures made while the award document is en route and, as yet, unaccepted by UAF. The OGCA [Forms web page](#) contains a template for the Letter of Assumption of Financial Liability. Assumption is limited to 90 days so that the risk to the unit and the university is kept within the 90-day period allowed prior to the actual award date. Under extenuating circumstances, properly documented, the Director, OGCA, can be petitioned to add a second 90-day extension period.

The assumption set-up is similar to the post-award set-up except that the grant does not have any award amounts entered in the current, cumulative and maximum fields. Documentation for set-up is the Letter of Assumption with appropriate backup, the proposal documents, and the BRFs.

The BRF for fund setup should have the liability amount entered in line 8003, *Assumption Budget* line. This format assists in the liability release since only one line item will be backed-out, but still provides funds against which start-up expenses can be incurred.

II. Under Accepted Award Documentation

When an award is received by UAF, the OGCA clerk will send the unit an email notification that the award is in-house, and request that the unit send the BRFs to OGCA. If the award is electronic, it will either be forwarded to the unit by attachment to an email, or if that is not possible, a hard copy of the notification will be printed and faxed to the unit. If the award is hard copy, it will be faxed to the unit. The clerk will identify the proposal using the Banner proposal module and send an email to the unit, requesting that they forward the proposal documents to OGCA. When all documents are received by OGCA, they are presented to the Assistant Director for review.

III. Special Note for State RSAs:

RSA Start/Completion Dates

Services funded from operating appropriations must be completed within the same fiscal year in which the funds were appropriated.

[State of Alaska Accounting Manual, Section 12, Reimbursable Service Agreements](#). Only in the event of an RSA being marked as an appropriation from the State capital funds may the RSA cross fiscal year lines. RSA's issued from capital funds will be given a normal grant number (G0000xxxx) but will be assigned a fund 5 for tracking purposes. The predecessor fund will be SRSA, the fund type will be 91, and the revenue account will be 9331.

Any RSA \$100,000 or greater must be approved by the State of Alaska Office of Management and Budget (OMB). This requirement is for both Capital and Operating RSAs between the University and any State agency or between UA campuses/ admin offices.

Upon acceptance of the award by UAF, the new project's grant number is entered into Banner by OGCA. The BRF grant form contains a description of the project, F&A (indirect cost) coding, grant technician identification, and billing information, among other items. The BRF fund form defines the relationship of sub-groups and fund groups for that project, and identifies the budget account information by account line item.

It is important that the “Responsible Org” on the grant BRF is a “D” level organization. On the fund BRF, the “Orgn” code assigned by the unit must be an active code. The organization code is a five character numeric code identifying an administrative reporting unit. The organization table contains information defining the management reporting relationships of the units and identifying other relationships to fund, program, and state budget structure codes. The OGCA technicians review all new grant/fund setups to ensure that fund, organization and program codes are viable and compatible.

All new grant and fund numbers for UAF are assigned by OGCA, with the exception of the Geophysical Institute. When all the information has been input to the Banner accounting system, the OGCA data entry clerk notifies the unit and the PI of the grant/fund numbers, and passes on the documentation to the appropriate grant technician assigned responsibility for the funding agency.

It is the responsibility of the grant technician to note the terms and conditions of the award, the billing sequence and requirements, and any special reporting conditions. During the life of the award, the grant technician will advise upon and manage the project expenditures, and track project end date requirements and changes.

A list of OGCA technician/coordinators, and those funding agencies for which they are responsible, may be found at the [OGCA Agency List website](#).

Chapter 5

Budgets, Match/Cost Share & Program Income

The [Budget Request Forms](#) are in .pdf format and require Adobe Acrobat Professional to use and save. [Adobe Acrobat Professional](#) is available through the Office of Information Technology (OIT) to download at no cost.

A. Preparation of Budgets and Budget Revisions for Awards

The BRF is prepared by the unit receiving an award or award amendment. The BRF download also contains instructions on how to use the form. This form is submitted to OGCA for input to Banner.

All budget reductions are to be shown with parentheses <> around the amount. All budget increases are to be shown without parentheses. There are distinct columns for both debits and credits.

When an award is set up with several "ORG-codes", each "ORG-code" must have its own income and expenditure budget. A fund BRF must be submitted for each sub-fund requested with the expenditure budget.

B. Budgeting of Cost Sharing - Matching Funds

Some awards will require that UAF share the cost of the research or program. The amount of cost sharing, as well as the type of cost sharing required or permitted, varies. A specific "fund 14" will be set up to track expenditures of University funds that will be reported as match/cost-share. For larger programs, where there is more than one source (org) of UAF match, multiple fund 14's may be requested. The grant and fund maintenance forms are to be used for setting up a fund 14. These can be found at: [Grant and Fund Maintenance Forms](#) - Forms to be used for add or change PI, change Fiscal Officer, extend end dates, and to set up Match fund 14. <http://www.uaf.edu/grcon/forms.html>

Cost share is a commitment to share the cost of the project overall, and by the time the project is over, both the agency portion and the UAF portion must be expended.

Matching funds are more restrictive, in that, for every dollar of the award the unit spends, a proportionate share of the unit's share must be expended at the same time. The match need not be 1:1; the call for proposal will have specified exactly how the match will be expended.

The cost sharing or matching funds expenditures must be as explicitly identified as the direct charges to the restricted funds. [2CFR 215.23](#) (OMB Circular A-110), contains standards for cost sharing and matching as they apply to Federal grants and other agreements.

The Grant set-up BRF shows the unit source of funds required for the cost sharing (mid-right side of the BRF).

See the [Statewide Accounting Manual, revised January 20, 2006, Section G-14](#), for matching and cost-sharing concepts.

C. Program Income

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award (see exclusions in Sec. 2CFR 215.24(e) and (h)). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.
[2 CFR 215.2x](#) January 1, 2007 revision

1. General Accounting Requirements:

[2 CFR 215](#) (A-110) requires recipients to retain the income and lists these alternate uses:

Alternative (1): added to the total project budget,

Alternative (2): used to finance the non-Federal portion of the project, or

Alternative (3): deducted from the total costs in determining the Federal share.

The terms and conditions of the award and/or the agency's regulations should be consulted in determining the proper use. If the use of program income is not specified, [2 CFR 215](#) (A-110) specifies these defaults:

research projects: add to the total project budget and

all other projects: deduct from the total costs in determining the Federal share.

If at the end of the award's period of performance there is an excess of revenues over expenditures the excess must be deducted from the total costs in determining the Federal share. [2 CFR 215](#) (A-110) requires recipients to disburse program income before requesting additional federal funds.

All sponsored projects funded directly or indirectly with Federal funds that generate income from the activities being sponsored will be required to establish a restricted fund to account for the program revenues and expenditures. BRF(s) to set up the grant/fund may be found at the OGCA Forms webpage under: [Budget Request Form](#).

The restricted fund used to account for program income will be assigned to the Accounting Technician that administers the parent fund. It will be assigned its own Grant Number but will have the same Predecessor Fund (or within the same group) as the parent Fund Number. The program income fund will be classified as a miscellaneous type fund and will not automatically accrue revenue. The unit will deposit the cash receipts directly to the revenue account code.

2. DIRECT COST REQUIREMENTS:

For Alternatives (1) and (2): The same requirements as the sponsored project that generated the program income. All source documentation requires the proper authorizing signatures. All agency prior approvals and cost type or amount limitations that are applicable to the sponsored project would be imposed upon the program income account. All incurred costs must be allowable under 2 CFR220 (A-21) as well as other federal laws and regulations that may be applicable.

For Alternative (3): Only costs incidental to the generation of the gross income may be deducted to arrive at program income.

3. INDIRECT COST REQUIREMENTS:

For Alternatives (1) and (2): The same rate as is the negotiated rate for the type of sponsored program that generated the program income. Unless prohibited by federal statute, indirect costs can't be waived.

For Alternative (3): Not applicable.

4. RESPONSIBILITIES:

In theory, the program income revenue and expenditures should be identified in the proposal narrative and/or budget. Primary responsibility for identifying proposals that may generate program income lies with the Unit. The Unit business office should inform OGCA any time it receives funding for a proposal that will generate program income.

OGCA is ultimately responsible for ensuring University compliance with [2 CFR215](#) (A-110). The person reviewing the award document will check for potential program income generating activities in the scope of work. If it appears that the activity will generate program income the reviewer will discuss the issue with the fiscal officer of the Unit.

Examples of established program income accounts:

Small Business Development Center: Receipts from courses and workshops offered in connection with a grant funded jointly by the Small Business Administration and the Alaska Department of Commerce (received through UAA).

School of Fisheries and Ocean Sciences: Proceeds from the sale of fish caught during the testing of a net during a project funded by the NOAA.

Arctic Region Supercomputing Center: Use of the super computer funded by a Department of Defense grant.

Examples of activities that would generate program income:

Conference support. Participants' fees when a direct or indirectly federally funded award is used to put on the conference (not to be confused with an award that pays for the participants' costs).

Revenue from the sale of publications when the cost of producing the publication is charged to a federally assisted program.

Chapter 6

Expenditures – Allowable, Allocable, Reasonable!

A. Personnel

When an award document is received, the personnel committed to that project should be appointed to that grant number by processing the proper payroll/personnel forms. (See [UAF Office of Human Resources](#) web site.)

Personnel should only be appointed to the grant according to the accepted scope of work and as identified in the award budget. If more salary expenditures are required than originally budgeted for, if the award terms and conditions allow, a budget change must be made transferring funds from another expense category to salaries, staff benefits and F&A costs (when appropriate) in the proper proportion.

Some agencies limit costs per budget category and changes can be made only with prior approval of the sponsor's grant or contracting officer. Such approval must be received before the budget change and the salary charge can be made. Contact your grant technician or unit for budget amendment instruction and, if necessary, request agency approval.

If the additional salaries to be charged will increase the total cost of the project, a request for additional funds should be made to the awarding agency. For example, a [request for supplemental funding](#) should be filled out and submitted through OSP, or the required special form for that agency must be completed and approved by the unit and submitted to the agency through OGCA. When the grant amendment or contract modification awarding the funds requested is received in OGCA, the additional amount can be budgeted and the salary charge processed. In these instances, do not assume permission will be forthcoming; wait until the modification is issued.

B. Travel

I. Travel, domestic and foreign, requires in-depth scrutiny. Does the budget justification or scope of work explicitly delineate who, what, when, and destination(s)? The amount approved in the award statement cannot be exceeded or changed without prior approval of the agency, unless expanded authority is assigned to UAF. Otherwise, additional funds for travel must be approved by the agency before requests in excess of the original allowance can be processed, and reimbursement to the traveler can occur.

Foreign travel must have sponsoring agency approval unless explicitly waived by the agency. Detailed information as to the purpose of the trip and the cost must be included in the proposal.

II. An additional restriction on foreign travel under federal sponsored awards is the International Air Transportation Fair Competitive Practices Act of 1974 (49 USC 1517) (Fly American Act), Section 5 and implemented in FAR 52.247-63. Guidelines were issued by the United States Comptroller General on March 31, 1981. (Fly America Act). <http://www.uaf.edu/grcon/manual/FlyGuidelines.html> . The Act requires the use of "U.S.-Flag Air Carriers," when available, for all foreign travel that is paid, in whole or in part, with federal dollars.

When U.S.-flag air carrier service is not available and a foreign-flag air carrier is used, the traveler is required to provide justification for the use of the foreign air carrier. The Code of Federal Regulations states

"Agencies shall disallow expenditures for U.S. Government-financed commercial international air transportation on foreign-flag air carriers unless there is attached to the appropriate voucher a certificate or memorandum adequately explaining why service by U.S.-flag air carriers was not available, or why it was necessary to use foreign-flag air carriers."
[48 CFR 47.403-3](#)

OGCA has been charged with the responsibility of performing the compliance review and requires the [memorandum](#) be attached to the 'University Travel Authorization' form before approval will be granted.

C. Supplies and Services

Supplies and services are requisitioned in the same manner as those for other funds of the university. Supply and service line items are usually not a limited category so the original line item allowance may be exceeded, using expanded authority if applicable, providing the total budget allowance is not exceeded.

If service agreements are made for maintenance of equipment or blanket orders for supplies are required, the ending date of the requested agreement must not exceed the ending date of the project. Blanket orders must be terminated at the close of the award.

D. Subawards

In some cases, projects will include some work that cannot be performed by the University of Alaska Fairbanks. Therefore, part of the project will be performed at another university or by a commercial firm. A subaward will be made to these subrecipients to cover that part of the scope of work that will flow through to a non-UAF entity. UAF OGCA is responsible for assuring that clauses and restrictions applicable to the original award from the agency are included in the subaward documentation. See Chapter 8; p. 33 of this manual for procedures for the processing of subawards.

Some subawards will require the prior approval of the prime funding agency if they are not listed in the proposal in detail. An explanation as to the necessity of subawarding that part of the project should be provided to the sponsor.

When cost audits of subawards are performed by the funding agency's auditors, the university is liable for all disallowances. It is the responsibility of OGCA, working with the unit and the PI, to resolve those disallowances.

E. Petty Cash

Petty cash vouchers are allowable against restricted funds, but must be documented in full. Amounts allowed are to be no greater than \$100 per voucher, and must have the PI signature and the fiscal officer's signature. The explanation on the voucher must adequately tie the expense directly to the work being performed with a high degree of certainty.

Chapter 7

Non-Expendable Property - Purchase and Control

A. Overview

According to [2 CFR215.30](#) (A-110) “The recipient may use its own property management standards and procedures provided it observes the provisions of Sections _____.31 through _____.37.”

UA Statewide Accounting Manual definition of capital expenditures is found in “[Revenue and Expenditure Account Codes, Section 5000](#)”, and for UA purposes, is defined as over \$5,000 and having a useful life of more than one year. The UA definition supersedes the federal definition. Permanent equipment is defined by the federal government, in [2 CFR220.45 J-18.a.2](#) (OMB Circular A-21), as

“... an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the organization for financial statement purposes, or \$5,000.”

The University of Alaska Statewide Property Office is responsible for providing consistent policies and procedures for all Systemwide components. View the Purpose, Objective, and Authority statement containing the Alaska Statutes at [Section G-01](#). The [Statewide Property Manual](#), also contains information on the roles of the Statewide Property Office, the Campus Property Coordinator and the Departmental Property Custodian.

University of Alaska Regulation [R05.06.590](#) provides guidance on procurement and supply management.

The Geophysical Institute currently has separate and specific instructions for those programs under its jurisdiction. Be sure to check with the G.I. Business Office for correct procedures.

The Office of Grants and Contracts Administration (OGCA) is responsible for interpreting title provisions of an award and entering the correct equipment code into the Banner Financial System field. OGCA will provide a full copy of the sponsor’s award to the recipient unit, and expects the unit to read and understand the title provision. The unit is responsible for periodic inventory reports, and the UAF Property Coordinator is responsible for reporting lost or damaged property to the federal government. At the end of an award, OGCA is responsible for completing the final inventory report (positive or negative), if it is required, and submitting it to the funding agency as part of the closeout procedure.

Definitions:

- Federally-owned property – “Title to federally-owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of federally-owned property in their custody to the Federal awarding agency. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to the Federal awarding agency for further Federal agency utilization.” ([2 CFR215.33.a.1](#))
- Exempt property – “Exempt property. When statutory authority exists, the Federal awarding agency has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal Government and under conditions the Federal awarding agency considers appropriate. Such property is "exempt property." Should a Federal awarding agency not establish conditions, title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.” ([2 CFR215.33.b](#))
- Non-expendable property — equipment acquired by a recipient with Federal funds. Title may vest in the recipient, subject to conditions [of 2 CFR215.34.](#)

I. Purchase of Equipment with Federal Funds

Non-expendable property can be acquired with federal funds only if the purchase has been specifically approved in the award document or by prior approval of the agency’s grant or contract officer. Special terms and conditions of the award should be adhered to, and may require prior signatory approval from the sponsor. Prior to acquiring new, federally-funded property, the existing property inventory must be screened following the procedures described in the [Statewide Property Manual](#), page 15, to ensure that there is no existing property owned by the university that is appropriate and available for use. In addition, there are federal screening requirements. See B. ‘Equipment Charges to Federally-Funded Projects’ in this section.

Items costing \$5,000 or more must be listed separately and described in detail in the proposal. Instructions for completion of property forms can be found in the [Statewide Property Manual](#), page .

Competitive prices: UAF Procurement & Contract Services will solicit for competitive prices for purchases in accordance with University Procurement Regulations and Procedures unless the principal investigator has justified the use of a sole source supplier. Such justification must be detailed enough to be acceptable by the government auditor as well as to satisfy [University Procurement Regulations and Procedures](#) .

Capitalizing constructed equipment: See the SW Accounting Manual procedure. If an item of equipment is built by the university, the cost of materials, labor, staff

benefits and travel, if applicable, must be accumulated and identified as the cost of the equipment. No overhead should be charged on the salaries included in the equipment construction cost. A separate fund with zero F&A will be set up to capture all allocable costs, whatever the line item. If the accumulated cost of the equipment exceeds \$5,000, it must be accounted for under procedures established by the [Statewide Property Manual, Section P-1.6](#), for items of non-expendable personal property.

II. Title to Equipment - Federal Contracts

Title to equipment purchased with federal cost-type contract funds always vests in the federal government. The university can usually obtain title to items when a contract is complete by requesting transfer of title. The terms and conditions of the award should be followed –it may be that the \$5,000 threshold may apply and title will vest in the university. Permission for the university to obtain title may be given if the federal agency has no use for the item(s) in another program they are supporting.

Read the title transfer document carefully. Refer to the clauses or articles in the contract. Agencies may transfer title but require that the equipment be used only for certain programs at the university, i.e. health-related research, etc. There may also be a requirement of periodic reporting on use and condition of the equipment. If this reporting is not made, the university may lose the equipment. (See [ONR Property Information website](#))

III. Title to Equipment - Federal Grants

In most cases, title to equipment purchased with federal grant funds is vested in the university at the time of purchase. Some grant documents may reserve title on equipment for the government according to the terms and conditions of the award, and can request transfer of that piece to another grantee at their discretion, per [2 CFR215.34, \(g\)](#). If this condition exists in the prime award, the OGCA office will interpret the ownership of the equipment and code the equipment status in the Banner Finance System accordingly, e.g., FF (“federally funded/owned”).

IV. Identification of Equipment

All equipment purchased with federal grant funds or cost-reimbursement type contract funds should be so identified, whether the title vests in the university or the federal government. The use of equipment purchased with federal funds is governed by [2 CFR215.34 \(b\)](#). The [Statewide Property Manual, Section P-3](#), describes the correct UA procedure for tagging equipment.

V. General Purpose Equipment

Except for fixed price contract funds, general purpose equipment (office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment – [2 CFR220.18 \(a\) 4, and \(b\) 1](#)) cannot be acquired from federal funds unless they have been specifically approved by the awarding document or by prior approval of the grant or contract officer. This type of equipment is general, and administrative support equipment is furnished by the university. (See [UA Disclosure Statement](#) – DS2, Page II-6). The federal government pays proportionally for its use through the depreciation included in the F&A rate.

B. Equipment Charges to Federally-Funded Projects

The purchase of equipment acquired using federal funds must be screened, per [UA Statewide Property Manual](#), against UAF campus surplus and University of Alaska systemwide surplus..

Cost-reimbursement type contract awards that are subject to the [Federal Acquisition Regulations \(FAR\) Part 45](#), usually require screening through the sponsoring federal agency. In addition, NASA and the Department of Defense have agency specific pre-acquisition screening requirements for cost type FAR contracts awarded under their departments. These provisions will be conveyed in the award document.

C. Government Property

I. Government Furnished Property (GFP)

Under a federal contract that is subject to the Federal Acquisition Regulation that contains the clause at 48 [CFR 52.245-2 through 52.245-15](#) regarding government property, the government furnishes property that is listed on a schedule which is part of the contract. This property is called Government Furnished Property (GFP). Some contracts may prescribe the use of [DD Form 1348](#), for acquisition of GFP. The contract will contain provisions regarding acquisition, management and record keeping requirements for GFP.

Government furnished property may be acquired by the University of Alaska Fairbanks according to the procedure established in the [Statewide Property Manual](#) .

Government property is property in the possession of, or acquired directly by, the government and subsequently delivered to or otherwise made available to the University under a contract or grant. Government property can also be something purchased by the contractor to which the government takes title. Government (Non-expendable) personal property must be accounted for as prescribed by the Statewide Property Manual. The Geophysical Institute should

check with the G.I. Business Office for special instructions and procedures; others check with the UAF Property Officer. See [UA Property Manual](#). Other information on Procurement is governed by [2 CFR215](#).

To acquire equipment or supplies for use on a Department of Defense contract when authorized by the contract, use [SF Form 122](#), routed through GSA, if acquired using federal resources. Title remains with the Government according to the terms and conditions of the contract.

II. Government Surplus Property

Government surplus property can be acquired through the State Agent for Surplus Property at a small charge, and then becomes university property. Government excess property must have the Federal Property Administrator's approval (ONR ACO) to be obtained and it remains federally owned, whether obtained from GSA or DRMO. The same applies to government surplus for which the university wants to get first call, or avoid the Surplus Agent charges by going through the Property Administrator. A federal contract must be in place before the university may acquire surplus federal property.

References:

FAR AND CFR CLAUSES GOVERNING PROPERTY

[Title 48, Code of Federal Regulations \(by Agency\) Federal Acquisition Regulations System](#)

[Federal Acquisition Regulations](#)

[FAR 45](#) - This part prescribes policies and procedures for providing Government property to contractors, contractors' use and management of Government property, and reporting, redistributing, and disposing of contractor inventory.

[FAR 52.245-1 through 19](#): Government Property on Fixed Price Contracts.

[2 CFR215 sections 30-37](#)

D. Contracts - Physical Inventories

The [Statewide Property Manual](#) addresses physical inventory according to university procedures in Section P.4.

The [Federal Acquisition Regulation \(FAR 45.508\)](#) requires periodic physical inventories of all government property and physical inventory upon termination or completion of a contract.

I. Federally-Owned, Contractor-Acquired Government Property under Contracts

OGCA is responsible for reporting, on an annual basis, to the contracting agency on the acquisition cost of federally-owned, contractor-acquired property ([FAR 45.505-14](#)) under each contract. The Federal Acquisition Regulation requires an annual report on the acquisition cost of government property accountable under federal contract.

When a contract is awarded and does not include instructions from the contracting officer as to which forms to use, cutoff periods, and due dates, OGCA will request that the agency supply the information. Each contracting federal agency may have unique reporting requirements, but the contract itself governs in each case.

The Department of Defense, the National Aeronautics and Space Administration and the Department of Energy have supplemented the FAR requirements. Any special terms and conditions will be cited in the award document.

II. Grants and Other Agreements

[2 CFR215](#), Introduction, Section 3 - Policy, requires that recipients of awards comply with federal reporting requirements if they are institutions of higher education, hospitals, and other non-profit organizations (Paragraph 1, Introduction). Subpart A, Section 5. [2 CFR215](#) requires recipients of subawards to submit an inventory listing of federally-owned property in their custody according to federal guidelines. OGCA will submit grant specific and agency specific reports when required. Data for the report will be generated by the Banner system and verified with the Campus Property Coordinator.

E. Federal Property Disposition

At any time during the contract period, excess government-owned property that is declared surplus must have disposition instructions directly from the funding agency. Federal approval and/or instructions are needed not only for disposal, in the sense of scrapping or selling, but also for trade-in, return to the government, or any other disposition action.

Sections P-6 and P-12 of the Statewide Property Manual cover the university's procedures for disposition of federal property. The links listed below point to information governing the general federal standards for contracts, grants, and agreements.

Disposal of government-owned property is subject to the provisions of [2 CFR215](#), [FAR Sub-part 45.6](#), and to the approval and conditions of the sponsoring agency. Written approval from the federal sponsoring agency must be obtained prior to requesting authorization for disposal from the chief procurement officer and documentation of the

approval must be attached to the 'Property Disposal Authorization.' See [Statewide Property: Forms and Instructions](#) web site for forms.

[FAR Subpart 45.603](#) contains provisions for disposal of property under Federal contracts subject to FAR. 2 CFR215, attachment N, "Property Management Standards," contains provisions for the disposal of property under Federal grants and other agreements.

I. Federal Contracts - FAR Subpart 45.6

An agency may exercise its rights to require delivery of any contractor inventory. If the agency does not exercise these rights, the contractor inventory shall be disposed of according to the instructions received from the funding agency or federal Property Administrator.

References:

- 45.605-1: Purchase or retention at cost by prime contractor or subcontractor of contractor-acquired property.
- 45.605-2: Return of contractor-acquired property to suppliers.
- 45.608: Use within the government through the use of prescribed screening procedures.
- 45.609: Donation to eligible donees.
- 45.610: Sale (including purchase or retention at less than cost by the prime contractor or subcontractor).
- 45.611: Donation to public bodies in lieu of abandonment.
7. 45.611: Abandonment or destruction.

F. Grants and Other Agreements

When property is acquired with federal funds under a grant or other agreement subject to 2 CFR215, the directions prescribed by [Section 34\(g\)](#) standards for property disposal apply unless the property is exempt. Refer to the current Statewide Property Manual for UAF procedures.

2 CFR215, prescribes requirements for all nonexpendable property: [see Section 35](#), for disposition of supplies and other non-expendable property.

See [2 CFR215.34. \(g\)\(4\)](#), for standards applicable to the reservation by the federal government of the right to transfer title.

G. Disposition of Equipment

Non-expendable property with a unit acquisition cost of less than \$5,000 — The recipient may use the property for other activities without reimbursement to the federal government or sell the property and retain the proceeds, (Statewide Property Manual procedures are applicable to such dispositions.)

If the recipient has no need for equipment with a fair market value of \$5,000 or more, the recipient shall request disposition instructions from the federal awarding agency. The federal sponsoring agency shall issue instructions for disposition no later than 120 days after a request is made. See [2 CFR215. 34.g](#). If the University has title, this action is not required.

Chapter 8

Subawards, Subcontracts, and Vendor Service Agreements

This chapter describes the role of the unit and the role of OGCA when receipt of a prime grant or contract results in flowing through some part of the research scope of work to a non-UAF entity.

[2 CFR220.45](#) (A-21), Attachment A to Appendix A -- Cost Accounting Standards for Educational Institutions, and CAS 9905.501 -- Consistency in estimating, accumulating and reporting costs by educational institutions apply when considering flow-through awards.

For each new award to the university, with its own unique identifier, whether for a continuing large program or not, a new subagreement must be generated and will be active within the life of that new prime award. A new purchase order will also match up with the new subagreement. F&A charges will be collected on the first \$25,000, if the award allows F&A. OGCA needs to be able to close out each discrete award, and its encumbrances, within 90 days of the prime award end date.

Predominantly, but not limited to, the following types of flow-through documents are to be used:

- I. Subaward – grant funded
 - (a) For subrecipients subject to A-133 (institutions of higher learning, government agencies (excluding the federal government), or other non-profit organizations, non-profit research institutes, hospitals, etc.) issued by UAF when the work to be performed meets the definition of a subrecipient as defined in OMB Circular A-133. The FDP authorized template is available at the [P&CS website](#). Subawards are reviewed by the OGCA office, and are negotiated and executed by P&CS which has the statutory authority to do so.
 - (b) For subrecipients not subject to A-133 (commercial entities), issued by UAF when the work to be performed meets the definition of a subrecipient as defined in OMB Circular A-133. Executed by Procurement & Contract Services, with a copy to OGCA upon execution of the agreement.

- II. Subcontracts– contract funded, issued by UAF as an acquisition activity as defined in the FAR . Issued on P&CS Contract Template. Executed by Procurement & Contract Services, with a copy to OGCA upon execution of the agreement.

- III. Vendor Service Agreement– grant or contract funded, used when the recipient meets the definition of a vendor as defined in OMB Circular A-133. Issued by UAF according to the procedures set forth by P&CS. Usually used for non-personal or professional services.

At P&CS's discretion, either cost-reimbursable or fixed-price awards may be made used for the processes outlined above.

Definitions:

Subaward– classified as financial assistance: when the intent is to have another organization help carry out a portion of the scope of work with an intellectual contribution as described in the proposal; carries F&A recovery only on the first \$25,000 of the entire subaward.

Subcontract- a procurement activity as defined in the Federal Acquisition Regulations; carries F&A on the entire subcontract.

Goods and services acquisition – a vendor relationship, not a cooperative effort. Consulting contracts are also vendor-type relationships and fall under this category. These both carry F&A costs on the full amount of the acquisition.

A. Role of the Unit

1) In the majority of instances, the Unit and PI will have identified the subrecipient during the proposal process, prior to award and there will not be a need for costing or procurement activity. It is preferable for the Unit and PI to have contacted P&CS during the proposal stage if the scope of work contains any part that will require competitive solicitations (IFB or RFP) procurement activity (e.g., where no sole source can be justified, or for large rental or use needs).

2) For vendor services, identify services needed and provide sole source justification for selection of the vendor using the procedures defined in the [University of Alaska Board of Regents Regulations and Procedures, Part V, Chapter VI, Procurement and Supply Management](#).

3) The unit and PI will have established their preference in issuing the subaward/subcontract or vendor service as a fixed-fee or cost-reimbursable. The agreement issued by P&CS to the subrecipient, subcontractor or vendor will state what is expected of the them – when deliverables are due, what the deliverables are, how to submit invoices, and when the subrecipient, subcontractor or vendor may expect payment.

I. Subaward –

(A) For entities subject to A-133- Using one of the templates available on the P&CS website, complete the information required in the template (see subaward instructions), add as the indicated attachments listed in the template the approved budget and scope of work as stated in the prime award, and forward all documents to OGCA for review. These documents will be included in, and thereby made a legal part of, the subaward to the subrecipient. OGCA will add a copy of the prime award as needed and forward to P&CS for processing. The unit will also enter a requisition into

the system and provide the requisition number to OGCA, with the documents.

(B) For entities not subject to A-133- The unit will enter a requisition into the system and forward to P&CS the approved budget and scope of work as stated in the prime award or proposal. These documents will be included in, and thereby made a legal part of, the subaward to the subrecipient

II. Subcontract - The unit will enter a requisition into the system and forward to P&CS the approved budget and scope of work as stated in the prime contract or proposal. These documents will be included in, and thereby made a legal part of, the subcontract to the subcontractor.

III. Flow-Through Provisions - The authorized documents available for passing through awards to subrecipients will have the appropriate flow-through provisions required according to the terms and conditions of the prime award. These conditions will be cited in the prime award either in total or by reference.

V. Post-award Monitoring and Billing Process - Upon receipt of the prime award or contract, the unit will initiate the paperwork necessary to flow through the funds to the subrecipient, subcontractor, or vendor. Subawards to entities subject to A-133 using the subaward template will be routed to OGCA, commercial subawards, subcontracts and vendor services agreements will be routed to P&CS.

The unit will enter a requisition into the system that will be matched with the appropriate document(s). When all signatures are obtained committing the subrecipient, subcontractor, or vendor and UAF, P&CS will convert the requisition to a purchase order and issue it to the subrecipient, subcontractor, or vendor.

The subrecipient, subcontractor, or vendor will be required to send invoices directly to Accounts Payable (AP), with a copy to the unit. AP has the responsibility to communicate with the unit to facilitate the payment process. It is the responsibility of the PI and the unit to review the subrecipient, subcontractor, or vendor's voucher to assure appropriateness and consistency with the terms and conditions of the prime award. The PI must ensure that all deliverables are received and sign the approval certification on the invoice(s). The unit will then process receiving to generate payment. If any of the deliverables are not met, the unit should notify AP that they are withholding payment until the issue is resolved and give them a reasonable timeline within which they expect to resolve the discrepancy.

Authorization for payment should not exceed the agreed-to schedule for payments under the subaward or subcontract.

P&CS has standard documents to amend subawards. These documents are for P&CS use only. Units must email P&CS with the UAF Subcontract or Subaward number listed in the Document text of the Purchase Order funding their subaward or subcontract any changes, such as extensions of time, additional funding, or subrecipient or subcontractor key personnel changes.

B. Role of Grants and Contracts Administration

I. Subawards

It is OGCA's responsibility to work with the unit and PI ensure subawards and subcontracts are initiated in a timely manner.

(A) Subawards to entities subject to A-133 will be initiated by the unit and sent directly to OGCA for review. GMO, OGCA, will review the subaward documents for form and content, and will verify that the prime award allows for, and has sufficient funds allotted to support the letting of the subaward to the subrecipient. OGCA will verify the subrecipient is not disbarred by verification of the Excluded Parties List System. When all criteria have been met, OGCA approves the documents, appends a copy of the prime award and any flow-through clauses as necessary, and routes the subaward to P&CS for negotiation and execution.

(B) Subawards to entities not subject to A-133- Requisitions for subaward to entities not subject to A-133 are routed by Banner Workflow to the assigned OGCA Grant Technician to validate that the prime award allows for, and has sufficient funds allotted to support, the letting of the subcontract to the subrecipient. Once the information is validated, the Grant Technician approves the Requisition in Workflow and it is forwarded by Banner to P&SC. If requested, OGCA will provide a copy of the prime award to P&CS for their records. P&CS will provide a copy of the purchase order and the subaward to OGCA for their records.

II. Vendor Service Agreements

Requisitions for vendor service agreements using sensitive account codes are routed by Banner Workflow to the assigned OGCA Grant Technicians to validate that the prime award allows for, and has sufficient funds allotted to support, the letting of the subcontract to the subrecipient. Once the information is validated, the Grant Technician approves the Requisition in Workflow and it is forwarded by Banner to P&SC

III. P&CS Post-award Monitoring:

- a. P&CS works with the PI and/or OGCA to resolve any performance or compliance issues on subawards and subcontracts.
- b. P&CS works with AP to ensure that invoices against the prime grant do not exceed the amounts authorized under the prime award.

C. Subrecipient/Subcontractor's Responsibility

The subrecipient or subcontractor is expected to return signed documents to P&CS within a reasonable time. Upon receipt by P&CS, the final signature will be appended. The fully executed document, with a UAF purchase order, will be returned to the subrecipient or subcontractor. At this point, UAF and the subrecipient or subcontractor have entered into a legally-binding agreement.

D. Modifications and Amendments to Existing Subawards or Subcontracts

Unit Responsibility:

The unit must contact P&CS to request a Modification and Change Order be issued for any changes to subaward, subcontracts or vendor service agreements. Provide P&CS with the UAF Contract number listed in the document text of the existing Purchase Order and necessary backup information and documents.

OGCA Responsibility:

If the subrecipient or subcontractor is to receive more than one year of funding, OGCA will, upon receipt of continuation funding under the prime award, monitor to ensure that the unit has initiated a modification or amendment to the existing subaward or subcontract.

E. Subrecipient Monitoring

Subrecipient monitoring is important and is required under federal regulations. The University of Alaska Statewide Accounting Manual covers who is responsible for subrecipient monitoring, and lists the actions taken to ensure that our subrecipients are in compliance with federal guidelines. The Section on "Audit Responsibilities for Federal Funding Disbursed to Non-Profit and Governmental Subrecipients" may be found at G-13, Link: <http://www.alaska.edu/controller/accounting-manual/manual/g13.pdf>

Beyond the UA Statewide responsibilities, individual principal investigators are must be aware of whether or not technical reports are delivered to them in a timely manner. If difficulties are encountered, a report should be sent to P&CS for further action

Questions may be directed to the Associate Director of Procurement and Research Services, 474-6480, or either the Manager, Fund Accounting, 450-8063, or to the Controller, 450-8070.

F. Closeout of Subawards or Subcontracts

The PI:

The PI is responsible for ensuring that an acceptable final technical report is received from the subrecipient or subcontractor. The PI must receive the technical report(s) and deliverables before final payment can be made. The PI must notify P&CS if technical report(s) or deliverables are not received in accordance with the subaward or subcontract. A copy of the subrecipient's final report transmittal letter must be submitted to OGCA. The PI should thoroughly review the subrecipient's final voucher before authorizing final payment.

P&CS will:

- (a) Obtain confirmation from the unit that the deliverables have been received and final payment has been made

- b) Ensure appropriate disposition actions are taken or directed by the university as required by the prime funding document, the subagreement, and also in accordance with the Statewide Property Manual.

- c) P&CS will send a "Release of Claims" form to the subrecipient in which they will certify that the university has paid in full according to the award document, and that the subrecipient releases the university from further liability

- d) Statewide Fund Accounting logs the receipt of subrecipient A-133 audit reports. If reports are not received, Statewide Fund Accounting works with OGCA to attempt a resolution. OGCA reports the non-compliance to P&CS for action.

Chapter 9

Facilities and Administrative Costs

A. General

There are two types of expenditures for any project - direct and indirect costs. Direct costs are those that can be specifically identified to the project; e.g., salaries of participants, supplies, and travel. Indirect costs are expenditures for facilities and administrative costs (F&A) incurred to support all projects and are charged to each project by allocation. Each type of expenditure is an actual cost of conducting the project and the sum of the two is the total expended for the project.

For awards for which full F&A is not allowed, the Underrecovered F&A fee structure will be applied unless a waiver has been granted at the proposal stage by the Vice Chancellor for Administrative Services (VCAS).

Current negotiated [F&A rates](#) may be found at the Statewide Controller's website.

F&A rates are applicable for the "life" of each award. The negotiated rate in effect at the time of the award is the F&A rate that will govern the award, including any increments, until it expires or is competitively rebid. Competitive renewals will be subject to the F&A rate in effect at the time of that segment's award. See 2 CFR220, Section G, 7.

I. Components and Application

The University of Alaska has entered into an agreement with the Office of Naval Research to use the modified total direct cost (MTDC) as the base for calculating F&A for all federal grants and contracts.

For UAF, the MTDC base includes all direct expenditures for a project except for the cost of equipment (defined as having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit), capital expenditures, charges for patient care and tuition remission, amounts of subawards in excess of \$25,000, long-term space rental costs, scholarships and fellowships, and research center charges.

- a. [2 CFR220.45](#)
- b. [UAF Disclosure Statement \(recompiled\), Section 3.5.0., General Administration](#) .
- c. Office of Naval Research (cognizant agency) Facilities and Administrative Rates Negotiation Agreement, Fiscal Year 2005/07.

Special Note: The National Science Foundation does not currently pay F&A for participant support, although within the participant support categories may be found travel, stipend, and supply commodities. These should be set up in a

separate fund with zero F&A, and linked to the prime grant. No underrecovered F&A fee will accrue to these types of fund setups.

Total direct costs (TDC) may, occasionally, be an F&A basis. For projects that have overhead charged on TDC, the base is all direct expenditures on the project.

[The University of Alaska Statewide Accounting Manual, Page 60, Section 7000](#) , outlines the cost recovery account codes. When F&A is charged on MTDC, the expenditures charged to certain major object code classifications do not generate an F&A charge. Specific details on whether or not an account code accrues F&A can be found under the [University of Alaska Statewide Accounting Manual REVENUE AND EXPENDITURE ACCOUNT CODES, No: A-2 - Date: 11/06/01 Rev, Appendix A-2](#)

II. F&A on Subawards

The first \$25,000 of a subaward should be coded to object code 3021 and is subject to F&A in the first year only. Object code 3022 is used for that portion of the subcontract that is in excess of \$25,000. Further increments to an original subaward will be coded to object code 3022 in their entirety.

If a subaward is less than \$25,000 in the first year, but the second year brings the total subaward to more than \$25,000, F&A will be collected in both years: year one will be coded to object code 3021 in its entirety, and year two will be coded to both 3021 (up to the \$25,000 maximum, an aggregate of year one and two) and 3022 (for the balance of the award).

B. Negotiated Facilities & Administration Rates

F&A rates are negotiated on a regular basis with the Office of Naval Research. The table of current authorized negotiated [F&A rates](#) for UAF is available at the Statewide Controllers website.

Chapter 10

Closing a Completed Project

A. General

The final step in the management of a sponsored project is to close the award when it expires. A grant will be closed when the scope of work is completed (on time or with no-cost-extensions). Encumbrances will be liquidated or removed, and any overages will be journal vouchered to an appropriate account. If the work is incomplete, but the award end date is imminent, see Chapter 1, Section I, for no-cost-extension procedures. An OGCA checklist is available for guidance from the [OGCA Forms website](#).

B. Closeout Procedures

I. State RSA Award Closeout

All state RSA awards close on June 30th of each calendar year, with the exception of those which have been issued against capital funds and may cross state fiscal years. Any funds remaining in the state award at the end of the calendar year will be deobligated by the state. BRFs or Grant and Fund Maintenance Forms will be required from the unit to reduce the amount of the award to match the state deobligation. UAF has 60 days in which to submit a final bill to the state and obtain payment.

[State of Alaska Administrative Manual, AAM 25.150](#), states

“The amount reappropriated for a fiscal year appropriation is determined as follows:

1. Valid encumbrances as of June 30 are reappropriated in the accounts for the new fiscal year.
2. All direct disbursements and new encumbrances submitted on or after July 1 to be charged against the prior year causes a like amount to be reappropriated if the transaction is processed prior to August 31 and sufficient unencumbered balance is available.”

See also: [State of Alaska Accounting Procedures Manual, Financial Transactions - Section 12](#).

II. Federal Award Closeout

“Recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance, and other reports as required by the terms and conditions of the award.” [\[2 CFR215.71\]](#)

Any supplies acquired and still on hand at the end of the 90-day closeout period, must be disposed of in circumscribed fashion. [2 CFR215.35](#) states:

“supplies exceeding \$5000 in total aggregate value upon termination or completion of the project or program the recipient shall retain the supplies for use on non-Federal sponsored activities or sell them, but shall, in either case, compensate the Federal Government for its share.”

III. Other Sponsor Award Closeout

The specific sponsor’s instructions for closeout of their award apply. OGCA will interpret these conditions and will work with the unit and PI to bring the award to a proper closeout. The general closeout procedure below will be followed when there are no special instructions from the sponsor.

OGCA will proceed to close the account 45 days after the award expiration date. For example, if the account expires on June 30, OGCA will start to close out the account shortly after August 15. The unit is responsible for submission of the technical report, with a copy to the OGCA technician. The OGCA technician will prepare and submit the intellectual property and capital equipment reports as required. When those three (if all three are necessary) have been submitted, OGCA will submit a final financial report in a format prescribed by the sponsor.

A sponsored project is considered completely closed when all of the following conditions are met:

- All required deliverables have been provided to the sponsor.
- There is no outstanding reservation/encumbrance.
- There is no open receivable balance.
- The revenue is equal to expenditure.
- Equipment reporting requirements are met.
- Intellectual property and inventions reporting requirements are completed.

C. F&A Cost Recovery

OGCA is responsible for making a final check of the F&A charged to the project. OGCA will ensure that the F&A rate used on the project, and the amount charged, is in agreement with the award.

Chapter 11

Income - Grants, Contracts, and Cooperative Agreements

Types of Income Accounts

Awards received by the University of Alaska Fairbanks are cost reimbursable. Fixed fee contracts may be received, but these are rare occurrences.

A. Cost Reimbursable: This type of account requires either regular billing or Payment Management System (PMS) billing. These billings are equal to expenditures (not encumbrances) during a specified billing period. Forms acceptable to the sponsor, and required by the terms and conditions, are automatically generated by the Banner Billing system.

B. Advance Payment: This type of account is handled the same as a cost reimbursable account except that a prepayment has been made according to the sponsor's wishes. Neither a scheduled method of payment nor payment request is generated, but a monthly statement of account may be sent to the sponsor for them to assess progress on the project. If the award is fixed-cost, the balance remaining at the end of the project will be returned to the unit. If the award is not fixed-cost, the balance remaining at the end of the project will be returned to the sponsor.

Payment

When funds are received, payment is keyed to the relative control account (for PMS codes) or to the specific award receivable account. Both types of transactions are done by the OGCA office.

PMS code billings are also generated automatically by the Banner Billing system, but drawn down electronically, via Fastlane, e-payments, ASAP, DHHS-PMS, and Payweb.

Chapter 12

Inventions, Patents, Copyrights, Trademarks and Other Intellectual Properties

A. General

During the proposal phase, if the PI believes that the research may provide intellectual property, or improvements, that may result in a need for protection of the concept or the findings, please contact the [Office of Technology Transfer](#) for guidance. This Office serves the entire University System.

If, during the award period, the research work results show a clear need for disclosure and protection, contact the Office of Intellectual Property for the correct procedures.

2 CFR215, Appendix A, 5. provides that:

“ Rights to Inventions Made Under a Contract or Agreement - Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with [37 CFR.401](#), "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.”

B. University of Alaska Policy and Regulations

The Board of Regents Policy and Regulations, R10.07.05, governs the procedure for developing a patent and processing it through the university administration. See [university policy](#) regarding Inventions, Patents, Copyrights, Trademarks and Other Intellectual Properties. Depending on the union representing the faculty researcher, certain other procedures may apply. Check with the Office of Intellectual Property and Licensing for direction.

Chapter 13

Safeguarding Classified Information

A. General

Classified information represents official defense information which has been determined to require, in the interest of national security, protection against unauthorized disclosure and which has been so designated.

Access to classified information is permitted if the individual is cleared by the federal government and if the university determines that access is necessary in the performance of tasks or services essential to the fulfillment of a contract or program, i.e. the individual has a need to know.

Personnel who have access to classified information must have a security clearance equal to or above the classified information they wish to see. Contact the Facility Security Officer: 450-8629 ; or go to: <http://www.uaf.edu/adminsvc/fso/>

See also:

[Executive Order \(E.O.\) 12958 \(3 CFR §1995\)](#)

National Science Foundation, Proposal and Award Policies and Procedures Guide ([PAPPG](#)), Article L.

B. Obtaining Security Clearance

An individual needing to obtain a security clearance should contact the Facility Security Officer: 450-8629. If the need is justified, a request for security clearance will be initiated by the security officer. The process involves the detailed completion of a comprehensive personal history questionnaire by the individual and the verification of the information provided to the federal government. Depending upon the information presented, the formal clearance may take between one to three months before the individual is officially notified of the clearance and briefed by the security officer as to that individual's responsibilities.

C. Handling of Classified Documents

The security officer is responsible for assuring all classified documents under his/her control are properly safeguarded. Accordingly, the officer will provide suitable protective containers in controlled locations for storage of classified documents and will prescribe, through written instructions or individual briefings, the protective measures required for the classification, marking, storage, safeguarding during use, transmission, reproduction and destruction of classified documents.

D. Terminating Security Clearance

The individual possessing a security clearance through the University of Alaska is obligated to contact the security officer prior to terminating employment with the university. The security officer will administer a debriefing as required by the federal government.

Chapter 14

Audit of Awards

The university's audit coverage is made up of a blend of audit activities including the work of independent financial auditors, federal auditors from the Defense Contract Audit Agency (DCAA), and the efforts of the university's internal auditors.

The university audit standard is governed by [Office of Management and Budget \(OMB\) Circular A-133](#), *Audits of States, Local Governments, and Non-Profit Organizations*, [2 CFR220](#), *Cost Principles for Educational Institutions*, [2 CFR215](#), *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*, and Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General, of the United States.

An audit made in accordance with A-133 is in lieu of any financial audit required under individual federal awards. This neither limits the authority of federal agencies, including their Inspectors General, or the General Accounting Office, to conduct or arrange for additional audits (e.g., financial audits, performance audits, evaluations, inspections, or reviews) nor authorizes the university to constrain federal agencies from carrying out additional audits. However, any additional audits should be planned and performed in such a way as to build upon work performed by other auditors.

Federal awards are subject to audit whether UAF is the prime recipient, or has been issued a subaward by another agency or institution. The same information must be made available for a subaward as would be evident in a prime award. See OMB Circular A-133, Subpart D, Section 400, (d). This pertains to subawards issued or received by UAF.

A. Independent Financial Auditors

Annually, the university contracts with an independent CPA firm to perform the complete A-133 audit of the university's financial statements. This is the "Single Audit" of the university's compliance with federal awards.

B. Federal Auditors

The university's cognizant audit agency is the Department of Education. The university's cognizant agency for rate negotiations is the Department of Defense, Office of Naval Research (ONR). ONR uses the Defense Contract Audit Agency (DCAA), to audit the records of the university in support of their rate negotiations. Other federal agencies will also contract with DCAA to conduct various compliance reviews of the university. These compliance reviews include the university's property and procurement systems as well as labor expenses. The university's property management and control system is established under the [Statewide Property Manual](#). The university's

procurement system is established by State Procurement Code, Alaska Statute 36.30, and University Regulation R05.06: Procurement and Supply Management.

Every federal award is subject to audit by the cognizant government audit agency. In addition, the office of the Comptroller General of the United States, or its representative, is given the right in all negotiated awards to inspect the financial records of the awardee during the period of the award and for three years after final payment.

C. Internal Auditors

The work of the internal auditors is conducted on a non-regular periodic basis. This work is usually focused on compliance with university policies and regulations. In addition to compliance, auditors will attempt to identify areas for improving efficiency and strengthen internal controls. Audits can be based at the individual unit level or the OGCA level.

University Citation:

[UA Statewide Accounting Manual Procedure, Section G-13, Audit Responsibilities.](#)

Chapter 15

Records Retention

This chapter describes the requirements in the Statewide Regulations – [Regents' Policy, Part V - Finance and Business Management, Chapter VIII, Business Practices, at P05.08.02., Records Management/Records Retention](#) .

Records Retention

“To promote economy, efficiency and the security of permanent records, the university president will promulgate regulations which promote efforts to periodically evaluate (a) the length of time that various types of documents and records are to be maintained, (b) methods for screening and discarding unneeded files, documents and reports, (c) reducing the multiple copies of same, and (d) archiving of such records in computer readable form, on microfilm, microfiche, or other such cost or space saving methods.” (11-20-98)

OGCA has archival [retention] responsibility only of (1) agreement award document, (2) expenditure and billing reports (including related workpapers), and (3) correspondence related to reimbursement requests, award documents and amendments.

These records are retained by UAF OGCA for a period of three (3) years from the filing of the final financial report (due 90 days from the end date of the project). The retention period starts the day after the final financial report is submitted to the Sponsor. All records remain with OGCA for the three year retention

If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved or the three year period has expired, whichever is later.

A copy of the Interim Records Retention Schedule for the University of Alaska can be found at <http://www.uaf.edu/grcon/Policies/Record%20Retention%20documentation-1.pdf>

APPENDIX A

Routing Procedures for Approval and Acceptance of Grants, Contracts and Other Agreements

AWARDS

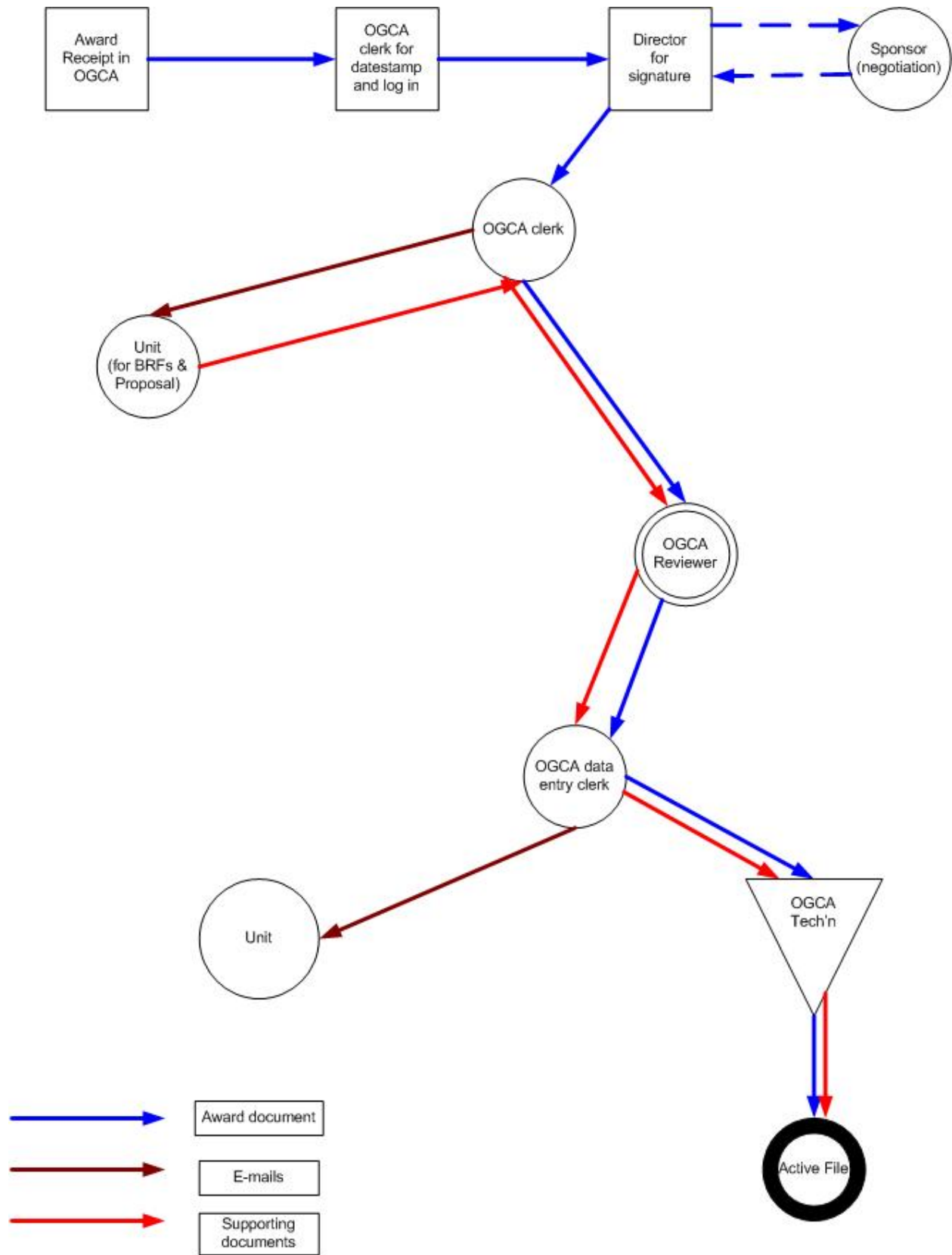
All awards to UAF should be directed to the Office of Grants and Contracts Administration by the funding agency. If a unit receives an award directly from the funding agency, they should immediately forward the original to OGCA for execution. Authority to accept awards on behalf of UAF is vested in OGCA, through the Vice Chancellor for Administrative Services.

OGCA will request the proposal that correlates to the award and the budget request forms (BRF) from the corresponding unit. OGCA may forward a copy of the prime award to the unit for review by the unit and the PI. The unit and the PI will review the budget, scope of work affirmed within the award, and the technical reporting requirements, and advise OGCA whether or not these are acceptable. Typical unilateral federal awards may be accepted by OGCA without unit review if it is deemed that no unusual conditions apply.

With both the proposal and the award in hand, OGCA will review the award terms and conditions for acceptability by UAF. If the award terms and conditions are acceptable to UAF, and the unit and the PI indicate that the reporting requirements are acceptable, the award will be signed by the Institute Responsible Official (IRO). A copy will be sent to the unit for its records, and either OGCA will return the original to the agency if so directed, keeping a copy for OGCA, or will file the original in OGCA.

If the award terms and conditions are not acceptable to UAF, OGCA will negotiate with the funding agency in good faith to arrive at an equitable solution that will satisfy both the agency and UAF. OGCA reserves the right to refuse any award wherein the terms and conditions cannot be amended to meet university requirements, and that it deems harmful to the university.

After a proposal is approved by the agency and a proposed award is offered to UAF, OGCA enters the award into its setup process. The acceptance of grants, contracts, and agreements occur as follows:



Timeline

1. Funding Agency

Mail proposed award document to UAF OGCA.

2. Office of Grants and Contracts Administration (2 days)

Send copy of award to requesting unit for review of deliverables and guidelines. .

3. Requesting Unit (7 days)

Notify OGCA immediately if it is determined that the award is unacceptable. Review the award document for compliance requirements. The review shall include but not be limited to the following:

- a. Technical and progress report requirement
- b. Duration of the proposed contract
- c. Adequacy of funding
- d. Staffing requirement
- e. Logistic support
- f. Matching fund requirement.
- g. Submit BRFs and Proposal to OGCA.

4. Office of Grants and Contracts Administration (5 days)

The Director of OGCA is authorized to accept award. Review, when applicable, the compliance requirements on the following:

- a. Interim and final financial reports
- b. Equipment disposition
- c. Patent report
- d. Invention report
- e. Inventory report

- f. Release of claims
- g. Contract reserve requirement
- h. Authorization of funding
- i. Billing requirement and format
- j. Insurance requirement -- negotiation with the proposed funding agency may be necessary to determine who shall fund the additional insurance if needed or get self-insured approval. (Route to Risk Management if necessary).
- k. Review general and special conditions to ascertain that UAF can comply. (Route to General Counsel for indemnity and Intellectual Property for data rights, if necessary).
- l. Comparison of proposal to award.
- m. F&A rate matches the proposal and is the maximum that can be paid by the sponsor. If the F&A rate is less than the negotiated rate, ascertain that VCAS approval has been obtained prior to submission.
- n. Matching fund requirements are approved and adequately provided for (if necessary).

5. Office of Grants and Contracts Administration (2 days; more if negotiation is required)

Accept or negotiate the proposed award on behalf of the university requesting unit.

For Grant: Establish a grant agreement file and input budget revision and fund table into the Financial Accounting System.

For Contract: Set up a suspense file for return of the signed contract from the funding agency. Upon receipt of the contract signed by the funding agency Contracting Officer, establish a contract file and input budget revision and fund table into Banner Accounting System.

OGCA will send the unit a copy of the award after it has been signed on behalf of the university.

This timeline is generous. With all parts correctly provided/completed, OGCA throughput time is normally <10 working days.

APPENDIX B

MATCHING / COST SHARING

For the [Statewide Accounting Manual](#) definition of matching/cost-sharing, Section G-14 “Matching/Cost Sharing Concepts (M/CS)” applies.

Accounting for matching/cost-sharing commitments:

- 1) Segregated Fund Method (Fund 14)
- 2) Whole Project Accounting Method

Segregated Fund Method

The segregated fund method consists of establishing a separate fund to accumulate M/CS charges. If university funds are used to finance the charges, an unrestricted fund should be established in the 14XXXX series of accounts. If funds from an external source are used, a separate restricted fund should be established.

Procedures

1. Account Setup

The need to account for M/CS is determined at the time the award is received. If the award requires M/CS, a segregated fund 14 will be established to accumulate M/CS costs in tandem with the restricted project fund. The award recipient unit submits a restricted fund budget request to OGCA – see Chapter 5,B for setup instructions. M/CS fund 14’s should be titled: M/CS for Fund G0000xxxx”.

2. Budget Authority

The budget for the restricted fund is input at the time the restricted fund is created. Units and the budget offices complete the BRF forms, obtaining the usual approvals, and the information is entered on the Banner system. The amount of budget transferred from the unit's unrestricted fund to the segregated fund is the estimated amount necessary to satisfy the award's requirement for the university's M/CS for the current fiscal year. The unit supplies this information to OGCA for review and entry. If the award crosses university fiscal years or is a multi-year project, the unit will need to transfer authorized budget based upon the estimated project needs in each of the university's subsequent fiscal years affected.

3. Transactions

Payroll transactions are initiated through the submission of time sheets/level of effort reports by the employee working on the project based upon the estimated ratio of funding. Note: Time sheets/level of effort reports are required for all employees charging time to a project or a matching account. Travel expenditures and purchases of goods and services shall be processed according to established campus procedures except that the segregated fund activity should be screened in the same manner as restricted fund activity for conformance with [2 CFR220](#), the terms and conditions of the award document, and the flow down of any applicable clauses. Waived indirect cost recovery used to meet the M/CS requirements, and the indirect cost recovery applicable to the university's contributed direct costs, are recorded in the accounting system by OGCA. Technicians manually "book" these amounts on a monthly basis. Each award file will contain documentation supporting the calculation of indirect costs applicable as M/CS for the project.

4. Booking Match

OGCA technicians enter match according to the financial reporting requirement for the award. F&A recovery and third party match are booked manually as a non financial entry into Banner. The amounts entered will show up on the financial reporting forms in the appropriate lines for non-federal expenditures. If a unit or PI needs to know, or wants to follow, the amount of match booked, they may request a copy of the current match report from the grant technician.

Cost Transfers

University of Alaska Fairbanks - Cost Transfer Policy

Policy Statement:

Proper management of sponsored awards is essential to meet the fiduciary responsibilities of the University. The federal government continues to place special emphasis on cost transfers when auditing federal awards. Audit reports have cited instances where costs are transferred from other projects many months after the original charges were recorded.

Both the government and the University recognize that cost transfers from one project to another are occasionally necessary to correct bookkeeping or clerical errors in the original charges. They also recognize that closely related work may be supported by more than one funding source, and transfer of costs may be required in these cases. Frequent, late, and inadequately explained transfers, especially those that involve projects with overruns or unspent balances, raise serious questions about the propriety of the transfers. In addition, the reliability of the University's accounting systems and internal controls are questioned when there are frequent transfers. Therefore, cost transfers must be monitored carefully in order to ensure compliance with federal regulations.

Definition: Typically, cost transfers are appropriate when their purpose is to correct posting or bookkeeping errors in the original charges, to reallocate resources between accounts, or to transfer pre-award costs in accordance with the provisions of [2CFR215.25](#). (OMB Circular A-110, Section C.25)

1. Appropriate Circumstances

A cost transfer will be made under appropriate circumstances when the charge qualifies as a direct cost of the sponsored project being charged. [2CFR220.45 Section D.1](#) (OMB Circular A-21, Section D.1) specifies that "direct costs are those costs that can be identified specifically with a particular sponsored project...or that can be directly assigned to such (a project) with a high degree of accuracy."

Allowability of Cost Transfers

The allowability of cost transfers is dependent on the following factors:

1. Timeliness

Cost transfers must be timely, preferably as soon as possible after the original transaction, but in any case not later than 60 days after the end of the month of the original transaction. Transfers made long after the original charge raise questions concerning the propriety of the transfer. Therefore, transfers made after 60 days will be considered only under extenuating circumstances.

2. Explanation and Documentation Requirements

All cost transfers must be supported by documentation that contains a justification for the transfer. The reason for each cost transfer must be properly and clearly explained, with the help of supporting documentation when appropriate, in order to prevent audit disallowances. The Unit has primary responsibility for fulfilling these requirements and maintaining the related records. The Office of Grants and Contracts Administration may request copies of additional supporting documentation or information if questions arise during the review process.

Great care must be exercised to ensure cost transfers are justified in a clear, complete and convincing manner. When transfers are inadequately documented, or are made for inappropriate reasons and therefore indefensible in an audit, the Unit is responsible for these expenses and they must be transferred to other departmental fund one accounts.

The written explanation should clearly include the following:

- a) description of the expense(s) being transferred, including why and when the original charge(s) occurred, AND
- b) why the receiving fund number was not originally charged, AND
- c) why it is appropriate to charge the receiving fund number, AND, if applicable,
- d) if the transfer is over 60 days* the explanation must include a justification for lateness, AND
- e) how the error was discovered and what is being done to prevent this from occurring again.

*Transfers made after 60 days will be considered only under extenuating circumstances. Extenuating circumstances include but are not limited to the following:

- i. The official award document, including amendments or modifications, was received after the start date of the award, causing a delay in the establishment of project account.
- ii. The account number assignment was delayed because of negotiation issues.
- iii. The official approval form from the sponsor for specific expenditures was received after the expenditure(s) was processed.
- iv. The official approval from the sponsor for specific actions, such as a no-cost extension, was received after the expenditure(s) was processed.

Examples of incomplete and invalid explanations that are not acceptable as stand-alone explanations include the following:

- To correct coding
- To correct an error (other than bookkeeping)
- Departmental duties did not allow time for correction
- To charge correct account
- Work volume delayed charging the correct account
- To transfer salary or a portion of salary charges to the account for which the work was actually performed
- To correct salary distribution
- Redistribution of general departmental effort

3. Signing Authority

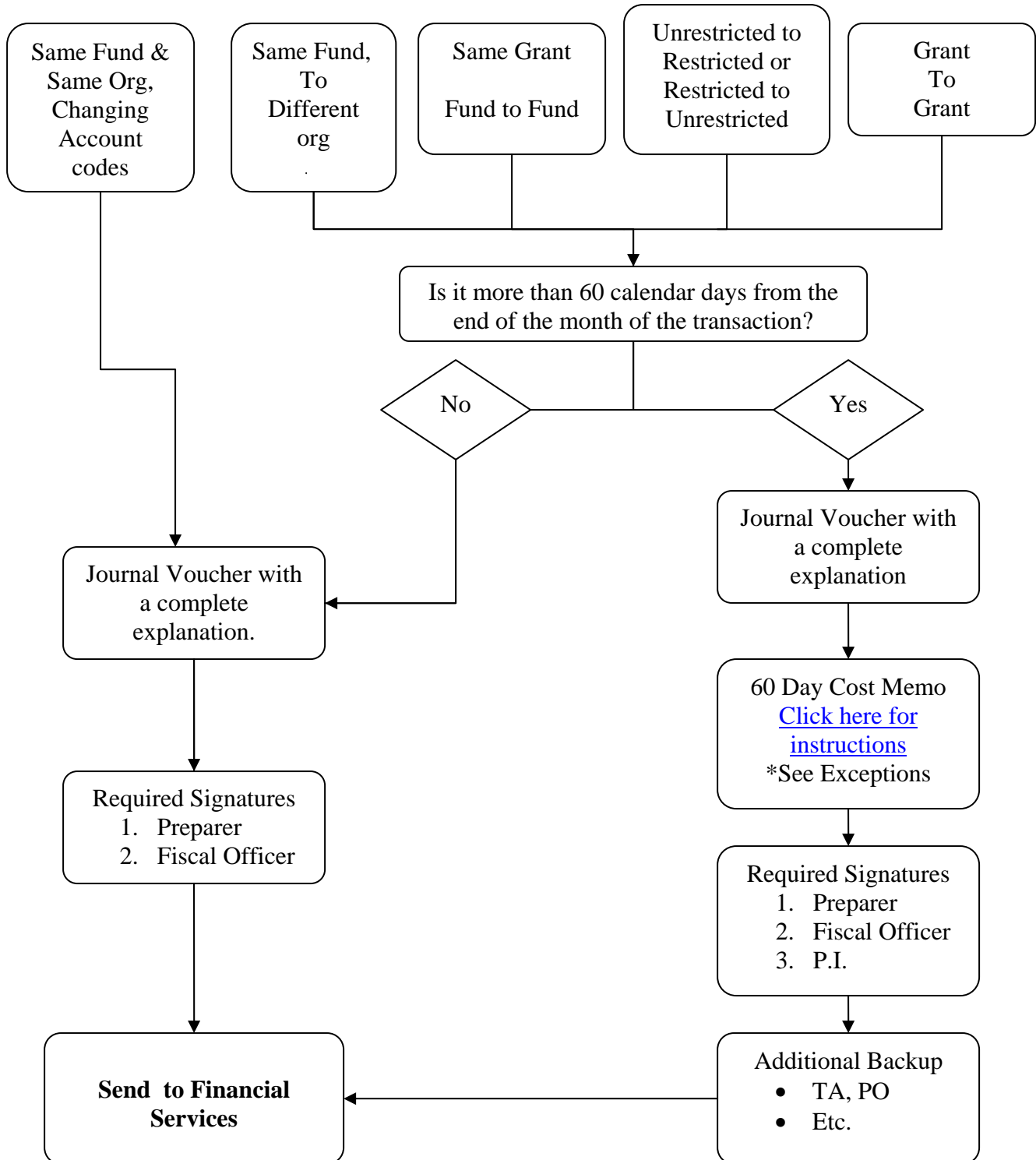
All cost transfers must have the required signatures:

1. Preparer
2. Fiscal Officer
3. P.I. - note exceptions
4. Appropriate OGCA authority

A PI's signature is not required on Recharge center and tuition JV's.

A PI's signature is not required on cost transfers between account codes with the same fund and org.

JOURNAL VOUCHER FLOW CHART



***Exceptions:**

1. A PI's signature is not required on Recharge center and tuition JV's.
2. A PI's signature is not required on account code corrections within the same fund and Org.

APPENDIX D

Research Administration Glossary and Acronyms

[Research Administration Glossary and Acronyms](#)

APPENDIX E

ARRA Reports Coordinator (RC)

Procedure for ARRA awards received in OGCA :

Award is received either via hard copy delivery (USPS, Courier service, etc) or via electronic medium (via email attachment or link to fed website for download).

- 1) OGCA logs award into the Suspense Log and secures a copy of the budget and the executive summary (via the official proposal or the fed website).
- 2) OGCA sends to Statewide (4 recipients), VCR, VCAS, PI, and Procurement and Contract Services. SW needs the copy so that they can request Receipt Authority from the State of Alaska OMB. Procurement and Contract Services gets a courtesy copy so they can be prepared for any major equipment, services or subawards that may be on the award.
- 3) The document is given to OGCA director for review and acceptance.
- 4) When the document is accepted, the ARRA RC is copied so she can prep for the 1:1 meeting with the PI and others either in his/her department or who are co-investigators.

Procedure for the ARRA RC 1:1 consultation meeting with the PI, et al.

- 1) Delivers to those in attendance:
 - a) a copy of the “Advisement for the Assistance to and Support for Principal Investigators”
 - b) a copy of the extrapolated Section 1512, Reporting Requirements, of the ARRA
- 2) Goes through the award document, pointing out the important reporting requirements, and any other specific terms and conditions.
- 3) Explains that the agency’s normal reporting requirements still exist, and are to be complied with, and that the ARRA reporting requirements are concurrent with, not a part of, those standard terms and conditions. This means that the PI must still submit the regular reports (annual, final, etc), and the OGCA will still bill the agency at the appropriate times.
- 4) Explains to the PI the RC’s involvement, which will cover:
 - a) Frequent communications with the PI, or co-PI, to request a couple of sentences on progress achieved since the last check-in. A sentence or small paragraph will do, and a telephone update can be recorded by the ARRA RC.
 - b) Delivery of a “burn chart” (a chart of how expenditures are measuring up against a projected expense chart) on a monthly basis.
 - c) Assistance in ARRA job hires – act as on-site liaison with HR. We have a POC there and can help.
 - d) Delivery of a progress chart (Gantt-type bar chart) based on the projected progress of the project vs. what is explained during the communications with the PI or co-PI.
- 5) Asks: any questions???