



**Office of the Vice President for Research and Technology**

# **UNIVERSITY OF PUERTO RICO HANDBOOK OF POLICIES AND PROCEDURES FOR SPONSORED PROGRAMS**

Last revisions made March 9, 2012

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## **Overview**

The University of Puerto Rico (UPR), throughout the years, has increased the amount of sponsored programs leading to more complex, specialized, and challenging efforts. The increase in the quantity, nature, complexity, and diversity of the external funds received by the UPR establishes the need to develop overarching guidelines in the pre and post award administration and accountability of external funds for academic, research, and community outreach. These challenges provide opportunities for the UPR system and its leadership to support researchers, investigators, and administrators, among other personnel to develop strategies to manage the research enterprise successfully.

The UPR is committed to promoting high standards of compliance in the administration of sponsored programs. Therefore, these policies and procedures set forth conditions for the submission of grant proposals and other sponsored agreements on behalf of the University of Puerto Rico. They outline the proper authorizations, eligibility criteria, and internal approval process required for all sponsored agreement and post award administration for each campus/unit of the institution.

The drafting of the “Handbook of Policies and Procedures for Sponsored Programs at the UPR” was done under the leadership of the office of the Vicepresident for Research and Technology and its Associate Vice President for Research (Dr. Walter I. Silva), a system-wide committee composed of sponsored programs professionals certified by the PR Chapter of the Society for Research Administrators International, and input from diverse officials and faculty of the UPR campuses. The committee was composed by members from UPR-Humacao (Gladys de Jesús, Office for External Resources); UPR-Cayey (Gladys Ramos and María M. Santiago, Office for Sponsored and External Resources) UPR-RCM (Ivette Martínez, Office for Sponsored Programs), el Resources Center for Science and Engineering (María Vargas, Associate Director), Research and Development Center (R&D Center Director Dr. Walter F. Silva Araya and Mr. Darío Torres), and Maximus-Inc. (Gloria Fernández). Additional significant input on policy development was also provided by the VP for Research and Technology (Dr. Jose A. Lasalde) and Dr. Carlos Cabrera (Associate Vice President for Technology), the Legal Division of the UPR (Esq. Martha Vélez; Esq. Marie Santiago), Luis M. Villaronga, Esq. (UPR Board of Trustees), the UPR Office of Internal Auditors (Ms. Evelyn Jimenez, Director; and, Ms Karla Aguirre), and Dr. David Gulley (Vice Chancellor for Research, University of Illinois-Chicago).

## I. PRE AWARD

### A. Introduction

Pre-award services are the activities and processes that legally and ethically enable an institution to obtain externally funded research and sponsored programs. The exact nature of those services varies, depending upon the size of the campus/unit, its culture, and mission. Pre-award services generally include:

1. Dissemination of funding opportunities and information
2. Assisting with the proposal development
3. Reviewing and approving proposals to be submitted by the institution
4. Managing the proposal submission process
5. Negotiating, accepting, and activating an award

### B. Policies and Procedures

The Board of Trustees Certification Number 36 (2009-2010), *Institutional Policy for Obtaining, Using and Controlling External Funds to be Received by the University of Puerto Rico for Educational Programs, Research and Public Service* provides the rules to governing the application, collection, use and control of external funding for educational programs research and public service in the university system.

The President of the University of Puerto Rico, or the person in whom he/she delegates, will issue the necessary guidelines, norms and procedures, or will amend the existing ones to implement what is established in this Policy; provided, however, that the Chancellors of the institutional units can issue administrative dispositions to implement in their units what is provided in this Policy, as long as these do not contravene nor the provisions nor the established guidelines, normative dispositions or procedures issued by the President of the University. Yet, the latter administrative dispositions shall be consulted and receive the corresponding clearance from the Vice-President for Research and Technology.

#### 1. Dissemination of Funding Opportunities and Information

The first step toward external funding success is the identification of sources of funding opportunities and search for sponsor information. Pursuant of Board of Trustees Certification Number 36 (2009-2010) requirements, and the university's strategic plan, the Office of the VPRT, and campus/unit Office of Sponsored Programs (or its equivalent) must disseminate this type of information in their publications or webpages. This information is deemed precious particularly to those new to grant seeking processes, or established investigators seeking new funding opportunities. The information available to the university community through the latter offices/services, as well as the one

presented herein, must be periodically updated to assure that the university keeps abreast about common and new sources of funding, and new developments affecting the grant-seeking process. The Office of the VPRT and the campus/units Sponsored Programs Office (or its equivalent), also assist the university community in identifying internal funding and the applicable internal competition and/or application process (i.e. RCMI pilot projects, SCORE SC awards, campus-sponsored pilot projects, among others).

*Investigate Existing or Prior Awards.* It is also important for those seeking support for a sponsored project/program to verify in sponsor and university databases (or search engines) if a similar or closely related one is or has already been funded or completed. Representative databases are:

- the [NIH RePORTER](#) - provides a database of biomedical research funded by the National Institutes of Health (NIH),
- [NSF FastLane](#) - provides information, including abstracts, for awards made since 1989,
- federal Department of Education awards can be found in the [Award Databases for U.S. Department of Education Grants and Contracts](#), and
- [USDA Current Research Information System \(CRIS\)](#) - provides information on over 95% of all publicly supported agricultural and forestry research, and some US Geological Survey research. [Research.gov](#) - Online easier access and services to National Science Foundation (NSF). Researchers, Principal Investigators (PIs), Co-PIs, and sponsored programs offices can use their university-issued user ID and password to access FastLane services through Research.gov.

To promote and foster competitiveness and excellence in grantsmanship skills, the network of university-wide Offices of Sponsored Programs (or their equivalent) will present funding-related workshops on locating funding, funding database use, proposal development, research compliance, as well as other funding topics, upon request.

*Finding Funding – Funding Opportunity Databases.* Historically, the UPR has established and values its relationship with a broad range of federal, non-federal, private and public sponsors. To find and explore the universe of sponsors available to university faculty, staff and students, a series of professional organizations (i.e., [SRA International](#), [NCURA](#)), as well as sponsors themselves, provide links to a number of resources for locating funding opportunities, including web-based resources. In addition, individuals may subscribe to periodically receive via email personalized funding opportunity announcements free of charge or for a fee (i.e. [Grants.gov Email Notices](#)). Examples of valuable *Funding Opportunity Databases* are:

- [Grants.gov](#) - is the main source to find and apply to all federal government grants funding sources. Today, Grants.gov is a central storehouse for information on over 1,000 grant programs and provides



access to approximately \$400 billion in annual awards. [Individuals may subscribe for free to Grants.gov Email Notices](#) to receive grant notices for specific or all federal grants

- [\*\*Catalog of Federal Domestic Assistance \(CFDA\)\*\*](#) – CFDA, compiled and maintained by the General Services Administration (GSA), is "a government-wide compendium of all 1,412 Federal programs, projects, services, and activities...". It also includes a helpful section on writing grant applications.
- [\*\*GrantsNet\*\*](#) - A database of DHHS funding opportunities in biomedical research and science education. Includes information on research funding programs for graduate and medical students, postdoctoral fellows, and junior faculty, as well as programs in science, math, engineering, and technology for undergraduate faculty and students. Registration is free and provides access to a searchable, continuously updated funding resource.
- [\*\*Community of Science \(COS\)\*\*](#) – This commercial source, despite its name, COS includes information about sponsors in all disciplines. COS provides information on Federal, non- federal, and international opportunities. [Expertise](#), a database of professional researcher profiles in North America.
- [\*\*SPIN - Sponsored Programs Information Network\*\*](#) – An InfoEd's company service that provides detailed and timely information about thousands of Federal, non- federal and international funding opportunities. A user-friendly database, searches can be initiated through general keywords (Quick search) or specific criteria categories (Advanced search). A subsystem of SPIN, [\*\*SMARTS / GENIUS\*\*](#) notifies the registered participant of new funding opportunities via e-mail.
- [\*\*GrantsWeb 2000\*\*](#) - From the Society of Research Administrators International (SRAI), provides links to a broad range of federal, non-federal, private and foundation sponsors.
- [\*\*proposalCENTRAL\*\*](#) - A web-based grant management solution for government, non-profit, and private grant-making organizations to simplify their operations by receiving and reviewing grant applications online. Participating organizations include members of the Foundation Commons.
- [\*\*Foundation Center's Grantmakers\*\*](#) - An excellent source of information about philanthropy worldwide, contains information on private foundations, corporate grantmakers, grantmaking public charities, and community foundations. This website includes links to more than 2,000 grantmaker websites.
- [\*\*ScanGrants\*\*](#) - Designed by Samaritan Health Services as a public service listing of grants and other funding types and sources to enhance individual and community health.
- [\*\*SchoolGrants\*\*](#) - created to share grant information on PK–12 education and educators. Provides a listing of a variety of opportunities available to public and private nonprofit elementary and secondary schools and districts across the United States.

*Finding Funding - Specific Sponsors Links.* A broad range of federal and non-federal agencies have traditionally sponsored UPR research activities in the science fields, humanities, museum and library sciences, education, labor, health and human services, among many others. Though most of UPR's sponsored funding comes from Federal sponsors (mainly DHHS), much funding is also received and available from non-federal sponsors including foundations, institutes and societies. Below are links to the websites of several federal and non-federal sponsors (for a more extensive foundations list see [SRA International Foundation List](#)):

<b>Federal Sponsors</b>	<b>Non-Federal Sponsors</b>
<ul style="list-style-type: none"> <li>• <a href="#">Army Research Office (ARO)</a></li> <li>• <a href="#">Air Force Research (AF)</a></li> <li>• <a href="#">Department of Commerce (DOC)</a></li> <li>• <a href="#">Department of Defense (DOD)</a></li> <li>• <a href="#">Department of Education (DE)</a></li> <li>• <a href="#">Department of Energy (DOE)</a></li> <li>• <a href="#">Department of Health and Human Services (DHHS)</a></li> <li>• <a href="#">Department of Homeland Security (DHS)</a></li> <li>• <a href="#">Department of Housing and Urban Development (HUD)</a></li> <li>• <a href="#">Department of Interior (DOI)</a></li> <li>• <a href="#">Department of Justice (DOJ)</a></li> <li>• <a href="#">Department of Labor (DOL)</a></li> <li>• <a href="#">Department of State</a></li> <li>• <a href="#">Department of Transportation (DOT)</a></li> <li>• <a href="#">Environmental Protection Agency (EPA)</a></li> <li>• <a href="#">Federal Aviation Administration - Office of Research and Technology Applications</a></li> <li>• <a href="#">Institute of Museum and Library Services (IMLS)</a></li> <li>• <a href="#">National Aeronautics and Space Administration (NASA)</a></li> <li>• <a href="#">National Endowment for the Arts (NEA)</a></li> <li>• <a href="#">National Endowment for the</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Alfred P. Sloan Foundation</a></li> <li>• <a href="#">American Cancer Society</a></li> <li>• <a href="#">Andrew Mellon Foundation</a></li> <li>• <a href="#">Bill and Melinda Gates Foundation</a></li> <li>• <a href="#">Cancer Research Foundation</a></li> <li>• <a href="#">Carnegie Corporation</a></li> <li>• <a href="#">Damon Runyon Cancer Research Foundation</a></li> <li>• <a href="#">Ford Foundation</a></li> <li>• <a href="#">Helen Hay Whitney Foundation</a></li> <li>• <a href="#">Howard Hughes Medical Institute</a></li> <li>• <a href="#">Human Frontier Science Program</a></li> <li>• <a href="#">Juvenile Diabetes Foundation International</a></li> <li>• <a href="#">Kirsch Foundation</a></li> <li>• <a href="#">John D. &amp; Catherine T. MacArthur Foundation</a></li> <li>• <a href="#">John M. Olin Foundation</a></li> <li>• <a href="#">Life Sciences Research Foundation</a></li> <li>• <a href="#">Pew Charitable Trusts</a></li> <li>• <a href="#">Robert Wood Johnson Foundation</a></li> <li>• <a href="#">Rockefeller Foundation</a></li> <li>• <a href="#">Spencer Foundation</a></li> <li>• <a href="#">William K. Kellogg Foundation</a></li> </ul>

<a href="#">Humanities (NEH)</a> <ul style="list-style-type: none"> <li>• <a href="#">National Institute of Food and Agriculture (NIFA)</a></li> <li>• <a href="#">National Institutes of Health (NIH)</a></li> <li>• <a href="#">National Institute of Standards and Technology (NIST)</a></li> <li>• <a href="#">National Oceanic and Atmospheric Administration (NOAA)</a></li> <li>• <a href="#">National Science Foundation (NSF)</a></li> <li>• <a href="#">National Telecommunications &amp; Information Administration (NTIA)</a></li> <li>• <a href="#">Office of Naval Research (ONR)</a></li> <li>• <a href="#">Small Business Administration (SBA)</a></li> <li>• <a href="#">US Agency for International Development (USAID)</a></li> <li>• <a href="#">U.S. Department of Agriculture (USDA)</a></li> </ul>	
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*Finding Funding – Faculty and Student Fellowships.* The UPR encourages, and in certain academic and research programs requires, faculty and student application to external sources for fellowships. A list of fellowship awards available includes (please check specific websites for the most current information):

- [American Cancer Society](#)
- [American Heart Association](#)
- [Bill and Melinda Gates Foundation](#)
- [Burroughs Wellcome Fund](#)
- [Cancer Research Institute](#)
- [Charles A. King Trust/Medical Foundation](#)
- [Damon Runyon Cancer Research Foundation](#)
- [David and Lucille Packard Fellowships](#)
- [Ford Foundation](#)
- [Fulbright Scholar Program](#)
- [Helen Hay Whitney Foundation](#)
- [Human Frontier Science Program](#)
- [Huntington's Disease Society of America](#)
- [Irvington Institute for Immunological Research](#)
- [Jane Coffin Childs Memorial Fund for Medical Research](#)
- [Juvenile Diabetes Research Foundation](#)
- [Leukemia Research Foundation](#)

- [Leukemia and Lymphoma Society](#)
- [Life Sciences Research Foundation](#)
- [National Institutes of Health National Research Service Award](#)
- [National Research Council -- Research Associateships Program](#)
- [NIH Research Training Opportunities Home Page](#)
- [US Congress –House of Representatives Internships](#)

*Finding Funding – Sponsor Announcements.* On a continuous basis sponsors release program announcements in the form of Request for Proposals (RFP), Request for Application, (RFA), Funding Opportunity Announcement (FOA), Notice of Funding Announcement (NOFA), among others. These announcements are an important source of information, since they represent high-priority areas and funding allocations have been appropriately identified for those interested in applying. University community may access these announcements directly from the sponsor website or through the links provided herein or the campus/unit webpages. Examples are:

- The [NIH REQUEST FOR PROPOSAL \(RFP\) DIRECTORY](#) has been established to provide Internet users with quick and easy access to RFP solicitations available at the NIH. The [RFPs AVAILABLE by Institute](#) sub directory, directly links to all currently active electronic RFPs issued by the appropriate issuing Institutes or Centers (ICs) of the NIH. All RFPs listed in this directory have been previously advertised in the FedBizOpps and the NIH Guide for Grants and Contracts.
- The Federal Business Opportunities ([FEDBIZ.OPPS.GOV](#)) website provides a more general source of information for all federal opportunities available to vendor/buyers, grant applicants, and entrepreneurs.
- [NSF'S RECENTLY ANNOUNCED ACTIVE FUNDING OPPORTUNITIES.](#)
- [RURAL DEVELOPMENT - NOTICES OF FUNDING ANNOUNCEMENTS \(NOFA\)](#) - Rural Development announces the availability of money for many of its programs in the Federal Register, through a Notice of Funds Availability (NOFA). Each NOFA lists the application deadlines, eligibility requirements and places where you can get more help in applying for program dollars.

In this case, the [USDA's Rural Development Grants Assistance](#) is provided in many ways, including direct or guaranteed loans, grants, technical assistance, research and educational materials. Visit the following sites for information and/or assistance. Sample of specific topics are: Business and Cooperative Grant Assistance (rural enterprise/business development, renewable energy, biofuels); Housing and Community Facilities Grant Assistance (rural water and waste, preservation, community facilities); and, Utilities Grants (wastewater,

solid waste, telemedicine and distance learning, high energy cost, well systems).

## 2. Proposal Development, Review, and Approval

Once university faculty, staff or student identifies the most appropriate sponsor and grant mechanism, the proposal development and preparation process begins. Proposals are typically very technical documentations that must adequately respond to all sponsor requirements. Failure to do so may lead to administrative withdrawal of submitted grants and awards by the sponsor. The Office of the VPRT, and the campus/unit Offices of Sponsored Programs, and a variety of institutional resources provide guidance in this process. Furthermore, a series of sponsors have developed excellent web-based resources to assist in the proposal preparation and submission processes. Additional university resources are also available in the network of UPR Offices of Sponsored Programs (or their equivalent), campus/units research support and development programs, and the VPRT. The web links to some of these sponsor sources are listed below:

<b>Sponsor</b>	<b>Weblinks for Applications Information</b>
<b>NIH</b>	<a href="#">NIH Applications and Forms</a>  <a href="#">NIH - Grants Process, Application Basics and Application</a>
<b>NSF</b>	<a href="#">NSF - Grant Proposal Guides</a>  <a href="#">NSF - How to prepare Your Proposal</a>
<b>NASA</b>	<a href="#">NASA - Guidebook for Proposers Responding to a NASA Research Announcement</a>
<b>Department of Education (DE)</b>	<a href="#">DE - Grants Information</a>

In general, the key components of a proposal are:

- Face Page
- Abstract
- Table of Contents
- Statement of Work or Research Plan
- Budget and Budget Justification
- Additional Information
- CV or Biographical Sketch
- Other Support
- References

Of the latter, a principal component is the Budget section. Hence a series of resources are available to assist university in budget preparation. Typical budget categories include direct and indirect costs. In the web links contained in the above table as part of the application information and instructions, you can also find excellent examples of different types of budgets and their justifications. The websites of the VPRT, the Resources Center for Science and Engineering (RCSE), Center for Research and Development at UPR-Mayaguez, the Office of Sponsored Programs at the UPR-Medical Sciences Campus, among other units in the UPR system provide similar resources for PI/PDs, as well as spreadsheets that assist them in estimates of salary costs, effort-person months distributions, fringe benefits calculation, among others.

During this process PI/PDs may require of specific Institutional Information that must be provided and made available in the corresponding webpages, by the Office of the VPRT, and campus/unit Office of Sponsored Programs (or its equivalent). These includes, among others:

- Corporate/Legal Name
- Address and Phone
- Type of Organization - Corporate Status
- Tax Status
- I.R.S. Employer Identification Number (EIN)
- Cognizant Federal Government Audit Agency
- Dun & Bradstreet (DUNS) Number
- Contractor Establishment Code (CEC)
- Congressional district
- County
- Nuclear Regulatory Commission License Number
- CAGE Number: Commercial and Government Entity Code
- Federal Interagency Committee on Education (FICE) Number
- Standard Industry Code (SIC)
- NSF Institutional Code
- IRB Multiple Project Assurance Code for University Area
- Internal Animal Care and Usage Committee (IACUC)
- Current Indirect costs, Facilities and Administrative (F&A) costs rates
- Disclosure Statements and A-133 Single Audit Reports

a. Steps for Proposal Preparation, Review and Approval

- i. PI/PD reviews program concepts such as space requirements, personnel, equipment, and other required resources with Department Chairs, Deans, and/or Directors.

- ii. PI/PD contacts the Office of Sponsored Programs or its equivalent to notify the intent to submit a proposal and for orientation on the specific internal procedures.
- iii. PI/PD prepares the Letter of Intent/Notice of Intent when required. This document briefly describes a summary of the intention to submit a full proposal to the sponsor agency. A Letter of Intent is not binding.
- iv. PI/PD prepares a preliminary proposal taking into consideration the sponsoring agency guidelines, when required.
- v. PI/PD prepares the proposal in accordance with UPR regulations, federal regulations, and sponsor guidelines.
- vi. PI/PD initiates procedures for IRB, IACUC, biohazard, and radioisotope protocols approvals, if any of these are included in the proposed work.
- vii. PI/PD assures if required (i.e. construction grants) compliance with State Executive Order 12372-Intergovernmental review of Federal programs (Single Point of Contact-SPOC).
- viii. PI/PD with the assistance of institutional Offices of Sponsored Programs submits all proposals accompanied by an internal UPR Proposal Transmittal and Approval Form (PTAF) (see Section VII.C.). Internal transmittal and approval forms developed by each campus/unit can be used given they comply with all the elements contained within the UPTAF and are duly authorized by the VPRT. The completed form and final proposal should be received by the campus office of sponsored programs or its equivalent, no less than seven (7) business days prior to the sponsor's submission deadline. The UPR cannot guarantee the review and submission of proposals that do not meet this deadline. This time limit applies to all proposals. The PI/PD, the department chair, dean, and director of the office of sponsored programs (or its equivalent), the President or the Chancellor, must sign the form when applicable according to Certification 36, 2009-2010.

The President or the Chancellor is the institutional authorized representative of the grantee organization, accountable for information presented in the grant application (Board of Trustees Certification Number 36, 2009-2010). The Department Chair and Dean's signatures certify that the proposal has been reviewed for academic/scientific merit and is in line with the mission of the unit. The signatures constitute a commitment to the details outlined in

the proposal and budget, including time commitments of project personnel and use of institutional resources.

3. Proposal Submission

- a. The Office of Sponsored Programs or its equivalent, routes the final proposal to the Authorized Organizational Representative (AOR) for submission to the sponsoring agency.
- b. PI/PD should be available to answer questions and resolve any issues that may arise during the process.

4. Negotiation and Acceptance

- a. The PI/PD must be involved in any negotiation concerning the scope of the project and any changes in the budget. The role of the Office of Sponsored Programs or its equivalent is to assure that there are no implicit or explicit obligations in the performance of the project that cannot be accomplished given the amount of time and budget. Usually, the scope of a project is reduced as a result of budget decisions or cuts in funding.
- b. The Terms and Conditions of the award need to be assessed. It includes areas such as: period of performance, cost principles, patents and copyright, terminations, financial reporting, payments schedules, among others that are often negotiated in an award.
- c. The development of subaward agreements and contracts require the evaluation of a variety of issues such as: payments schedules, subrecipient monitoring, facilities and administrative cost rates (F&A), among others. Two possible scenarios are:
  - i. Subcontractor or subrecipient - When the institution is a subcontractor or a subrecipient, the federally negotiated F&A rate is applicable to the institution's budget, unless specific rates are provided by the sponsor.
  - ii. Contractor - If the institution is the prime contractor for a budget that includes subcontracts or subwards, the appropriate UPR campus/unit rate is assigned to the UPR campus/unit portion of the budget. With respect to subcontracts and subawards the DHHS agreement specifies that the institution collects F&A cost only on the first \$25,000 of each subcontract in the UPR campus/unit budget.
- d. All Grants and Contracts must be formally accepted by the UPR to complete a legal agreement between the sponsor and the UPR. The formal acceptance



of the award is the signal for the activation of the project.

## 5. Pre-award Spending

Principal Investigators/Project Directors (PI/PD) may occasionally have a need to order equipment or to expend other funds on a federally- or non-federally-funded project prior to the start date of an award. The latter expenditures, costs or charges, are referred to as pre-award spending. Subject to sponsor guidelines and award terms and conditions, the PI/PD may incur in pre-award costs 90 calendar days prior to the award start date, or more than 90 calendar days before with prior sponsor approval. Nonetheless, a federal sponsoring agency is under no obligation to reimburse such costs if for any reason the university does not receive an award, if the award is delayed, or if the final amount received is less than anticipated and inadequate to cover such costs.

In some instances, under expanded authorities (i.e. NIH), federal sponsors permit institutions to incur in pre-award spending 90 days prior to an award's start date. If the sponsor allows pre-award costs, appropriate expenses can be charged to a related research account, a departmental account, or a PI/PD account during the pre-award period and then transferred to the new award after it has been established. Yet, due to the risks, liabilities and limitations of pre-award spending, the University must take full advantage of the pre-award spending authority granted by sponsors. In this context, the PI/PD must exercise careful consideration prior to requesting authorization to spend funds in advance of receiving the award, and procure assurance by an authorized representative of the sponsor that an award is forthcoming. Some risks, liabilities and limitations that require careful consideration are

1. *Risks*: Whenever the University authorizes a pre-award expenditure, the University is risking monetary loss. The PI must identify other funding that must be available to cover the risk of a delayed start date, costs disallowed by the sponsor or failure of the sponsor to make an award as anticipated.
2. *Liabilities*: Special care must be exercised in assessing the impact of a pre-award expenditure on the legal obligations of the University prior to requesting or approving it. The University must consider the impact of not having a fully executed grant or contract agreement on its legal obligations regarding intellectual property rights, subject injury, indemnification, etc.
3. *Limitations*: A sponsor's policies, the terms and conditions of the anticipated award, and campus policies and practices determine whether or not this expenditure and the associated pre-award activities are allowable. Restrictions differ depending on the funding agency and the type of award anticipated (i.e., grant, cooperative agreement, or contract).

Nonetheless, pre-award spending can have benefits to the sponsored program to the extent that:

- Pre-spending charges are accounted for in a distinct project which can be readily identified
- Account for labor charges which can be presented in Effort Reports and can be certified accordingly
- Can eliminate cost transfers that would ordinarily be made by programs, projects, academic units when transferring pre-spending costs incurred on non-sponsored funds to sponsored accounts.

The UPR Pre-Award Spending Policies and Procedures (see Certifications section VII.C.) intend to:

- assure compliance with all applicable university and sponsor pre-award spending, costs and charges, requirements, including those of OMB Circular A-21, and OMB Circular A-110;
- ensure that pre-award spending made for a sponsored project are allowable, done within the permitted time frame, and adequately accounted and monitored;
- provide guidance to UPR faculty and sponsored research administration personnel, regarding the circumstances in which pre-award spending is permitted by the university and sponsors, and
- provide guidance to the UPR community regarding the contractual, financial, and administrative responsibilities that result from pre-award spending authorizations.

a. Pre-Award Spending Policies

1. The University must take full advantage of pre-award spending authority granted by the Federal and non-Federal agencies, considering prior approval requirements when applicable.
2. Authorization of Pre-Award costs or expenditures will **ONLY** be authorized if the PI/PD:
  - a. provide evidence and documentation that it is absolutely necessary for the advancement and progress of the corresponding sponsored project/program.
  - b. Has procured the commitment and signatures from the corresponding academic or research units, guaranteeing that any monetary loss to the university resulting from the sponsor's failure to make the award, or from costs incurred but disallowed by the sponsor, shall be the responsibility of that academic or research campus/unit.
  - c. Provide documentation to the campus/unit Office of Sponsored Programs, its equivalent or Finance Office, of the assurance by an authorized representative of the sponsor that an award is forthcoming.
  - d. In instances where the sponsor cannot provide a firm commitment, the PI/PD, department chair/director or dean, as appropriate, document their willingness to accept the increased risks.
  - e. Submit all applicable institutional and sponsor compliance authorizations for financial disclosures, human subjects, animal and/or biosafety protocols,

among others.

- f. Provide certification that the level of effort, scope, and objectives of the project as proposed or negotiated will not change, and if changes are proposed that these are allowable or have received prior sponsor authorization.
3. Pre-award expenditures must meet the requirements of allowability, allocability and reasonableness as described by 2 CFR Part 220 (OMB Circular A-21), and OMB Circular A-110.
4. Pre-Award spending can **ALSO** be authorized to accumulate allowable pre-award expenses:
  1. limited to 90 day expenditures,
  2. for a delayed award with a retroactive start date,
  3. for an award that has been received but not setup due to missing required documentation, and
  4. advance account numbers for NIH non-competing grants that are assigned a new account number for each non-competing year.
5. A Pre-Award Cost Approval Form (PACAF) must be completed and submitted by the PI/PD and his/her sponsored research administrator, to the corresponding campus/unit Office of Sponsored Program (or its equivalent) or Finance Office.
6. Each campus Office of Sponsored Program (or its equivalent) or Office of Finance is responsible for the review, identification and the establishment of a pre-award account, account number or unrestricted funding source to guarantee pre-award spending.

b. Pre-Award Spending Procedures

*Pre-award Spending Need Assessment*

1. The PI/PD and/or his/her sponsored program administrator (or equivalent) must evaluate and document in writing the project/program's essential need for pre-award spending. The petition justification and budget are part of the Pre-Award Cost Approval Form (PACAF) (see policy Appendix 1 in forms section VII.C.).
2. The PI/PD must also determine if the sponsoring agency requires prior approval and documentation before any pre-award spending occurs. If so, the PI/PD must fulfill all the corresponding sponsor requirements.

*Submission and Routing of Pre-Award Spending Approval Petitions*

1. Requests for pre-award spending are channeled via a Pre-Award Cost Approval Form (PACAF). The Pre-Award Cost Approval Form (PACAF) must be available online in the websites of the VPRT, and campus/unit Office for

Sponsored Programs (or its equivalent).

2. The PI/PD should complete the PACAF, explaining the essential need, the amount of funds and the period of time requested for pre-award spending. The PI must also sign and date the PACAF; thereby certifying that the level of effort, scope and objectives of the project as proposed or negotiated will not change.
3. The PI/PD and his/her sponsored program administrator will procure a firm commitment or certification from the sponsor's authorized representative that an award is forthcoming.
4. The Department Chair/Director, Deans, Chancellors each must sign the PACAF and place a check mark in the appropriate boxes indicating who will provide funding for any losses incurred as a consequence of the approval of this request, and the corresponding account/account numbers.

In requesting and accepting a PACA on behalf of the PI/PD, the corresponding the university and its academic official/unit assumes the financial risk in the event that the award is not completed, the terms of the award deem the proposed expenditure unallowable, or any costs are disallowed during audit.

5. Upon signing the PI/PD, and signing academic officials, can indicate that they guarantee funding in at least three ways:
  - A guarantee for a certain type of expenditure(s), for instance salary and fringe benefits only.
  - A guarantee for a specified dollar amount in any category of the proposed expenditures.
  - A guarantee for the entire proposed project.
6. Once the PACAF is completed and signed, it may be submitted to the campus Office of Sponsored Program (OSP) (or its equivalent) or Office of Finance. OSP and/or FO will analyze the request to verify all administrative requirements in accordance with the policies established herein.
7. If the sponsor provides a firm commitment, Office of Sponsored Program (OSP) (or its equivalent) or Office of Finance will then approve the PACAF and proceed with an Institutional Advanced Account (IAA), the account/fund number assignment.
8. In those cases where the sponsor cannot provide a firm commitment, the PI/PD, department chair/director or dean, as appropriate, can still sign the PACAF to document their willingness to accept the increased risk.

9. As part of the petition for Pre-Award Costs Approval (PACA) the PI/PD must submit all applicable institutional and sponsor compliance authorizations for human subjects, animal and/or biosafety protocols, among others.
10. Each campus Office of Sponsored Program (or its equivalent) or Office of Finance is responsible for the review, identification and the establishment of a pre-award IAA, account number or unrestricted funding source to guarantee pre-award spending.
11. After receiving authorization for pre-award spending, the campus/unit's Office of Sponsored Program (or its equivalent) or Office of Finance will provide a written or electronic mail confirmation of the approval stipulating that the advanced funding is necessary for the effective and economical conduct of the project and the costs are otherwise allowable.

*Pre-Award Spending and its Monitoring*

1. If pre-award costs are allowed and/or authorized by the sponsor, appropriate expenses can be charged to an Institutional Advanced Account (IAA), a related research account, a departmental account, or a PI/PD account during the pre-award period, and then transferred to the new award after it has been established.
2. The corresponding project/program and signing academic officials' administrators are responsible for removing expenditures from the IAA if the award is not made, not accepted, or if the terms of the award deem expenditures to be unallowable.
3. If expenditures are not removed from the IAA within 30 days of written request of their removal, Office of Sponsored Program (or its equivalent) or Office of Finance will transfer the expenditures to the designated account provided by the signing academic officials in the PACAF.
4. On a monthly basis the Office of Sponsored Program (or its equivalent) or Office of Finance will provide the PI/PD, his/her sponsored program administrator(s) and signing academic officials administrators with a report that lists all IAAs and includes account number, PI, core award number (if available), sponsor name, projected budget period, funding amount authorized for pre-award expenses, and cumulative expenditures.

It is of utmost importance for all responsible individuals, programs/offices to keep each other apprised of developments regarding award notification, acceptance, and negotiation.

*Authorized Pre-Award Spending for National Institutes of Health (NIH)  
Non-Competing Continuation Awards*

1. In the case of NIH non-competing continuation awards, the NIH has committed to fund the project for multiple years provided the research is going well and funding is available. Recognizing this, upon PI/PD, or his/her sponsored program administrator, request the Office of Sponsored Program (or its equivalent) or Office of Finance will issue IAA numbers for NIH non-competing grants that are assigned a new account number for each non-competing year.
2. At least four months (120 days) prior to the next budget period start date, the PI/PD and designated sponsored program research administrator will receive a report from the Office of Sponsored Program (or its equivalent) or Office of Finance listing NIH non-competing awards timelines.
3. The PI/PD and designated sponsored program research administrator will have 30 days to request an IAA, which will be established by the Office of Sponsored Program (or its equivalent) or Office of Finance no less than 60 days prior to the next budget period start date.

#### C. Authority

The Chancellor of each UPR campus has been authorized under the Board of Trustees Certification Number 36, 2009-2010, to approve and submit proposals to external sponsors and accept awards on behalf of the UPR. The President, or designee, holds the authority for approving proposals for submission and accepting awards for externally sponsored programs on behalf of the UPR Central Administration.

## II. POST AWARD MANAGEMENT

#### A. Introduction

Post-award administration begins when an award is received and there are multiple requirements and tasks as part of the post-award administration, which should not replace or substitute the exact specifications of various statutes and regulations. The post-award phase includes everything that happens from the time the award has been initiated until the project has been completed and closed out. There is a full range of post-award functions required for the administration of sponsor project whether funded by grants, contracts, or cooperative agreements.

The 2 CFR, Part 215 (former OMB Circular A-110), *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospital, and Other Non-Profit Organizations*, establishes the requirements for post-award administration. Subpart C sets forth the minimum standards that an organization must meet in order to be a recipient of federal assistance awards. Those requirements are in the areas of:

1. Financial and program management
2. Property standards
3. Procurement standards
4. Reports and records
5. Termination and enforcement

Regulations applicable to contracts are contained in the Federal Acquisition Regulation (FAR) (<https://www.acquisition.gov/far/>). Other important documents necessary for successful post-award administration at universities are 2 CFR Part 220 (former OMB Circulars A-21), Cost principles for Educational Institutions and A-133, Audits of States, Local Governments, and Non-Profit Organizations and its annual Compliance Supplement. Below are significant post-award administrative processes/tasks:

1. Award terms and conditions
2. Allowable cost
3. Prior approval
4. Effort certification
5. Equipment
6. Cost transfers
7. Program Income
8. Award reporting and closeout

The post-award function includes the following types of activities:

1. Monitoring expenses for allowability, allocability, reasonableness, and compliance with university policies.
2. Reporting and invoicing the sponsor on project expenses.
3. Draw down of funds in the form of checks and wire transfers, and posting them to the corresponding accounts.
4. Monitoring spending against budget, noting certain trends such as overspending or underspending.
5. Completing the required programmatic and financial reports .
6. Closing out the award by ensuring all requirements have been satisfied, including collection of interim and final progress reports, invention reporting, equipment reporting, and salary certifications, among others.

Cash Management and cost accounting/cost analysis functions have a great deal of interaction with and are dependent upon the pre-award and post-award functions.

## B. Policies and Procedures

The Board of Trustees Certification Number 36 (2009-2010), *Institutional Policy for Obtaining, Using and Controlling External Funds to be Received by the University of Puerto Rico for Educational Programs, Research and Public Service*

provides the rules to governing the application, collection, use and control of external funding for educational programs research and public service in the university system.

The President of the University of Puerto Rico, or the person in whom he/she delegates, will issue the necessary guidelines, norms and procedures, or will amend the existing ones to implement what is established in this Policy; provided, however, that the Chancellors of the institutional units can issue administrative dispositions to implement in their units what is provided in this Policy. The Chancellor's of the institutional campus/units can issue administrative dispositions that are in harmony with this policy, university rules and regulations. Yet, the latter administrative dispositions shall be consulted and receive the corresponding clearance and/or advice from the Vice-President for Research and Technology.

1. Preaward (described in the previous section)
2. Receipt of the Notice of Grant Award (NGA) or Award Letter
  - a. Once a proposal is awarded, the award documentation will be received/forwarded to the Office of Sponsored Programs, or its equivalent, for corresponding processes.
  - b. This document is a legally binding document between the awarding agency and UPR establishing funding level, period of support, terms and conditions, and contact information, among others. The campus/unit is legally responsible for proper conduct and execution of the project and assures compliance with federal laws and regulations, and grantor's policies and procedures.
3. Negotiation and Acceptance

Each sponsored project award comes with a unique set of terms and conditions, which may range from entirely flexible to restrictive. The PI/PD, in coordination with the Office of Sponsored Programs, or its equivalent, is responsible for reviewing the award documents and, if need be, negotiating the terms and conditions attached to an award. The goals in negotiation are to protect the investigator's publication and intellectual property rights; to protect the institution against harmful or unmanageable stipulations; and to ensure any agreement is in keeping with state and federal regulations as well as UPR requirements.

4. Financial Management
  - a. Award Terms and Conditions

The terms and conditions of an award cover a variety of issues such as patents, copyrights, termination, audits, indemnifications, insurance,



period of performance, cost principles, payments schedules, and financial reporting.

The notice of grant award document must be reviewed to ascertain its terms and conditions. It provides the requirements for both financial and nonfinancial management. The terms and conditions of an award provide guidance on items such as required prior approvals, award restrictions, and reporting. Expanded authorities provide flexibility to award terms and outline the cost related and administrative prior approvals that can be waived.

b. Budgeting and Rebudgeting

- i. Creation of New Accounts. Upon receipt of an award, approval of a contract or similar funding, the project PI will have to request the creation of an account within the UPR Financial System, now the new UFIS. After the account is created, the appropriate officials may start with the expenses of the project. In order to do this properly, the following steps must be followed:

1. Collect documents pertaining to approved project, these are:
  - o Award letter, contract or equivalent. Legal document such as: award letter, official business letter, fully executed contract or any similar document that makes legal the agreement. This document must contain the following information, clearly stated: when the project begins and ends, amount approved, and any special conditions or restrictions.
  - o Copy of approved proposal in electronic format (preferably PDF file). Very frequently, the project approved is a revised version of the proposal originally submitted. A copy of the final version and approved budget distribution and budget justification is required.
2. Fill in the Request Form for Account Creation
  - o This is the letter style form to officially request the Sponsored Research Offices (i.e. UPR-Medical Sciences Campus), Finance Offices, or Center Director (i.e. UPR-Mayaguez R&D Center, UPR-Central Administration's Resource Center for Science and Engineering) the creation of the account.
3. Fill the Budget Distribution Form MP-001 (UFIS Style):
  - o This document contains the project title, account number, agency or contract number, beginning date, ending date and the proposed distribution of the budget, which must comply

with the sponsor's requirements and the UPR regulations. In this document you will distribute the funds into the existent UPR expense codes which include, among others: Salaries for Academic and Administrative Personnel, Fringe benefits, Materials and Supplies, Travel, Equipment, Fellowships and Stipends. On occasions, an approved expense may not have an exact equivalent within the UPR financial system; a good example is Participant Support. Thus, the use of the funds must be well defined and distributed among the other codes, as apply (e.g. stipend, fellowship, travel). Now with UFIS, there are many more codes, which must be clearly defined prior to account creation.

Upon receipt of all required documentation, the corresponding campus/unit office will submit an electronic "Account Creation Notification Package" that will contain:

1. Newly assigned account number and distribution: The PI must use this number to refer to any budget and accounting issue related to project.
  2. Authorized Signature Form (AF-84-1): The PI must register its signature to have access to the different actions associated with project administration (contracting personnel, purchasing, and travel authorizations, among others). If a Co-PI or administrative assistant will also be carrying out some of these functions, the PI must authorize he/she for the particular action. Access Form here: *Registro de Firmas Autorizadas*.
  3. Corporate Credit Card Request Form (if applies): If you would like to request an application form, please fill this online Corporate Credit Card Application Request Form. For more information you may contact the corresponding campus/unit administrative official.
- ii. Prior approval from the grantor is required for certain actions such as significant rebudgeting, changes in status of key personnel and other specified actions in the appropriate policy statement of grantor. Significant rebudgeting occurs when expenditures in a single direct cost budget category deviate (increase or decrease) from the categorical commitment level established by the percent defined by the granting agency for the budget period or 25 percent when applicable. For example, if the award budget for total costs is \$200,000, any rebudgeting that would result in an increase or decrease of more than \$50,000 in a budget category is considered

significant rebudgeting. The base used for determining significant rebudgeting excludes the effects of prior-year carryover balances but includes competing and non-competing supplements. Significant rebudgeting does not apply to modular grants.

c. Availability of Funds

An important principle to understand is that only costs incurred or obligated during the dates the award was active are allowable under the award. Although the funding agency grants additional time for financial and technical reports to be submitted to the government, this does not mean that charges can still be placed against the award during that time. The only costs that should be paid after the expiration date are costs that were obligated before the award ended.

d. Time and Effort Reporting

As a recipient of sponsored funds, the UPR must assure Federal and other sponsors that the assignment of effort and associated salary and fringe benefit costs to the projects they sponsor is reasonable in relationship to the work performed, and that commitments to sponsors have been met. Federal regulations provide a basic regulatory framework for Effort Reporting. 2CFR Part 220 (OMB Circular A-21) requires that any individual, who performed work on a federally sponsored project, including federally funded subawards received from other institutions, industry or State, must certify that the effort, paid or committed, is reasonable. The UPR's effort reporting policies and procedures are the mean by which these effort reporting and effort certification responsibilities are fulfilled. This overarching set of policies and procedures applies to all individuals whose salaries are charged to sponsored projects (in whole or in part), whose effort has been committed as part of cost sharing/matching funding, and whose responsibilities involve certifying the effort of other individuals. Non-compliance would affect the University's reputation, jeopardize future funding from the federal government and collaborations with other institutions, and can lead to financial penalties and/or expenditure disallowances. For instance, disallowance of costs charged for salary and wages, would also limit the recovery of Facilities and Administrative (F&A) costs (i.e. indirect costs).

The UPR has historically complied with effort reporting requirements manually based on University Circular 86-11, and has evolved to utilize a web-based Effort Reporting System to generate periodic effort reports in compliance with university and sponsors requirements. Each personnel's Effort Report accounts for 100% of the effort required in fulfilling the employee's obligation or professional activities for the University (Total Professional Effort, TPE) and for which the employee is compensated by

the University in their institutional base salary (IBS). The institutional definitions of TPE and IBS are contained in this document, and within amended Certification 66 (1996-97) Policy for the Promotion and Development of Research at the University of Puerto Rico (see Section V. Resources and References, and Section IV. Definitions. Glossary of Terms and Acronyms).

The purposes of UPR Effort Reporting Policies and Procedures (see Section V. Resources and References) are: (1) to comply with the federal 2 CFR 220 Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions, and all other applicable federal laws and regulations, for the certification of effort performed on a federally sponsored program; and, (2) to assure that effort certifications completed in connection with University sponsored projects are accurate, reasonably reflect the actual level of effort expended on a sponsored project, and comply with sponsor requirements, terms and conditions in areas, such as: salary charged to those projects, the commitment indicated (including mandatory and voluntary committed cost sharing) in the proposal and subsequent award, and in the corresponding estimates of facilities and administrative (F&A) costs (indirect costs) charged to sponsors.

Each faculty member must be aware of his/her: level of committed effort to sponsored projects, ability to meet those commitments in light of any other obligations, and need to communicate any significant changes in level of sponsored projects effort to the university immediately. All individuals involved in the effort certification process are expected to abide strictly by the policies and procedures contained herein.

#### *Time and Effort Reporting Policies*

- i. Each personnel's Effort Report must reasonably account for 100% of the effort required in fulfilling the employee's obligation to the University, that is his/her Total Professional Effort (TPE).

For faculty personnel, effort (institutional or sponsored) may be dedicated to academic instruction, conduct of research, creative activity, teaching improvement, training, and/or services. For full-time employees, 100% TPE does not equate to any set number of hours, e.g., 40 or 50 hours per week; it equates to the totality of University-compensated effort. TPE excludes effort outside of duties for the UPR, i.e. external consulting, non-UPR appointments, other non-institutional professional activities, or volunteer/unfunded activities such as community service. *A detailed list of categories or types of effort can be found in Appendix 1 of this policy in section VII.B.).*

- ii. University personnel may receive additional compensations or remunerations that may involve time and effort, therefore the corresponding effort must be included in the individual's Effort Report.

The remunerations received under these terms must accordingly be documented as part of the individual's IBS (see Appendix 2).

- iii. In conformity with sponsor requirements and institutional authorization(s), university personnel may commit and/or charge a percentage of their TPE (minimum of 1%, but not to exceed 100%) in sponsored programs/projects agreements.

Consideration for maximum effort should be reasonably estimated. For example, any person who has administrative duties, instructional requirements, or office duties may not be charged 100% to sponsored projects as they must have some measurable amount of effort to account for these activities. The corresponding percent effort commitments for key personnel should:

- a. be consistent with the description of the individuals' roles on the project and be reasonable given the nature and complexity of the project
  - b. reconcile with the individuals' other current and pending responsibilities, including instruction, administration, sponsored projects, or other activities, and
  - c. not be inflated beyond what is reasonably required to accomplish the proposed work, and be consistently reflected on the corresponding institutional authorization documentation of a proposal.
- Note: Equipment and instrumentation grants or dissertation grants typically do not require a minimum level of effort.
  - Note: When required, to fill out the budget forms for the SF 424 R&R grantees will need to convert percent-of-effort to person months. Conversion of personnel percent effort commitment to sponsor defined "person months" (i.e. NIH) should be calculated considering the corresponding and applicable Academic Year and Summer Terms. For the UPR, the actual academic year and summer terms are as follows:
    - Academic Year (AY) based on 9-months (AY<sub>9</sub>) – all UPR campus except UPR-Carolina and UPR-MSU.
    - Academic Year (AY) based on 10-months (AY<sub>10</sub>) - UPR-Carolina.
    - Summer Term (ST) for AY<sub>9</sub> is of 3 months (SM<sub>3</sub>) - all UPR campus except UPR-Carolina and UPR-MSU.
    - Summer Term (ST) for AY<sub>10</sub> is of 2 months (SM<sub>2</sub>) - UPR-Carolina.
    - Academic Year (AY) based on a 12-months (AY<sub>12</sub>) – UPR-MSU and all

other units within other campuses having faculty personnel under the 12-months system.

Therefore, the conversion of percent effort to person months should be estimated as follows:

$$\text{Person months} = [\text{AY or ST}] \times [\text{fraction of effort}]$$

Example 1:  $\text{AY}_9 \times 25\% \text{ effort} = 9 \times 0.25 = 2.25 \text{ person months}$

In specific, a PI on an  $\text{AY}_9$  appointment with an IBS of \$63,000 will have a monthly salary of \$7,000 (one-ninth of the AY). 25% of AY effort would equate to 2.25 person months ( $9 \times 0.25 = 2.25$ ). The budget figure for that effort would be \$15,750 (\$7,000 multiplied by 2.25 AY person months).

Example 2:  $\text{SM}_3 \times 100\% \text{ effort} = 3 \times 1.00 = 3 \text{ person months}$

In specific, a PI on a  $\text{AY}_9$  appointment with an IBS of \$63,000 will have a monthly salary of \$7,000 (one-ninth of the AY IBS), and a corresponding ST of 3 months ( $\text{SM}_3$ ). If the PI commits, charges a full summer term (3/9) or 100% of effort for the  $\text{SM}_3$ , this would equate to 3  $\text{SM}_3$  person months ( $3 \times 1.0 = 3$ ). The budget figure for that effort would be \$21,000 (\$7,000 multiplied by 3  $\text{SM}_3$  person months).

Example 3:  $\text{AY}_{12} \times 25\% \text{ effort} = 12 \times 0.25 = 3 \text{ person months}$

In specific, a PI on an  $\text{AY}_{12}$  appointment with an IBS of \$72,000 will have a monthly salary of \$6,000 (one-ninth of the AY). 25% of AY effort would equate to 3.0 person months ( $12 \times 0.25 = 3.0$ ). The budget figure for that effort would be \$18,000 (\$6,000 multiplied by 3.0 AY person months).

- iv. Committed cost sharing (mandatory or voluntary) effort must be accurately documented and reported in the personnel's Effort Report.

As per university Cost Sharing/Matching Funds Policy (see section VII.B.), in institutionally authorized sponsored projects agreements, individuals may commit part of their TPE. Faculty and personnel remunerations received from university matching/cost sharing funds based on a specific percentage of their TPE must be accurate and the corresponding percent effort included in the Effort Report. In addition, cost sharing/matching funds that commit university personnel's TPE in a specific sponsored project cannot be used to satisfy a cost share commitment on any other sponsored project.

- v. Principal Investigators (PI), Project Directors (PD) or person's having first hand knowledge of employee effort on sponsored

programs must reasonably certify that effort paid from their grant funds was reasonably expended.

For determining “reasonableness”, 2CFR Part 220 (OMB Circular A-21) states: “In an academic setting, teaching, research, service and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate... The payroll distribution system will ... (ii) reasonably reflect the activity for which the employee is compensated by the institution...”. It must be underscored that individual(s) who certify a falsified report may be subject to criminal charges.

- vi. Any changes to an effort certification form must be accompanied by a corresponding change to the payroll system to correct the expense. Sponsors must be notified of changes to effort commitments at the time of the initial award, and during the course of the project, consistent with the individual sponsor’s notification requirements. The PI and their department should make corrections within 30 days after receipt of the Effort Report.
- vii. The Institutional Base Salary (IBS) is used to propose and charge salary to sponsored projects.

The IBS of the Faculty Personnel dedicated to academic instruction, who also conduct research, creative activity, teaching improvement, training, and/or services, is defined to be the annual remuneration that the University pays to said personnel for the individual’s TPE (100% effort) (see Section VII.B.). According to federal regulations, compensations included as part of the IBS must conform to the criteria delineated in Policy viii.

- viii. Institutional compensations that require or are based on the commitment of personnel’s time and effort (i.e. administrative, clinical service, among others) must be included as part of an individual’s IBS, provided they meet the following criteria:
  - a. The remuneration must be paid through the university.
  - b. The university must guarantee the remuneration for a period of 1 year or more.
  - c. The remuneration must be documented in the individual’s human resources personnel action forms.
  - d. The remuneration must involve personnel time and effort, and
  - e. The remuneration’s corresponding effort must be accounted for on the individual’s effort reports

IBS excludes one-time payments, incentives or bonuses (not involving

time and effort), additional compensations based on work overload or additional summer work (i.e. summer salaries when the academic year is less than 12 months), and any income that an individual is permitted to earn outside of duties for the UPR (see the certification's Appendix 2 for additional examples in Section VII.B).

- ix. In the case where the personnel IBS exceeds an agency's salary cap, no more than the percent effort committed multiplied by the salary cap may be requested or charged to the sponsor, yet the individual must still devote the full committed effort as proposed and awarded.

Sponsor imposed salary caps restrictions require additional consideration for the commitment and certification of effort for in cases where the IBS exceeds the salary cap. Effort report forms for individuals earning in excess of the capped amount must be completed in accordance with this policy and considerations. Sponsors, in particular the National Institutes of Health (NIH) may impose a cap on the reimbursement of salaries. By law, NIH may not reimburse salaries under NIH awards at an annual rate that exceeds the cap (Currently NIH Salary Cap [http://grants.nih.gov/grants/policy/salcap\\_summary.htm](http://grants.nih.gov/grants/policy/salcap_summary.htm)).

Nevertheless, investigators must still devote the full committed effort as proposed and awarded without regard to the salary reimbursement limitation. It can be foreseen that Salary Cap restrictions may force an automatic situation of Contributed Effort (where Total Effort is split between Contributed Effort and effort allowed to be charged to the sponsor under the salary cap). The salary cap restriction requires consideration for proposal submission (tracking of cost share and committed effort) and Effort Reports.

Therefore, as shown in the example below for Professor Y, even though an individual commits 20% effort to an NIH project, the salary cap implies that the University may only charge the agency for 16% of his/hers IBS, and the remaining 4% remains committed in the form of cost sharing. Professor Y's Effort Report should reflect the total committed effort of 20%.

<p><b>Example of Professor Y whose IBS (\$250,000) exceeds NIH's Annual Salary Cap (\$199,700) and commits 20% to an NIH project.</b></p>
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<b>Salaries (IBS and NIH salary cap)</b>	<b>Percent effort committed (%)</b>	<b>Funds estimated as per IBS and funds approved as per NIH's cap</b>	<b>Actual percent of faculty's IBS that can be charged and will be supported by NIH</b>	<b>Percent effort (%) to be cost shared or contributed effort by the university</b>
\$250,000  (IBS)	20%	\$50,000		
\$199,700  (NIH salary cap)	20%	\$39,940	~16%	~4%

- x. In the case of institutional units and campus with less than 12-months academic year and appointments, personnel can receive additional compensations for sponsored research during the summer period, and such compensations are not part of the individual's IBS.

The effort personnel expend during the summer period on professional activities (i.e. summer sponsored research) is considered as additional work beyond the individual's TPE responsibilities during the academic year for which he/she receive their IBS. Specific guidelines for summer salary compensations must be strictly followed, these are:

- a. Summer Salary must be consistent with the current academic year's rate of pay or IBS. That is if a faculty member has an annual IBS of \$90,000. The monthly remuneration of such personnel is  $\$90,000/9 = \$10,000$ . Therefore, if a faculty member receives summer salary support for one-month (1/9) the total support or compensation should be \$10,000.
- b. Personnel may not receive more than 2 months of summer salary support from sponsored projects without prior written approval.
- c. Personnel must be prepared to certify that the effort was expended on these projects during the summer in at least the same proportion as the summer salary charged to those projects.
- d. Personnel receiving full summer salary (3/9 maximum) from external sponsors during the summer period are ineligible for

time off during that period for which they are being compensated. In addition, payment of full summer salary by a sponsor means that the faculty member cannot engage in other activities, i.e., administrative or academic activities compensated by the University. If a faculty member has formal summer academic or administrative responsibilities, summer compensation and the corresponding effort must be adjusted proportionately.

- e. The effort *de facto* expended during the academic year, on sponsored project/programs that will only remunerate faculty during the summer period, is regarded or classified as uncommitted faculty effort, and hence effort need not be identified and reported if there is no reduction to other teaching or research and/or any other duties (see UPR Cost Sharing/Matching Funds Policies and Procedures). This should be taken into account in the faculty personnel Effort Report.
  - f. Due to the effort commitment to a sponsored project, if a sponsor has a salary cap, and if the faculty member commits to full effort during a summer month, even though the sponsor will not pay a full salary because of the cap limitation (see example above), the faculty member must still devote their full effort to the project during the month paid.
  - g. Summer period effort reporting is required for all sponsored projects' personnel with less than 12-month appointments and that also conducts additional professional activities, particularly summer research.
- xi. PI/PDs, departments, and/or corresponding research administrators units must submit labor redistributions within 60 days from the date the original transaction posted in the university's web-based financial, human resources and grants management system, consistent with the university's cost transfer policy (see Section VII.B.) for all expenditure categories.
  - xii. University campus and units must adequately document in the personnel's effort and human resources record each significant change of the PI's role, responsibilities, or distribution of effort for all PIs that hold dual, salaried appointments with other campuses or institutionally-affiliated units (clinical appointments, appointments with the Veteran's Administration). Such documentation can be in the form of a Memorandum of Understanding (MOU), or official campus letters.
  - xiii. Administrative and/or disciplinary actions in accordance with University disciplinary procedures may be imposed, due to failure to follow the provisions of this effort reporting policy, to the

individuals, research administration units and departments responsible for the violation(s). Specifically,

- a. If effort reports are not completed and returned in a timely manner, cost disallowances, such as salary costs associated with uncertified grant activity, may be removed and charged to a faculty, research administration unit, departmental, deans or chancellor account.
- b. In consultation with the Office of the Vice-President for Research and Technology, there may be the need to suspend submission of any new proposals on behalf of a noncompliant PI, or inclusion of a noncompliant researcher in proposals, until effort reports are up to date and properly completed and certified.
- c. Certification of effort reports that are known to be materially inaccurate may expose the individual who completed the reports to personal disciplinary action.

#### *Time and Effort Reporting Guidelines and Procedures*

Time and effort reporting guidelines and procedures will follow the specific procedures of the implemented university-wide, web-based Effort Reporting System.

#### e. Costs Transfers

As a recipient of sponsored funds, the UPR must assure Federal and other sponsors that the costs and charges made are accurate and conform to all applicable institutional and sponsor requirements. It may though happen that during a given award period, certain costs may be initially charged to different account(s). Such transactions must be reversed and corrected immediately, and not exceed the institution's or sponsor's allowable period of time. A cost transfer is essentially the movement of expense(s) between two different university accounts via a Journal Entry (JE), provided that the cost transfer meets the rules for allowability established in the 2 CFR, Part 220. Cost transfers, or moving an expense, may include salary charges transferred through payroll reallocations as well as other direct costs. Cost transfers are exceptional events and should not occur frequently. Close monitoring of cost transfer activity is important for the university, since a pattern of cost transfers from a sponsored project may be indicative of poor post-award management practices. Further on, if cost transfers are not addressed timely and efficiently, these could lead to significant cost disallowances, diminished reimbursements from the sponsors, and an additional load of fiscal responsibilities for the university. Indeed, as established in the National Institutes of Health Grants Policy Statement (NIHGPS) (October, 2010) (<http://grants.nih.gov/grants/policy/policy.htm#gps>):

“Grantees must maintain documentation of cost transfers, pursuant to 45 CFR part 74.53 or 92.42, and must make it available for audit or other review (see Administrative Requirements—Monitoring—Record Retention and Access). The grantee should have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls. Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. If such errors occur, grantees are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent reoccurrence. NIH also may require a grantee to take corrective action by imposing additional terms and conditions on an award(s).”

It must be clarified that the term "transfer" is used in this context only because federal regulations use the expression "cost transfer." This does not mean that these journal entries are recorded on "transfer" object codes within the meaning of college and university accounting principles. Instead, these entries are normally recorded with the debit and credit on the same object codes as were used on the original transaction.

The UPR Costs Transfer Policies and Procedures (see Certifications section at end of Handbook) intend to

- a. assure compliance with all applicable university and sponsor cost transfer requirements, including those of OMB Circular A-21, and 45 CFR part 74.53 or 92.42 (record retention requirements),
- b. ensure that cost transfers made to a sponsored project are allowable and done within the permitted time frame. The latter applies to both payroll (salary charges) and other direct costs charged to sponsored projects,
- c. provide guidance to UPR faculty and sponsored research administration personnel regarding the circumstances in which cost transfers are permitted by the university and sponsors, and
- d. provide guidance to the UPR community regarding the contractual, financial and administrative responsibilities that result from cost transferring.

#### *Cost Transfer Policies*

- i. All sponsored projects/programs cost transfers or reassignments of charges within accounts in the university's accounting system (journal entries), to adjust errors or for other reasons associated with regular financial operations, must be ALLOWABLE as established in 2 CFR, Part 220.

Transfers of costs to any sponsored project account are allowable only where there is direct benefit to the project account being

charged. ALLOWABLE COST TRANSFERS (or journal entries) are:

- Proper allocation of costs to the appropriate accounts using a verifiable and reasonable method in accordance with cost accounting principles
  - Reallocation of salary and fringe benefits to reflect actual effort
  - Reallocation of shared services or direct costs that were previously charged elsewhere
  - Correction of bookkeeping or clerical errors (i.e. obvious typographical error, use of an invalid code account number, etc.) in original charges within 90 days of the error and providing an appropriate explanation of the error (after 90 days, not reviewing the ledger sheet in a timely manner will not be an acceptable explanation)
  - Correction of an unallowable or inappropriate cost charged to a sponsored project account, and is to be paid from university or other source of funds
  - Transfer of pre-award costs from an authorized university holding account
  - Transfer charges between accounts supporting closely related work for reasons other than covering overexpenditures (This requires sponsor written approval. Refer to "Closely Related Work" Policy iv)
  - Reclassify over expenditures to voluntary cost sharing accounts
- ii. In agreement with appropriate university and sponsor cost accounting principles, under the following circumstances cost transfers (journal entries) will be considered DISALLOWANCES or UNALLOWABLE:
- a. Crediting the Dean's direct overrun account.
  - b. Changing an indirect object code (i.e., office supplies) to a direct object code when the back up documentation refers to an indirect item (i.e., paper, pencils or pens). If the indirect item is allowable on the sponsored project account, the PI/PD or corresponding sponsored program administrator must contact the appropriate campus/unit Office of Sponsored Programs or Finance Office to budget the indirect object code to the account.
  - c. Moving over-expenditures to another sponsored project account at the end of the project
  - d. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost
  - e. Transfers of cost into an underexpended account from an overexpended account made simply to cover the overexpenditure

- The transfer of an overdraft or any direct cost item incurred in the conduct of one sponsored project transferred to another sponsored project account merely for the sake of resolving a deficit or an allowability issue.
  - Cost transfers based on funding considerations, i.e., cost transfers cannot be done to use up remaining funds
  - The intentional “parking” of charges on a sponsored project account pending transfer to another sponsored project account upon its funding (Parking of charges for any reason is considered a misuse of grant funds)
  - Under no circumstances can costs that directly benefit nonfederal projects be assigned or transferred to federal projects, whether or not interrelated, if the federal project does not also benefit directly from the expenditure.
  - Charges transferred to any account, regardless of sponsor, if the charging account has not directly benefited from the charge.
  - Any costs allocable to a particular sponsored project under the standards provided in this policy may not be shifted to other sponsored projects in order to meet deficiencies caused by overruns or other fund considerations or for other reasons of convenience (See 2CFR Part 220 OMB Circular A-21).
- iii. TIMING of cost transfers, as per university and sponsor requirements, should be accomplished within 90 days of the original transaction, or 30 days prior to the date the final report is due to the sponsor or project end date, whichever comes first.

Cost transfers must be prepared and submitted within 90 days from month end in which the transaction appears on the fund. For instance, as per NIH policy: “Cost transfers to NIH grants by grantees, consortium participants, or contractors under grants that represent corrections of clerical or bookkeeping errors should be accomplished within 90 days of when the error was discovered.” Furthermore, DHHS policy requires that costs transfers be performed within 90 days of the original transaction date. The DHHS also requires prior approval for cost transfers that do not comply with the timeframe specified in the DHHS cost transfer policy.

The Office of Sponsored Programs (or its equivalent), Finance Office or delegated person must approve any *cost transfer request greater than 90 days*. Requests for cost transfers to be processed must be signed and approved specifically by the PI/PD. Requests for late cost transfers should include an explanation of the extenuating circumstance(s) that prevented the transaction from

being made earlier. The PI/PD signature certifies the expenditure(s) is appropriate for the sponsored project account and that the expenditure(s) complies with the terms and restrictions governing that sponsored project account. While the signature of the responsible person in Office of Sponsored Programs (or its equivalent), Finance Office or campus delegate certifies that the expenditure and documentation has been reviewed to ensure compliance with both internal policies and the sponsored project terms and restrictions. These signing individuals must understand the implicit responsibilities of cost transfers disallowed by an auditor (see Policy v below).

Multiple requests to transfer costs later than 90 days after the original occurrence without an approved explanation of extenuating circumstances will be denied and all charges will be moved to either the corresponding overrun account, or the mandatory cost share account as deemed appropriate. Any cost transfer removing expenditures greater than 90 days old from a federal project must contain the above referenced documentation and signatures. The expenditures cannot be charged to another sponsored project account.

In addition, in terms of timing, pre-award costs or expenditures (those incurred pending receipt of a sponsored grant or contract) should never be charged to another sponsored project account in the interim, and must follow the corresponding Pre-Award Costs Policy of the UPR (see section VII.B). Instead, the corresponding and appropriate Institutional Advanced Account (IAA) should be used as the temporary clearing account (because that is where non-sponsored departmental research would be appropriately charged if the project is not ultimately funded).

- iv. Cost transfers must be supported by DOCUMENTATION that fully explains how the error or situation occurred and a certification of the correctness of the new charge by a responsible organizational official of the UPR (see Cost Transfer Form in Appendix 1 of this Certification in section VII.B).

*Explanations merely stating that the transfer was made 'to correct error' or 'to transfer to correct project' are unacceptable (See Chapter 7 of the PHS Grants Policy Statement). Appropriate justification must detail:*

- Specific identification of the original charge (Copy of the originating documents such as a purchase orders, travel vouchers and all supporting vendor invoices, receipts, or other

- documentation as appropriate);
- Justification of the appropriateness of the charge to the receiving account;
- A full explanation of why the transfer is necessary, detailing
  - a. when the error was discovered,
  - b. what the charge was for,
  - c. why the charge was incorrectly made, and
  - d. how it specifically relates to the sponsored project account to which it will be transferred.
  - e. how the error occurred
  - f. a correlation of the charge to the project to which the transfer is being made.

As stated above in Policy 3, utmost care must be exercised in making any cost transfer, especially transfers made after termination date of a project and/or the reporting period of a project (i.e., annual financial reports). Transfers not made promptly, due to extenuating circumstances, must include an adequate explanation why there was a delay in correcting the error, and prior sponsor approval may be required in these instances.

In addition, requests for cost transfers into sponsored project accounts involving personnel costs require special attention. With personnel costs, transfers involving previously certified effort, or effort that is to be certified on the semi-annual and annual certification must assure proper certification of effort (See Effort Reporting Policies and Procedures, section VII.B). When the personnel costs are not subject to above certifications (hourly employees), the documentation should include an explanation of why the change is being made, certify that the new allocations accurately reflect the effort that the individual expended during the period, and must be documented by labor distribution sheets showing the distribution of effort to each account that was originally charged. When transferring salaries and wages, consideration must be taken to also reclassify the associated personnel benefits cost.

- v. When the work supported by one sponsored project is determined to represent “CLOSELY RELATED WORK” to that of another sponsored project, a cost transfer from one of the accounts to the other might be legitimately made with prior written approval from the sponsor receiving the charge. At a minimum, the following conditions must be met to justify a cost transfer on the grounds that the activity qualifies as "closely related work":
  - The projects are scientifically and technically related.



- The projects are under the direction of the same principal investigator.
  - There is no change in the scope of the sponsored projects involved.
  - The relating of costs will not be detrimental to the conduct of work under each award.
  - The relatedness will not be used to circumvent the terms and conditions of the awards.
- vi. The PI/PD, department, school, corresponding university sponsored project/program office (or its equivalent), sponsored program/project or campus are RESPONSIBLE for ensuring that transfers of costs to sponsored projects, are made within the timeframe provided in Policy 2 (ii), and appropriately documented as established in Policy 3 (iii).

The PI/PD, and responsible sponsored research administrators must timely and adequately provide explanation(s) and documentation(s) assuring these will withstand audit scrutiny. Any cost transfer should be so complete or detailed, that a person completely removed from the situation (For example, an Auditor) will be able to look at the request five years from now and know what and why this entry was made. It is therefore established that

- The academic unit to which the charge is affiliated is responsible for appropriately funding any cost transfers that are disallowed due to failure to meet the timing or documentation requirements stated above.
- The PI/PD, department, school, corresponding university sponsored project/program office (or its equivalent), sponsored program/project or campus will be held financially responsible if any cost transfers are later disallowed on an audit.

Indeed, effective July 1, 1990, the government required universities to retain external auditors to conduct extensive reviews of federal grant and contract expenditures to include reviews of cost transfers. In the event that a cost transfer does not meet the government requirements, the dollar amount of the transfer will be disallowed and the College or School responsible for the grant/contract will be responsible for the disallowed cost transfer. If a significant number of cost transfers do not meet government requirements, the auditors may extrapolate the disallowances and recommend disallowing a percentage of ALL cost transfers for a particular department, college/school, or University-wide.

#### *Cost Transfer Procedures and Guidelines*

### *Cost Transfer Need and Appropriateness Assessment*

- i. The PI/PD and/or his/her sponsored program administrator must evaluate periodically, minimum on a monthly basis, all project/program's expenditures to determine if there is a need for cost transfer.
- ii. The PI/PD must also determine if the sponsoring agency requires prior approval and documentation before any cost transfer occurs. If so, the PI/PD must fulfill all the corresponding sponsor requirements.
- iii. Upon identification of the potential need for a cost transfer, the PI/PD and/or his/her sponsored program administrator must immediately evaluate and assure a petition for cost transfer has strictly considered all ALLOWABILITY and UNALLOWABILITY criteria established under the university Cost Transfer Policies and the following additional guidelines:
  - a. A cost transfer or JE cannot be processed on a frozen account.
  - b. A cost transfer or JE cannot be processed on a closed account.
  - c. A cost transfer or JE that will overspend an account will not be processed.
  - d. A cost transfer or JE that moves "force posted" pro card charges from a departmental or academic unit account to a sponsored project account will not be processed without prior approval of the campus/unit Office of Sponsored Programs (or its equivalent) and/or Finance Office.
  - e. If the amount being transferred differs from the amount indicated on the backup documentation, the written explanation must indicate what the difference is by percentage and appropriateness of the amount being charged.
  - f. There should be no negative amounts on a Journal Entry.

### *Submission and Approval of Cost Transfer Petitions*

- i. Once the need and appropriateness of a cost transfer is established, requests for cost transfers are channeled via a Cost Transfer Form (CTF) which must be available online in the websites of the VPRT, and campus/unit Office for Sponsored Programs (or its equivalent).
- ii. The PI/PD must complete the CTF providing all the required documentation as required under Policy 4, explaining the essential need, the amount of funds and the period of time involved in the

cost transfer request, as per specific timing requirements established in Policy 3. The PI must also sign and date the CTF; thereby certifying that the adequacy, reasonableness, and allocability of the cost charges involved.

- iii. Once the CTF is completed and signed, it may be submitted to the campus/unit's Office of Sponsored Program (OSP) (or its equivalent) or Finance Office (FO). OSP and/or FO will analyze the request to verify that all administrative requirements in accordance with the policies established herein are met.
- iv. Each campus OSP (or its equivalent) or Office of Finance is responsible for the review and approval of the cost transfer petition. The approval or denial of the petition must occur within 5 days, to allow for a prompt cost transfer action.
- v. After receiving authorization for the cost transfer, the campus/unit's Office of Sponsored Program (or its equivalent) or Office of Finance will provide a written or electronic mail confirmation to the PI/PD, and his/her sponsored program administrator, of the approval and corresponding corrective cost transfer action taken.
- vi. If the requested cost transfer is approved and authorized, the appropriate expenses can be charged to the correct account, as per the PI/PD's indication.

#### *Disallowed Cost Transfers*

- i. The corresponding project/program and signing academic officials' administrators are responsible for removing expenditures from the specific account if the expenditures are disallowed or unallowable.
- ii. In the case of cost transfers that are disallowed due to failure to meet the timing or documentation requirements stated above, the responsible academic unit and its administrator will identify the corresponding account to which charges will be made in fulfillment of their fiscal responsibility.
- iii. Those incurring in cost transfer disallowances **MUST** submit immediately to the OSP (or its equivalent) or Office of Finance a corrective action plan to adequately address this accounting deficiency.

#### f. Participants Support Cost

Participant support costs are defined as “direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia or training projects.” (2 CFR, Part 230).

Participants may include students, national scholars and scientists, private sector representatives, agency personnel, teachers, and others who attend and participate in conferences, workshops, or training activities. UPR faculty and staff are not eligible for participant support, unless specifically provided for in the award document.

Funds provided for participant support may not be used for other categories of expense without specific prior written approval of the Program Officer at the awarding agency. Participant support allowances may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. Facilities & Administrative (F&A) costs may not be charged against Participant Support Costs.

- i. Identifying and Accounting for Participant Costs

When an award provides funding for Participant Support Costs, they must be accounted separately from other costs. The Finance Office will establish a separate account and special accounts-object code segment values to identify these fund expenses. Special UFIS account codes can further differentiate expenses, as defined by UPR Financial System.

- g. Allowable and Unallowable Cost (Expenditure monitoring)

Allowable and unallowable costs are determined by 2 CFR, Part 220, that establishes the principles to determine costs applicable to agreements within educational institutions.

- i. Allowable cost

There are four ways to determine the allowability of cost applied to federally sponsored agreements. Allowable cost must be:

- a. Reasonable

- i. The costs must be necessary for fulfillment of the agreement and acquired by means consistent with federal and state laws and regulations.
- ii. Costs incurred must be consistent with institutional policies and practices.

b. Allocable

A cost is allocable to a sponsored agreement if the goods/services involved are charged in accordance with the relative benefits received by that agreement. A cost is allocable to a sponsored agreement if:

- i. it is incurred solely to advance the work under the sponsored agreement.
- ii. it benefits both the sponsored agreement and other work of the institution in proportions that can be approximated through use of reasonable methods.

Any cost allocable to a particular sponsored agreement may not be transfer to another sponsored agreement in order to meet deficiencies caused by overruns or other funding considerations: to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.

c. Treated consistently

Similar costs cannot be treated as both direct and indirect costs. Like costs must be treated the same in like circumstances, regardless of the funding source.

d. Conform to any limitations or exclusions in the sponsored agreement

ii. Unallowable cost categories

- a. Advertising Costs are allowable only if they are necessary to meet the requirements of the contract performance.
- b. Public Relations Costs are unallowable except for (1) costs specifically required by government contracts, (2) cost of communicating with the public and press pertaining to specific accomplishments which result from government contracts or (3) costs of conducting communication and liaison necessary to keep the public informed on matters of public concern such as notices of awards, financial matters, etc.
- c. Alcoholic Beverage Costs

- d. Bad Debt Costs
  - e. Automobile Costs for Personal Use
  - f. Defense and Prosecution of Criminal and Civil Proceedings, Claims Appeals and Patent Infringement
  - g. Donations and Contributions
  - h. Entertainment Costs
  - i. Executive Lobbying Costs Incurred in Attempting to Improperly Influence either Directly or Indirectly an Employee or Officer of the Federal Government Regarding a Contract
  - j. Fines and Penalties resulting from failure of the company to comply with federal, state, local or foreign laws and regulations
  - k. Goods and Services Cost for Personal Use
  - l. Personal Housing and Living Expenses (not to be confused with direct travel costs which are allowable)
  - m. Insurance Costs to Protect Against Defects in Materials or Workmanship
  - n. Interest and Investment Management Costs are unallowable except for cost related to the physical custody and control of monies and securities and for interest cost paid to external parties for assets (buildings and equipment) used to support government contracts
  - o. Losses on Government or Other Contract
  - p. Membership Costs in Civic, Community Organizations, Country Clubs or Social or Dining Clubs
  - q. Pre-Contract Costs, unless approved by the Contracting Agency
  - r. Airfare Travel Costs in Excess of the Lowest Available Commercial Discount or Standard Coach Airfare
- h. Award Related Goods and Services Expenditures

All purchasing and procurement at the UPR is managed in accordance of Federal, State, Sponsor, and UPR regulations. In instances where UPR policies differ from sponsor requirements, sponsor requirements prevail if they are more restrictive.

Award related goods and services expenditures charged to federal award must be allowable and in accordance with the applicable cost principles. When the terms and conditions of the agreement require advance approval from the sponsor (large items of equipment almost invariably require such prior approval), the Office of Sponsored Programs or its equivalent can assist in obtaining that approval, but it is the PI/PD's responsibility to initiate the request.

There are several primary mechanisms for making purchases for sponsored programs: Procurement cards, Purchasing Office, and Petty Cash. The following policies or procedures apply when acquiring goods or services for sponsored projects:

Certification Number 30, Board of Trustees (2008-2009)  
Certification Number 190, Board of Trustees (2002-2003)  
Certification Number 191, Board of Trustees (2002-2003)  
Certification Number 192, Board of Trustees (2002-2003)  
Circular 04-13, Office of Finance Central Administration, October 30, 2003- Procurement Cards  
Petty Cash

i. Prior Approvals

Prior approvals are presented under the terms and conditions of the award and are required for some types of budgetary changes, closeout reports, project reports and subrecipient monitoring. PI/PD and sponsored project administrators should be aware when prior approvals are required and whether they can be granted institutionally or whether agency approval is required such as carryover, change in scope, and no cost extensions.

Prior approval is required for:

- a. Change in scope
- b. Changes in status of key personnel
- c. Change of grantee organization
- d. Carryover of unobligated balances
- e. Deviation from award terms and conditions

- f. Addition of foreign components
- g. Additional funding
- h. Pre-award cost (more than 90 days before effective date of the initial budget period of a new or competing continuation award)
- i. No cost extension
- j. Transfer of funds between construction and non-construction work
- k. Transferring amounts from trainee cost and or participants support cost

Terms and conditions of the grant award indicate how approval is obtained.

j. Federal Financial Reporting (FFR)

Federal financial reporting is normally required within 90 days of the termination date of the award and is indicated in the terms and conditions. The Office of Management and Budget (OMB) provides standard form SF-425 to report on the cash management and financial status of an award.

The award of federal grants requires the recipient to submit reports periodically on the financial status of these grants to the agencies that provide the funds. The UPR is responsible for administering the funds that it receives from federal, state and private agencies, and for complying with the requirements and regulations that these agencies stipulate. The OMB has consolidated two financial reports into one, known as the Federal Financial Report SF-425. As the agent responsible for the management of funds that are awarded, the UPR has established a procedure for the preparation of these financial reports such that the regulations of the different federal agencies are effectively complied with.

The following procedure complies with the Finances and Accounting Regulations of the University of Puerto Rico, 2 CFR Part 215, 2 CFR Part 220, and OMB Circular A-133.

This procedure aims to streamline the preparation of the FFR, quantifying the disbursements incurred within a set period, evaluating and ensuring that transactions are not duplicated or that costs have not previously been billed in prior periods. It is important to identify that the disbursements



are found within appropriate categories and appropriately calculate the corresponding indirect costs (Facilities and Administration costs).

The Finance and Accounting Office are responsible for preparing the report. This function can also be assigned to various people within the same office who are knowledgeable in the area of accounting, who are knowledgeable in the management of external funds and who are familiar with federal regulations.

The persons responsible for transmitting the FFR must complete the costs reconciliation between “University Financial Integrated System” (UFIS), the funds petitions that have been made during the current trimester and the cumulative data of the FFR from prior trimesters.

#### FFR Procedures

##### i. Expenses and funding requests:

1. Funding requests are completed to gain back the funds that have been disbursed by the institution within a determined period of time. The funding requests can be made daily, weekly, monthly and/or per trimester, to ensure a constant cash flow.
2. The persons in charge of the funding requests should perform the reconciliation of expenses between the accounting system UFIS and the funds requirements that have been processed during the current trimester.
3. To complete the requirements of funds, the costs to be requested should be registered in the financial system within the period to be reported. The applicant or authorized person should analyze the reports that the University of Puerto Rico financial system (UFIS) provides.
4. Within the UFIS system, select the module “General Ledger User” and select the option of “Discoverer Viewer”. The report selected can be the “Grants Cash Draw Request”, the “Account Transaction Register”, the “Available Fund Report–FBM 061” or any other that is accessible to the personnel of the Unit. Each of these reports provides the same information, although in a different format. Each of these reports provides the total of incurred costs and/or paid through the accounting system.
  - a. The “Grants Cash Draw Request” has the information resumed by amounts, by expense codes, by project or by batch. This report includes all transactions registered in

the requested period even if the cost pertains to a different period. This report is recommended for the funds requirements, since it guarantees that all costs incurred in the period indicated are requested from the federal government.

- b. The “Available Fund Report-FBM 061” has the information resumed by amounts and projects, and includes the total expenses of the project up to the current date (Current Project Year). This report includes all transactions that correspond to the period requested that have been registered up until the moment the report is requested.
- c. The “Account Transaction Register” contains a list of all detailed transactions and only includes the transactions that affect the requested period. From this report, only transactions classified as “current” in the column “Balance Type” will be used.

Before amounts are reported, they must be confirmed as correct and if any discrepancy exists, it should be analyzed and corrected before each report is submitted.

- b. To produce the reports, the accounting system user should utilize the parameters that correspond to his/her campus/unit to access the reports. Some of the parameters are the following:

Fund Low: XX231 (define the financing source)  
Fund High: XX235  
Dept High: XXX (groups the larger unit)  
Dept Low: XXX  
Sub Dept High: XXX (groups the lesser unit)  
Sub Dept Low: XXX  
Object Low: 5000 (expense codes that are being used)  
Object High: 9999  
Expenditure Function Low: XXX  
Expenditure Function High: XXX  
Project Low: 111430000000 (project number)  
Project High: 111439999999  
Period: SEP-10, OCT-10, NOV-10  
Fiscal Year: (00 for the current year)

- c. The user can export the selected report to a Microsoft Office Excel application. Through the report, totals and cost breakdown can

obtained before drawing down the funds. Each campus/unit can choose between making a cost analysis by federal agency or within agency by project, obtaining the individual information of each grant to be reported.

- d. For the F&A calculation, each campus/unit should verify the negotiated agreement that is currently in place and applicable to grants approved by federal agencies.
- e. The funds to be requested by project, agency, and account should be identified. Once the cost are broken down by project and federal agency, the authorized user enters into the corresponding systems to request the funds from the federal agencies.

#### FEDERAL FINANCIAL REPORT (FFR) AND FEDERAL CASH TRANSACCION REPORT (FCTR)

Method or Process	Agency	Electronic access (link)
FASTLANE	NSF	<a href="https://www.fastlane.nsf.gov/fastlane.jsp">https://www.fastlane.nsf.gov/fastlane.jsp</a>
DIVISION OF PAYMENT MANAGEMENT (DPM)	NASA, NIH, MBRS,USDA	<a href="http://www.dpm.psc.gov/">http://www.dpm.psc.gov/</a>
GRANTSONLINE	NOAA	<a href="https://grantsonline.rdc.noaa.gov">https://grantsonline.rdc.noaa.gov</a>
AUTOMATED STANDARD APPLICATION FOR PAYMENTS (ASAP)	NOAA, DOE, NETL	<a href="https://www.asap.gov">ttps://www.asap.gov</a>
PAY WEB	DOD-ONR	<a href="https://services.onr.navy.mil">https://services.onr.navy.mil</a>
US DEPT. OF EDUCATION	G-5	<a href="https://www.g5.gov">https://www.g5.gov</a>
PDF VIA E-MAIL	NATIONAL ENERGY TECHNOLOGY LAB	Via e-mail
eRA COMMONS	NIH, MBRS	<a href="https://commons.era.nih.gov">https://commons.era.nih.gov</a>
WAWF	MDA MISSILE DEFENSE AGENCY	<a href="https://wawf.eb.mil/">https://wawf.eb.mil/</a>

- i. After performing the analysis and request for funds, one account will be identified for billing, among the different accounts of the project and the corresponding F&A costs.

For example:

Upon receiving a Notice of Grant Award (NGA) or a contract with a federal and/or state agency, the account for a differed billing from the total of the grant award or contract will be set in the following manner:

Dr. XXXXX-XXX-XXX-1321-XXX-XXXXXXXXXXXX-00  
Cr. XXXX-XXX-XXX-1391-XXX-XXXXXXXXXXXX-00

When processing any bill, the account to be charged is identified and the account for differed billing is reduced as follows:

Dr. XXXXX-XXX-XXX-1322-XXX-XXXXXXXXXXXX-00  
Cr. XXXXX-XXX-XXX-4331-XXX-XXXXXXXXXXXX-00

Dr. XXXXX-XXX-XXX-1391-XXX-XXXXXXXXXXXX-00  
Cr. XXXXX-XXX-XXX-1321-XXX-XXXXXXXXXXXX-00

To register entries of F&A costs:

Dr. XXXXX-XXX-XXX-9011-XXX-XXXXXXXXXXXX-00  
Cr. XXXXX-XXX-XXX-1199-XXX-XXXXXXXXXXXX-00

Dr. XX110-000-000-1199-000-000000000000-00  
Cr. XX110-000-000-49XX-000-000000000000-00

Note: The entry codes can be:  
4941 for research projects  
4945 for services projects  
4944 training projects

ii. Recognizing payment from the federal agency:

1. The federal agencies will emit an electronic funds transfer once the funds request application is received.
2. The electronic funds transfer is sent directly to the bank accounts of the UPR.
3. Once the transfer is received, the Finance/Accounting Office performs a reconciliation and registers the deposit into the corresponding project federal accounts account to be billed through an adjustment, utilizing the documents and balances used to perform the request for funds as evidence.

Upon receiving the check or credit in the bank account, the billed account will be eliminated.

If an account to be billed was established as:

Dr. XXXXX-XXX-XXX-1111-XXX-XXXXXXXXXXXX-00 (the code might be 1110)  
Cr. XXXXX-XXX-XXX-1322-XXX-XXXXXXXXXXXX-00

iii. Preparation of the FFR SF-425

1. The SF-425 Federal Financial Report (FFR) is a standardized report created for all federal agencies with the objective of reporting the financial status of each grant award and/or cooperative agreement. The FFR summarizes the obligations and the disbursements incurred during the period of the grant award.
2. There is a period of 30 days to submit the FFR report after the close of the trimester or as the agency indicates.
3. In preparing the FFR report with the corresponding amounts, the accountant should verify that the funds requests and all expenses of the trimester should tabulate correctly such that the correct amounts are reported. This is performed through a reconciliation of income and expenses. The reconciliation shall be compared to the information contained in the UFIS system reports: “Grants Cash Draw Request”, “Account Transaction Register”, and “Available Fund Report–FBM 061” or any other that is accessible to the personnel of the campus/unit.

If the campus/unit found any differences between the reports and the amount reported in the FFR, an analysis must be prepared in order to find the differences. The analysis should be done by comparing the report used to prepare the FFR that correspond to the previous quarter with the same report used to prepare the FFR for the actual quarter. The difference should correspond to those transactions that have been registered subsequently but affects prior accounting periods. This may not occur if the “General Ledger” of each unit is closed monthly. Once the difference is identified, the requests of funds are reconciled and the necessary corrections are made to the FFR. If during the process of reconciliation the unit identifies that an excess of money occurred in the request of funds, that amount should be sent immediately to the corresponding agency.

4. The campus/unit cannot proceed to request not disbursed funds.
5. The FFR includes the following information:
  - a. Line 1-9 - General information about the institution that receives the funds.
  - b. Line 10a-10c – Information about cash transactions.

- i. “Beginning Cash on Hand” or the final balance of the previous report and the received payments during the reporting period.
  - ii. “Cash Disbursement” disbursed amounts in a specific period of one or more grants.
  - iii. Adjustments
  - iv. “Cash on Hand” is the result between the money received less disbursements adding the adjustments.
- c. Line 10d-10h “Federal expenditure and unobligated balances” includes:
  - i. “Total Federal Funds authorized”: total of federal funds authorized
  - ii. “Federal Share Expenditure”: accumulated total disbursements of federal part of grants
  - iii. “Federal Share of Unliquidated Obligations”; federal obligations pending of payment
  - iv. “Total Federal Share”: total sum of expenses and obligations
- d. Line 10i-10k – “Recipient Share”
 

It must include assigned part and the expended matching funds of federal projects.
- e. Line 10l-10o “Program Income”
  - a. It is an additional income that is generated as part of the federal grant activities. This income may affect amount granted in the “grant award” reduced it or it may be considered as an additional amount to the “grant award”
  - b. It is not necessary to complete this section if you have multiple “awards”, but the federal agency may request that you report any grant separately.
  - c. This income (“program income”) has to be reported in the FFR, unless any other guideline is established

in the “Notice of Grant Award (NGA)” or “award letter”.

f. Line 11 – “Indirect Costs”

The information is completed if requested. It includes the type of facilities and administrative (indirect) cost, the applied percentage, the period, the calculated base for the applied amount and the calculated amount.

g. Line 12 “Remarks” for explanatory notes and comments.

6. Each FFR report must be certified by the preparing official and by the responsible verifying and authorizing official. The final FFR is submitted to the agency.

iv. Record keeping

The campus/unit is responsible for maintaining a file for each project or account with evidence and a copy that contains the information provided in the FFR for future monitoring and auditing. This evidence must be kept in a file in accordance to the regulated time established by the federal/state agencies.

k. Subawards and Sub recipients

The policy describes the roles of the parties involved in proposal, issuance, oversight, and closeout of subawards, including the responsibilities of assessing and overseeing risk associated with a given subrecipient, audit oversight, monitoring subawards, review and processing of invoices, proper management of equipment purchased, fabricated or otherwise acquired under subawards, application of F&A costs, subaward reporting, and closeout.

i. Subaward definitions:

1. Subaward - a formal written agreement made between campus/unit and a "Subrecipient" (as defined below) to perform a portion of the Statement of Work under a sponsored project. A subaward must include a clearly defined, intellectually significant Statement of Work (SOW) to be performed by the Subrecipient. The Subrecipient's SOW is performed by its personnel, using its own facilities and resources. Work is usually performed at the Subrecipient's site. The Subrecipient takes full responsibility for adhering to the terms and conditions of the subaward (including those flowed down from campus/unit), and assumes creative and intellectual responsibility and

leadership as well as financial management for performing and fulfilling the Subrecipient's SOW within the Subrecipient's approved budget. Subawards differ from procurement contracts used to acquire goods or services from vendors.

2. Pass-through entity - a non-federal entity that provides an award to a subrecipient to carry out a program (Statement of Work on a sponsored project). The pass-through entity assumes responsibility for negotiation, issuance, oversight, and management of a subaward. The pass-through entity assumes many of the responsibilities typically assigned to a prime sponsor in issuance and oversight of an award to a grantee or contractor, including verification of the financial viability, adequacy of compliance controls and audit status of its subrecipients as well as oversight and verification of the subrecipient's fulfillment of its portion of the programmatic effort. The campus/unit serves as the pass-through entity for subawards issued under its sponsored projects.
3. Subrecipient - a non-campus/unit entity that expends awards received from campus/unit to carry out a portion of campus/unit's programmatic effort under a sponsored project. There must be an arms-length relationship between campus/unit and its subrecipients. The Subrecipient may be another educational institution, an independent laboratory, a foundation, a for-profit corporation, a non-profit corporation or other organization, and may be a domestic or foreign entity.

For both federal and non-federal sponsored projects, campus/unit adheres to the federal government's definition of a Subrecipient as defined in OMB Circular A-133.

4. The Federal Demonstration Partnership (FDP) is a cooperative initiative among 10 federal agencies and 98 institutional recipients of federal funds; its purpose is to reduce the administrative burden associated with research grants and contracts. The interaction between FDP's 300 or so university and federal members takes place at three annual meetings and through various collaborative working groups and task forces. The FDP is a forum for universities and nonprofits to work collaboratively with federal agency officials to improve the national research enterprise. More about the activities and member institutions of the FDP can



be found at: [www.thefdp.org](http://www.thefdp.org). Currently, the UPR is not a member of the FDP.

ii. Distinguishing between a subaward and a procurement action

a. Importance and responsibility for proper classification

The proper classification of a transaction as a subaward or other procurement action at the time it is proposed is critical to ensure proper accounting for costs and compliance requirements. Misclassification may result in delays in subaward processing or inaccurate calculation of costs (i.e., failure to include or exclude F&A costs) and may result in the PI/PD having insufficient funding to carry out the proposed program.

PI/PDs have the initial responsibility for ensuring the correct classification of costs at the time funding is first requested from the sponsor. The PI/PD must ensure that sufficiently detailed information about the proposed vendor or subrecipient and their SOW are provided both to their departmental administrators and to the applicable research administration offices. If the departmental administrator or institutional official determines that a cost has been misclassified, it will require the proposal to be corrected before it receives institutional endorsement. PI/PDs and departmental administrators are strongly encouraged to consult with their institutional representative well in advance of a proposal due date if they are uncertain about the correct classification of costs.

F&A waivers or reductions are not granted to remedy incorrect classifications of costs.

iii. Proposing a Subaward (determining the need for a subaward)

The PI/PD is responsible for determining the need for a subaward and/or other procurement action on a sponsored project, and for the initial determination of which mechanism is appropriate. PI/PDs are typically assisted by their departmental administrators in making these determinations.

iv. Issuance of a Subaward

a. Pre-award spending

A subaward will not be issued, nor payments to a Subrecipient authorized, prior to campus/unit's receipt and acceptance of a funding commitment from the prime sponsor. A campus/unit PI may not authorize a Subrecipient to begin working without a fully executed subaward agreement in place.

b. Periods of performance and duration

The period of performance of a subaward (including any requested extensions) may not be outside of campus/unit's period of performance for a competitive segment under the prime award. A new subaward will be issued whenever campus/unit's sponsored project receives funding under a new competitive segment.

c. Applying F&A (Indirect Cost) rates to subawards

There are two types of F&A costs on subawards - those earned by the Subrecipient, and those earned by campus/unit. A Subrecipient is expected to apply its own federally-negotiated F&A rates and bases when preparing its subaward budget. If a Subrecipient does not have a federally approved F&A rate, it must either have its proposed indirect cost rate approved by campus/unit or elect not to recover indirect costs. Campus/unit applies the OMB A-21 "life-of-the-award" policy with respect to its subawards and will use the approved F&A rates authorized at the time of issuance of the subaward.

When campus/unit's prime award uses an F&A rate that is based on a Modified Total Direct Cost Base, campus/unit will recover its own F&A on the first \$25,000 of each subaward on a project. This recovery is calculated on the life of the subaward.

v. Subrecipient Audit Requirements

a. Subrecipients subject to OMB Circular A-133

Prior to issuance of a subaward, proposed subrecipients must complete, sign and submit the Subrecipient Commitment Form to the Legal Office, the campus/unit legal advisors or its equivalent. In addition, they must provide a complete copy of their most recent independent audit used to meet their A-133 requirement, or a link to their record on the Federal

Audit Clearinghouse. The Legal Office or its equivalent will review the report to verify that there are no findings that may impact the subaward. In the event there are such findings, a corrective action plan must be submitted.

b. Subrecipients not subject to OMB Circular A-133

If the Subrecipient is not subject to A-133 audit (because the Subrecipient is a for-profit entity, a foreign entity, or expends less than \$500,000 in a year in Federal awards), it must complete an internal campus/unit Audit Certification and Financial Status Questionnaire, and provide any requested information (including audited financial statements) before a subaward can be issued. The Legal Office or its equivalent will review the financial questionnaire as a part of its overall risk analysis and will contact PI/PDs with any questions or to discuss the audit status or the proposed fitness of a particular Subrecipient.

c. Annual audit review

As per OMB Circular A-133, Section 510, a Subrecipient's audit status will be reviewed annually. This review will determine whether there are reportable conditions relating to the Subrecipient's internal controls, noncompliance by the Subrecipient with laws and regulations, questioned costs in the Subrecipient's financial statements, or other reportable audit findings which might affect a campus/unit program.

vi. Subrecipient Monitoring

a. Role of the PI/PD

Campus/unit is responsible for ensuring that sponsor funds, including those provided by campus/unit to other entities, are spent in accordance with all applicable laws and regulations. OMB Circular A-133 requires campus/unit, as the pass-through entity, to monitor its subrecipients.

Campus/unit has designated the PI/PD as the individual primarily responsible for monitoring the programmatic and financial performance and progress of a subaward.

As part of campus/unit's monitoring responsibilities, the duties of the PI/PD during the life of the subaward are as follows:

- i. Understand the terms and conditions of the prime award, including those flowed down to the Subrecipient and those that may have been imposed by campus/unit, and to regularly monitor the Subrecipient's adherence to the subaward's terms and conditions. Such monitoring may take place through phone calls, emails, site visits, meetings, or other regular contact.
- ii. Assure that Subrecipient's invoices are prepared in accordance with subaward requirements; to verify that the costs incurred are in accordance with the approved budget or permissible rebudgeting; were incurred within the approved period of performance and overall cost limitations, and are aligned in terms of cost and type of expense with the scientific progress reported to date; and that the costs are allowable, as they relate to the terms and conditions imposed by the sponsor and the subaward issued by campus/unit. In the event the level of detail included on an invoice is not sufficient to fully understand the costs, or if it appears that some costs may be excessive or understated, the PI/PD is responsible for questioning the Subrecipient's expenditures or requesting further documentation or explanation prior to approving an invoice. Copies of all such documentation and the ultimate outcome of the investigation should be retained in the project file. Such inquiries should be done in a timely manner so that the Subrecipient can be promptly paid for approved costs.
- iii. Personally approve acceptable Subrecipient invoices for payment and to review expenditure statements or otherwise ensure that payments to subrecipients are made in a timely manner, consistent with the terms of the subaward and approved invoices.
- iv. Monitor the Subrecipient's scientific progress in terms of the Statement of Work and any required milestones.
- v. Verify that the Subrecipient is adequately meeting any cost-sharing commitments made for the subaward, and that the Subrecipient's indirect costs as charged are in compliance with the "life-of-the-award" policy and indirect cost rate agreement specified in the subaward.
- vi. Verify that any human subject, animal subject, biosafety or other compliance approvals applicable to

the Subrecipient's Statement of Work are kept current throughout the performance of the subaward.

- vii. Be the primary point of contact for the Subrecipient during performance of the subaward.
- viii. Ascertain whether the subaward Statement of Work or budget, or both, require modification to add funding, time, or other considerations, and to notify the Office of Contracts in a timely manner so an amendment may be prepared.
- ix. Plan for efficient completion of performance and close-out of the subaward. This includes requiring that the subaward period of performance end no later than the end date of the prime award, and that the Subrecipient's final invoice, final technical report, and any required reports, including those on property, use of small businesses, or inventions, be submitted no later than 60 days after the end of the Subaward period of performance or as otherwise stated in the subaward terms and conditions.
- x. Assist in obtaining or reviewing reports, complying with additional monitoring responsibilities, obtaining audit information or monitoring a Subrecipient's adherence to corrective action plans.

#### vii. Corrective Action Plans and Sanctions

##### a. Imposition and monitoring of corrective action plans

In the event of audit findings which relate to the funding provided by campus/unit under any Subawards, Office of Sponsored Program, or its equivalent, will require compliance by the Subrecipient with a Corrective Action Plan as required by OMB Circular A-133, Section 315. Office of Sponsored Programs, or its equivalent, will exercise its management authority and decision-making to determine whether to approve a Corrective Action Plan proposed by the Subrecipient or to modify that plan to incorporate additional requirements. PI/PDs will be informed if their Subrecipient is subject to a Corrective Action Plan, and may be asked to help monitor the Subrecipient's compliance.

##### b. Sanctions

If the Subrecipient fails to have an audit performed in accordance with campus/unit requirements, does not exhibit reasonable diligence in adhering to subaward terms and conditions, including reporting and invoicing requirements, or does not fulfill its Corrective Action Plan, Office of Sponsored Programs, or its equivalent, may impose sanctions upon the Subrecipient, including withholding of payment, disallowing overhead costs, suspending the Subaward until such time as an adequate audit or other applicable corrective actions are performed, or terminating the Subaward. (A-133, Section .225)

viii. Closeout of Subawards

A Subaward is closed out when its period of performance comes to an end, regardless of whether campus/unit's project is ending or continuing. When feasible, it is advisable for a subaward period of performance to be slightly shorter to allow sufficient time for collection and review of the Subrecipient's final reports, verification of Subrecipient data, and incorporation of the Subrecipient's research results into the final technical report to the sponsor.

a. Final technical reports

PI/PDs are responsible for obtaining final technical reports from their subrecipients, and retaining a copy in their project file. PI/PDs are encouraged to remind subrecipients of this need well in advance of the due date for such reports.

b. Other closeout reports and documents

Other final reports, including property reports, patent reports, small/small disadvantaged business reports may be required. PI/PDs and departments may be asked to assist Office of Sponsored Programs, or its equivalent, in obtaining the necessary closeout reports in a timely manner from the Subrecipient.

ix. Final Invoice

In order for campus/unit to comply with its financial report requirements, subrecipients are required to submit a final invoice, clearly marked FINAL no later than 60 days after the end of the Subrecipient's period of performance, or such other date as may be specified in the Subaward. In the event no invoice

is received 60 days after the end of a subaward, campus/unit may treat the Subrecipient's last invoice as the final invoice. Payment for Subrecipient invoices submitted later than 60 days after the end of the Subaward may not be paid. PI/PDs and departments are responsible for assisting Office of Sponsored Programs, or its equivalent, in obtaining final closeout information, including invoices, from their subrecipients.

## 1. Subcontracts Monitoring Process

As principle “grantee” of a project, the UPR has the responsibility to ensure that the project for which funds are received is in fact completed and is carried out appropriately according to applicable federal regulation. Thus Project Reports of the subcontracted entity should be evaluated by the PI/PD of the project and discussed with the PI/PD of the subcontracted entity, if necessary. This report is normally incorporated to the Progress Report submitted by the “grantee” to the sponsoring agency.

The grantee is responsible for monitoring the activities of the subcontracted entity to ensure that the terms and conditions of the subcontract are fulfilled.

The grantee must ensure that any entity subcontracted with federal funds in excess of \$500,000 a year must comply with the OMB Audit Circular A-133. To evidence this, the grantee must request copy of the Audit completed for the subcontracted entity in compliance with this circular. The grantee should ensure that any existing findings in this audit are considered by the subcontracted entity in a diligent manner.

The following individuals and/or work areas will be responsible for the aspects of the monitoring as described below:

Principle Investigator/Project Director and Project Managers must:

1. Verify the progress reports submitted by the PI/PD of the subcontracted entity. The lack of compliance or dissatisfaction with the labor performed should be discussed immediately.
2. Verify bills received to ensure compliance with the terms of the subcontract. The PI/PD should give approval for the bills, to indicate that they were reviewed and that they can be submitted for payment. The bill should reflect the progress of the labor performed. Once approved by the PI/PD, the Finance Office will proceed with the corresponding payment.

3. Perform visits to document the purchase, location and the appropriate use of equipment purchased with funds of the subcontract. The report of these visits will form part of the fiscal file.

Finance Office will:

1. Ensure that each subcontracted unit receives the annual copy of the audit corresponding to Circular A-133 for each subcontracted entity. The audit report will be evaluated to confirm compliance with applicable regulations and check for relevant findings. In those cases where relevant findings exist, follow-up will be provided to ensure that the subcontracted entity took corrective action to address them within a reasonable time frame. If the subcontracted entity does not provide the information required related to Circular A-133, or does not attend the findings appropriately within the established time frame, this will be cause for terminating the subcontract.
2. Maintain evidence of all reports and certifications for a period of three years after concluding the grant.
3. Assure that all subcontracted entities conform to the same terms.
4. Evaluate invoices submitted by subcontracts to assure compliance of allowable and verify terms and conditions within the grant and subcontract.

#### Fiscal Monitoring

The Accounting Office evaluates the invoices submitted by the subcontracted entity to assure it complies with the following fiscal requisites:

1. Expenses billed were accounted for within the current period of the subcontract.
2. The amount billed does not exceed the total authorized within the subcontract.
3. The expenses are necessary for the implementation and administration of the Project. These are allowable, reasonable and consistent. Any inappropriate charge will be referred to the subcontractor for further clarification.



4. Verify that Facilities and Administrative Costs (F&A) are applied correctly.
5. Verify that the evidence for each cost was performed adequately. This evidence can be, but not limited to purchase orders, invoices, payrolls, canceled checks, among others. If any needed evidence is missing, the invoice will be discussed with the subcontractor to request further information.
6. Invoices with small amounts or that are received inconsistently will be brought to the attention of the PI/PD and the Director of Finance to evaluate the programmatic issues of the subcontract and possible problems.
7. Verify in the Accounting System of the grantee the amounts available for the invoices submitted by the subcontractor.
8. For the final invoice payment, the Finance Office must be sure to have the PI/PD certify that the tasks were accomplished in accordance with the subcontract and they can proceed with final payment.
9. Any transfer of funds between budget line items performed by the subcontractor must have previous authorization of the grantee and must verify that it is applicable according to the current policies and procedures.

The outcome of the evaluations of the invoices will determine the need of a site visit to the subcontractor. In subcontracts of three years or less, a fiscal monitoring site visit will take place during the period of the subcontract if necessary. In subcontracts of more than three years, two fiscal monitoring will take place, if necessary.

#### m. Matching Funds/Cost Sharing

The following documents the UPR policies and procedures on cost sharing/matching funds including aspects related to their identification, funding, accounting, monitoring, and reporting in conformity with institutional and sponsor guidelines. Some sponsors require institutional cost sharing/matching on their grants and contracts as a matter of statute, regulation, or policy. In these cases, UPR follows its long-standing practice of meeting published cost sharing/matching requirements for programs that promise or continue to advance the university's research mission and goals.

“Matching funds” is essentially synonymous with cost sharing, since either one occurs when a portion of the total costs of a sponsored project are

assumed by the university, not the sponsor. Cost sharing/matching requirements may be in the form of an actual cash expenditure of funds, or may be an “in-kind” match, which is the value of non-cash contributions to the project (example, a faculty or personnel percent effort commitment to a sponsored project/program). The university is said to have committed cost sharing, when in the proposal’s budget or text body of the award it pledges and/or agrees to assume a portion of the total costs of a sponsored project. The university incurs in a contractual obligation to share in the costs of a sponsored project when Cost Sharing/Matching Funds are committed. Committed cost sharing/matching funds may be mandatory or voluntary. The university may incur in:

- Committed mandatory cost sharing/matching funds as a pre-condition of the sponsor to approve an award; and,
- Committed voluntary cost sharing/matching funds on a voluntary basis without the sponsor’s requirement as a condition to grant an award.

In addition, the University incurs in *Uncommitted voluntary cost sharing/matching* when on a voluntary basis there are costs/funds associated with a project not being funded by the sponsor, yet no commitment of the university has been indicated for these costs in the body of the proposal, the proposal’s budget or in any other communication to the sponsor.

Committed cost sharing/matching institutional funds become an integral part of a sponsored project/program once awarded, and hence are subject to institutional and sponsor rules, regulations and audits. Indeed, the proper documentation of cost sharing/matching funds is one of the major targets of audits, and major reason for cost disallowances and penalties from sponsoring agencies. The latter underscores the need for the harmonization and updating of the university policies and guidelines with those of sponsors. The policies and procedures contained herein establish the UPR terms and conditions for the commitment of institutional cost sharing/matching funds.

## Policies

- i. As a general rule, the University of Puerto Rico should not incur in cost sharing/matching funds commitments unless mandated by the sponsoring agency.

In sponsored awards, the UPR expects to receive full reimbursement for expenses, both direct and indirect (F&A) costs. It must be clear to all university faculty and personnel that every dollar of cost sharing/matching funds results in UPR forfeiting not only the recovery of the direct costs, but also the recovery of the associated F&A costs. In doing so, UPR agrees to commit amounts in its research base for which no direct cost reimbursement is received and it decreases the federally negotiated F&A rate. This can negatively impact the UPR’s ability to support and further develop its research enterprise.

- ii. UPR will assume a voluntary cost sharing commitment in sponsored programs/projects ONLY under the following conditions:
  - the sponsor permits it or this type of commitment is encouraged due to the highly competitive nature of the award(s);
  - the PI/PD has justified the university's commitment due to the exceptional/extraordinary properties of the award to advance the UPR's research mission and goals;
  - the costs committed are allowable according to sponsor and institutional regulations;
  - voluntary cost sharing/matching funds are in accordance with priority criteria established under this policy (Certification No. 16 (2011-2012) see Policies 5, 6 and 7).
  - the funds have been adequately identified at the PI/PD's department, campus levels, and/or the Central Administration's Budget Office (UPRBO), and
  - the proposal and its cost sharing/matching commitments are fully endorsed by the PI/PD's department, deanship, chancellor, Vice President for Research and Technology, UPRBO, and the President (see Proposal Transmittal and Approval Form, and the Cost Share/Matching Funds Petition Form).
- iii. UPR will assume mandatory cost sharing commitment in sponsored programs/projects that:
  - require it as a pre-condition to grant an award;
  - advance the UPR's research mission and goals;
  - costs committed are allowable according to sponsor and institutional regulations;
  - the funds have been adequately identified at the PI/PD's department, campus levels, and the UPRBO; and
  - the proposal and its cost sharing/matching commitments are fully endorsed by the PI/PD's department, deanship, chancellor, Vice President for Research and Technology, the Central Administration's BO, and the President (see Proposal Transmittal and Approval Form, and the Cost Share/Matching Funds Petition Form).

When matching funds are completely provided by a campus/unit, it will only be required to provide the corresponding evidence to the VPRT. It must also be underscored, that when mandatory cost sharing is included and accepted by sponsors, the commitment of funds becomes legally binding and is subject to audit. Failure to provide the level of cost sharing required by the sponsor solicitation and reflected in the approved budget may result in termination of the award, disallowance of award costs and/or refund of award funds to the sponsor by the university.

- iv. In mandatory cost sharing/matching funds commitments, the committed costs/funds must be provided to the extent needed to fulfill the sponsor's requirements.

When cost sharing/matching funds are required (mandatory), the level of cost sharing provided must meet sponsors' expectations, but not exceed these. The level of cost sharing/matching funds committed must be provided by the university, even after the actual effort and other costs required to accomplish the goals of a sponsored project differ from what was proposed and awarded, if required by the sponsor. The total costs could decrease due to changes in programmatic needs. Consultation with the sponsor is essential to determine if the reduction can be applied to both sponsor and university contributions on a pro rata basis, and hence seek approval for such reduction. If such were not the case, the sponsor's share may be reduced, yet the UPR entire cost sharing/matching funds commitment must be met. Consultation between the PI/PD, his/her research administrator, the campus/unit OSP (or Research and Development Center) directors, and the VPRT is advisable before the sponsor is contacted on this matter.

- v. Committed cost sharing/matching funds (voluntary or mandatory) are quantified contributions documented in the proposal narrative, budget and/or budget justification, that legally bind the UPR and must be accounted, monitored and reported in compliance with sponsor and federal regulations, and cost accounting standards.

It is therefore required that all cost shared/matching funds expenses be treated in a consistent and uniform manner in proposal preparation and in the financial accounting and reporting of these expenses to sponsors. In this context, The UPR's Cost Sharing/Matching Funds Policies and Procedures pursue compliance with OMB Circular A-110: Requirements for cost sharing on federal awards to be acceptable. This implies that all contributions, including cash and third party in-kind shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria:

- The costs are allowable under the applicable cost principles in accordance with 2CFR Part 220 OMB Circular A-21;
- are verifiable from the recipients records;
- are not included as contributions for any other federally-assisted project or program;
- are necessary and reasonable for proper and efficient accomplishment of project objectives;
- are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching; and

- are provided in the approved budget when required by the federal awarding agency.

Each campus/unit, as well as the UPR BO, is responsible for providing cost sharing/matching funds reports to sponsors and university authorities when required. In such reports, the university must appropriately document and account fulfillment with its cost sharing/matching funds commitment. Therefore, PI/PDs and their research administrators must ensure their corresponding final approved budget commitments have been generated and they have timely completed the institutionally mandated Annual Reports.

All proposed, approved, monitored and reported costs/funds commitments must adequately address the allowability and unallowability criteria detailed below. In this context the responsible PI's and individuals must appropriately document all cost sharing/matching effort committed within the web-based personnel Effort Reporting and Certification system. Accordingly, cost sharing/matching effort must be taken into account in the calculation of an individual's Total Professional Effort (TPE) (see Effort Reporting Policies and Procedures (section VII.B)). At the time an award is made effort must not be committed more than the appointment allows for concurrent periods of time, and not exceed 100% of his/her TPE. In addition, significant decreases (25% or more for grants or an amount specified by the sponsor for contracts) in the effort by key personnel to a project require coordination with and/or advanced approval by a federal sponsor; non-federal sponsors may have similar requirements. This applies to changes in committed levels of effort to be cost shared on the project as well as to that which will, be charged directly to the project.

Importantly, all federally funded research programs must have some level of committed faculty (or senior researcher) effort, paid or unpaid by the Federal government. The exceptions to this requirement are training grants, dissertation support, limited purpose awards, e.g., travel grants, conference support, or when salary support is provided by another funding source such as career awards. In addition, all non-federally funded sponsored programs (including clinical trials) must have some level of committed faculty (or senior researcher) effort, paid or unpaid by the sponsor.

The PI/PD, his/her research administrator, and/or OSP/FO are responsible for maintaining records of all project related costs, and the records retained for the same period as the records for related sponsored project.

- vi. The types of cost sharing/matching funds commitments considered as allowable must meet the following criteria/conditions.

Allowable costs shared or matching funds, in addition to being allowable and allocable under federal cost principles (2CFR Part 220 OMB Circular A-21 and

CFR Part 215 OMB Circular A-110)) and the terms of the sponsored agreement, must meet the following conditions:

- a. Are necessary and directly related to meeting the project objectives;
- b. represent costs incurred during the project period of performance;
- c. must be verifiable from UPR's records; and
- d. for labor costs, documented and certifiable in the university's effort reporting and certification system.

Typical allowable expenses include direct costs, such as salaries, fringe benefits, personnel (faculty, students, other key personnel) efforts (i.e. "% of effort" in NIH modular grant applications), travel expenses, laboratory supplies, equipment in instrumentation awards, and facilities and administrative costs (F&A) (i.e. unrecovered FA) given sponsor authorization. The university, responsible PI/PD and other personnel must appropriately document all cost sharing/matching effort committed within the personnel Effort Reporting and Certification requirements.

In the case of equipment, it should not be offered as cost sharing unless the receipt of the award is contingent upon such cost sharing. Equipment and facilities availability may though be used to enhance the description of the institutional environment and facilities for the conduct of the proposed sponsored project/program. In the case of instrumentation awards, cost sharing/matching funds may typically constitute award pre-conditions or requirements. In such instances, purchase and acquisition must occur during the period of performance, and the portion of the instruments costs shared by the university appropriately charged directly to a cost sharing account in support of the award.

In certain circumstances, with the sponsor's approval, cost sharing/matching funds may also take the form of Facilities & Administrative (F&A) costs ("indirect costs").

- vii. The types of cost sharing/matching funds commitments that will be considered as unallowable (unless approved by the sponsor) must meet the following criteria/conditions:
  - a. Included as cost sharing for any other sponsored project.
  - b. Payable by the same sponsoring agency under another award
  - c. Payable by a different sponsoring agency within the same governmental jurisdiction under another award (e.g., federal funds must not be used for cost sharing on another federal project).
  - d. Otherwise unfunded salary for the effort that is outside of the contractual appointment (e.g., unfunded summer months for faculty with nine-month academic appointments).
  - e. Do not follow the criteria/conditions of allowable costs delineated above, i.e. Unallowable costs as defined in Circular OMB A-21, section J.

- f. Salary dollars above a regulatory cap, e.g., NIH.
  - g. University facilities such as laboratory space and facilities. Yet, PI's can enhance their institutional environment description by explicitly stating the set of facilities "available for the performance of the sponsored agreement at no direct cost to the project".
  - h. Depreciation on federally funded equipment.
  - i. Overdrafts may not be considered cost sharing for purposes of fulfilling a cost sharing commitment because overdrafts are considered unallowable under Circular OMB A-21 (2CFR Part 220).
- viii. When committing voluntary cost sharing/matching funds the UPR seeks to incur in expenditures that further enhance institutional research support and development activities. THEREFORE, University authorized expenditures in this modality of commitment must be allowable under sponsor terms, and will ONLY be authorized with this rank order of university priorities:
- a. *First priority expenditures*: materials and supplies, minor equipment, travel to scientific meetings only when findings will be presented, seminars and workshops (technical and writing), minor alterations and renovations, organization and conduct of minisymposia, support for infrastructure and personnel of university-wide sponsored research and development offices, subcontracting of grant editors, scientific reviewers, manuscript editors, and *In-kind* time-effort commitments of faculty with full-time university administrative responsibilities.
  - b. *Second priority expenditures*: visiting scientists, graduate and undergraduate student stipends, stipends for post-doctoral fellows, internships for collaborative efforts and/or advanced technology training and education, support of institutional research compliance, reasonable and justifiable time-effort commitments where the university will incur in additional compensations (as per Board of Trustees Certification No. 14: 2011-2012) for scientists or coordinators of specific scientific projects or core facilities.
  - c. *Third priority expenditures*: major alterations and renovations, and a limit of 25% or less time and effort commitment of faculty, inclusive of those with part-time university administrative responsibilities, as long as charges are estimated as required using the individual's IBS.
- ix. The University will not authorize nor support with institutional cost sharing/matching funds additional salary compensations or salary charges based work overload estimates (those exceeding the faculty's 100% TPE).

- x. Any re-budgeting that exceeds 25% of the institutionally-approved cost sharing/matching funds must abide by the above priorities, and receive prior approval from the Office of the Vice President for Research and Technology.
- xi. In the cases of uncommitted voluntary cost sharing/matching funds, no commitment of the university is indicated in the body of the proposal, the proposal's budget or in any other communication to the sponsor, for costs/funds associated with a project that are not being funded by the sponsor.

Examples of **uncommitted voluntary cost sharing/matching funds** are: donated (*in-kind*) faculty effort over and above that which is committed and budgeted for in a sponsored agreement, or academic year effort on a project for which only summer salary was proposed, if as stated in the policy, such effort were not indicated on the budget page, the body of the proposal or any other communication with the sponsor.

- xii. In cases of uncommitted voluntary cost sharing/matching funds, effort devoted to a project over and above the effort charged to the project, (or formally cost shared) need not be identified and reported if there is no reduction to other teaching or research and/or any other duties. This should be taken into account in the faculty personnel Effort Report.
- xiii. Only proposals that follow the established Proposal Transmittal and Approval Form and the Cost Sharing/Matching Funds Petition Form will be considered for cost sharing/matching funds commitments.

All PI/PDs requesting any form of cost sharing/matching fund commitment from the university must follow the established procedures for proposal submission and approval and petitioning of cost sharing/matching funds. If cost sharing/matching funds are being requested, it must be clearly indicated on the Proposal Transmittal and Approval Form.. A separate Cost Sharing/Matching Funds Petition Form must also be completed detailing the proposed cost sharing budget, the sharing period of time, and list the institutional sources of funding for the cost shared/matching funds expenses.

- xiv. It is the responsibility of all PI/PDs that obtained any form of cost sharing/matching funds commitment from the university, to inform the Office of the VPRT on the outcome of the corresponding award, whether funded or not, since commitments will only be valid if the proposal receives external sponsor support, and will not be upheld for proposals that fail to receive funding.

In future petitions of cost sharing/matching funds commitments for a



given project/program that was not approved by the sponsoring agency, the PI/PD's must reinstate the due process for proposal submission and sharing/matching petition. In the new petition, they must assure the Office of the VPRT that the external sponsor's evaluation or review critiques have been appropriately addressed to improve the revised proposal application.

- xv. It is the responsibility of all PI/PDs that obtained any form of cost sharing/matching funds commitment from the university to timely complete and submit an Annual Report to the Office of the VPRT and the UPR BO.

The Annual Report must include detailed information pertinent to the approved cost sharing/matching funds. The information must include the following:

- Project title
  - Project period
  - Evidence of approved budget in detail
  - Actual expenses incurred during the period and for the upcoming year
  - Justification of any re-budgeting made to the approved amounts, with corresponding authorizations
  - Specific time/effort commitments shared
  - Accomplishments (publications, patents, students impacted, presentations, recognitions and awards, among others), or copy the progress report submitted to the sponsor agency for the corresponding project period.
- xiv. Administrative and/or disciplinary actions in accordance with University disciplinary procedures may be imposed, due to failure to follow the provisions of this Annual Report, to the PI/PD, research unit, campus or projects/programs, responsible for the violation(s). Specifically,
    - a. If Annual Reports are not completed and returned in a timely manner, in consultation with the VPRT, there may be the need to suspend committed funds authorizations, until Annual Reports are up to date and properly completed and certified.
    - b. Certification of Annual Reports that are known to be materially inaccurate may expose the individual(s) who completed the reports to disciplinary action.

#### Guidelines and Procedures

The VPRT has the responsibility of evaluating proposals for sponsored projects/programs that have filed a Cost Sharing/Matching Funds Petition Form (see <http://acweb.upr.edu/vpit/index.html>). The office of the VPRT in its evaluation process ensures that all University policies and procedures related to Cost sharing/matching funds commitments are appropriately considered by the PI/PD. This evaluation is performed with the collaboration of other University officials outside the VPRT. Each proposal must be timely submitted to the VPRT to provide

sufficient time (in lieu of the internal routing at the Central Administration level) for its scientific/technical merit evaluation, ensure compliance with all pertinent university and sponsor policies and procedures, identification and allocation of the requested funds, and its final endorsement prior to the sponsor deadline. The specific procedures are:

#### Submission and Approval of Cost Sharing/Matching Funds

- i. As indicated in the **Cost Sharing/Matching Funds Petition Form**, each proposal or request for matching funds needs to be submitted to the VPRT with the endorsement of the corresponding campus Chancellor and the details of the institutional commitments it requires, as applicable. In addition, the proposal must be routed 2 weeks prior to its deadline with the sponsoring agency. No other office at Central Administration will accept these kinds of documents for processing.
- ii. Each **Cost Sharing/Matching Funds Petition Form** must be accompanied by an electronic copy (preferably as a PDF file) of the original proposal at the time of submission to the VPRT. The copy submitted to the VPRT must be identical or very similar to the final version to be submitted to the funding agency. Likewise, any written communication to be included in the proposal and to be signed by the President must be provided in electronic format.
- iii. The VPRT will evaluate according to the policies established herein the request for cost sharing/matching funds for its endorsement. If all applicable university criteria established under the aforementioned policies are fulfilled, the VPRT will refer it to the UPRBO for identification of the funds requested. If funds are identified, it will receive the endorsement of the VPRT. The VPRT will prepare the necessary documentation for processing and will submit the endorsed proposal to the Office of the President.
- iv. The various documents will be sent for review, approval and signature of the President. The Proposal PI (requestor/petitioner) will be notified of the assignment of matching funds and/or the corresponding endorsement, as appropriate. Once the process is finalized, copies need to be forwarded to the Vice Presidency for Research and Technology.

#### Accounting/Monitoring of Cost Sharing/Matching Funds

- i. It is the responsibility of the PI/PD, its research administrator, and campus or unit corresponding Sponsored Projects Administration to maintain appropriate documentation and establish monitoring activities to ensure continuous compliance with University and sponsor requirements.
- ii. The PI/PD, its research administrator, and campus/unit corresponding Sponsored Projects Administration must be responsive to all University and

sponsor audits.

#### Cost Sharing/Matching Funds Annual Report

- i. The Annual Report on cost sharing/matching funds committed by the University, must be completed and submitted by the PI/PD to the Vice President for Research and Technology and the Office of Budget, within 60 days after the end of a corresponding project period. The Annual Report must include detailed information pertinent to the approved cost sharing/matching funds, such as:
  - a. Project title.
  - b. Project period.
  - c. Evidence of approved budget in detail.
  - d. Actual expenses incurred during the period and for the upcoming year.
  - e. Justification of any re-budgeting made to the approved amounts, with corresponding authorizations.
  - f. Specific time/effort commitments shared.
  - g. Accomplishments (publications, patents, students impacted, presentations, recognitions and awards, among others), or copy the progress report submitted to the sponsor agency for the corresponding project period.
- n. American Recovery and Reinvestment Act (ARRA)

On February 17th, 2009 President Obama signed the American Recovery and Reinvestment Act (ARRA) or Stimulus Package to restart the economy. The package contains extensive funding for science, engineering research and infrastructure, and more limited funding for education, social sciences and the arts.

The University of Puerto Rico received funds from the American Recovery and Reinvestment Act (ARRA). These funds come from the State Stabilization Fund or through competitive grants received directly from the federal agencies or organizations.

These funds are subject to special reporting requirements, in order to separately account for these funds, the University established a specific Fund value and a project number schema in our actual financial system, UFIS. Those values are:

- XX135 – Campus or Operating Unit-ARRA
  - XXX235 – Campus or Operating Unit – ARRA Federal Government Grants & Contracts
- where XX = Campus Name or operating Unit acronym

The Fund XX134 was created exclusively for the State Stabilization Funds received through the Office of the Governor of the Commonwealth of Puerto Rico. The Fund XX235 was created to account for all the money received

through competitive grants funded by the Recovery Act that come directly from the corresponding federal agency.

At the Project segment, the numbering schema as well as the project description, was modified. The numbering schema for grants and contracts projects is as follows:

Campus Code	Agency Code	Project Number	Component	Budget Appropriation Number
XX	XXX	XXX	XX	XX

The agency is identified by a 3-digits code located from the third to fifth position of the twelve characters project segment. The agency codes are different when associated with an ARRA funded competitive grant versus one used for conventional grants received from the same agency. The special value codes are:

ARRA Funded Grants	Agency Number
ARRA-DOE(Department of Energy)	201
ARRA-NIH (National Institute of Health)	202
ARRA-NSF (National Science Foundation)	203
ARRA-EPA (Environmental Protection Agency)	204
ARRA-NOAA (National Oceanic and Atmospheric Administration)	205
ARRA-NIGMS (National Institute of General Medical Sciences)	206
ARRA-ED (US Department of Education)	207
ARRA-HHS (Department of Health and Human Services)	208

The project description identifies the federal agency by its official acronym, followed by ARRA abbreviation and by the short name of the proposal. For example, NSF ARRA-Molecular insights into Echino Reg.

o. Facilities and Administrative Cost (F&A or Indirect Cost)

Facilities and Administrative cost (indirect cost) are expenses that colleges and universities incur in support of the institution's major, mission-related activities, primarily identified as instruction, organized research, and public service.

The F&A rate is negotiated between the University of Puerto Rico, Central Administration and the cognizant agency. All proposals should include the negotiated rate or the maximum allowed by the sponsoring agency.

According to Board of Trustees Certification Number 36, 2009-2010, the University of Puerto Rico Central Administration retains 25% of F&A cost. The remaining 75% is assigned to each campus/unit for strengthening of research and additional external funding initiatives. Each

campus/unit must establish their internal policies and procedures for the distribution and allocation of these funds.

p. Award Reporting

The Terms and Conditions of the award establish the award reporting requirements which include the types of reports such as programmatic and financial, and the frequency of these.

q. Property Management

A-102 Common Rule and 2 CFR, Part 215 (former OMB Circular A-110) require that equipment be used in the program for which it was acquired or, when appropriate, by other federal programs. During the time that equipment is used on the project for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was original acquire.

The recipient shall use the equipment in connection with other federally-sponsored activities, when no longer needed for the original project or program in compliance with sponsor rules and policies on equipment transfer and ownership.

Equipment records should be retained for three years after final disposition; a physical inventory of equipment must be taken yearly and reconciled to the equipment records. An appropriate control system should be used to safeguard equipment; and equipment should be adequately maintained. The Board of Trustees Certification Number 062, 1994-95 establishes the procedures for the control, management, and inventory of property and equipment. In addition, Circular 12-18 of Central Administration's Finance Office provides additional amendments to ensure compliance with federal guidelines contained in 2 CFR 215.30 to 2 CFR 215.37.

r. Project Closeout Procedures

At the conclusion of a sponsored project, the terms of the award require, among others, written reports, including a final technical or progress report and a report of expenditures, which must be submitted to the sponsor within a specified period of time. These reports are viewed as the UPR's fundamental obligation to the sponsor, and are required whether the sponsor is a private organization or a public agency. Federal awards are subject to the following requirements:

i. Technical

Unless otherwise indicated, final performance reports are due 90 calendar days after the expiration or termination of the award. When required, performance reports shall generally contain, for each award, brief information to address the following requirements:

- a. A comparison of actual accomplishments in relation to the goals and objectives established for the period, the findings of the investigator, or both.
- b. Whenever appropriate and when the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.
- c. Reasons established goals were not met, if appropriate.
- d. Other pertinent information, including, when appropriate, analysis and explanation of cost overruns or high unit costs. The PI is responsible for preparing and submitting this report. A dated copy of the report or letter of transmittal should be sent to the Office of Sponsored Programs or its equivalent, serving as audit verification that the report was filed.

ii. Financial Report

Most sponsors require a final accounting report to document how the funding was spent. Federal awards require a Federal Financial Report (FFR SF-425), (<http://search.usa.gov/forms>) which is prepared by the Finance, Accounting Office, or its equivalent and submitted to the federal awarding agency.

iii. Intellectual Property (Inventions)

Many private sponsors and most federal funding agencies require some sort of reporting to indicate whether inventions have resulted from the sponsored project. While private sponsors collect this information in various ways, federal agencies require the grantee (University) to submit a Final Invention Report or Statement and Certification, whether an invention has resulted from work under the funded project or not. The Final Invention Report or Statement/Certification must list all inventions that were conceived of or first actually reduced to practice during the course of work under the funded project, between the original effective date of support through the date of expiration or termination of the project, whether previously reported or not. If there were no inventions, the

statement should simply indicate *None*. The report must be prepared and signed by the PI/PD.

iv. Property

Sponsors establish their own, individual policies and requirements for any accounting and disposition of property acquired with their funds. Federal agencies always require universities to account for any real or personal property acquired with federal funds. A report is prepared using agency-specific forms, identifying the equipment purchased, acquisition cost, make, model number, serial number, university inventory number, and condition. If the terms of the award do not automatically give title to the university, a letter is sent to the agency requesting transfer of title to the university. Furthermore, the UPR's policy Board of Trustees Certification Number 062, 1994-95 establishes the terms and conditions for property management.

s. Federal Closeout Procedures

According to 2 CFR Part 215 (former [Circular A-110](#)), it is required that federally funded projects complete the following closeout steps:

- i. Each institution 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. The Federal awarding agency may approve extensions when requested by the recipient.
- ii. Unless the Federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions.
- iii. The federal awarding agency shall make prompt payments to the recipient for reimbursable costs under the award being closed out.
- iv. The institution shall promptly refund any balances of unobligated cash that the Federal awarding agency has advanced or paid and that is not authorized to be retained by the recipient for use in other projects.
- v. When authorized by the terms and conditions of the award, the Federal awarding agency shall make a settlement for any upward

or downward adjustments to the Federal share of costs after closeout reports are received.

- vi. The institution shall account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with the A-110 Property Standards Sections .31 through .37, addressing Insurance Coverage; Real Property; Federally Owned and Exempt Property; Equipment; Supplies and Other Expendable Property; Intangible Property; and Property Trust Relationship.
- vii. In the event a final audit has not been performed prior to the closeout of an award, the Federal awarding agency shall retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

t. Procedures for Equipment Disposition or Transfer

Unless otherwise stated in the award terms and conditions, the title to equipment acquired under a sponsored agreement belongs to the institution. The institution is obligated to track and account for all equipment acquired with federal funds. Applicable federal and UPR policies regarding equipment disposition or transfer must be followed (Board of Trustees Certification 062, 1994-95) upon termination of a PI/PD position at the University. Each campus/unit must establish internal procedures and forms to comply with this policy. Title for grant-purchased equipment goes to the institution, not the PI/PD.

NSF – request agency approval as long as the first institution doesn't require it, as long as the PI continues to need the equipment at the new institution and the cost of transfer isn't excessive.

NIH – Equipment can stay with the institution; however, can force the transfer of the title if it considers the equipment would be better used following the PI to the new institution.

u. Record Retention

2 CFR, Part 215 (former OMB Circular A-110) states that "Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency." The exceptions to this rule include:



- i. If any litigation, claim, or audit has started before the expiration of the three-year period, the records need to be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.
- ii. Records for real property and equipment acquired with Federal funds need to be retained for three years after final disposition.
- iii. When records are transferred to or maintained by the Federal awarding agency, the three-year retention requirement is not applicable.
- iv. Different retention rules apply to the indirect cost proposal related records. (See OMB Circular A-110 paragraph C.53 (g)).

Because the period of a grant may range from 1 to 10 or more years, the three-year rule needs to be considered together with the length of the grant. For example, the records of a grant starting in 2005 and ending in 2008 should be kept until 2011 or 2012 depending on the date of the final financial report submission.

v. Award Transfer

Awards can be transferred under certain conditions. This process can take a considerable amount of time. The transfer includes grants, equipment, and intellectual property. Both the former and new institution must agree to transfer the unspent portion of the grant. Prior approval from the funding agency is required. All approvals must be in place by the granting agency, your former institution, and the new one, prior to the start date with the new institution. NIH offers some individual fellowship grants that cannot be transferred.

Intellectual property ownership varies. The rights generally go with the PI/PD and the funded institution. The ultimate awarding of PI/PD rights depends on the agreement with the institution. Ownership of materials, supplies, and data all need to be worked out prior to transfer. The transferring PI/PD should make sure that all critical items needed for the project will be available in the new institution. The Program Officer is the best resource to answer questions pertaining to a transfer (See agency grants policy statements).

w. Material Transfer

Material Transfer Agreement (MTA) is a contract that governs the transfer of tangible research materials between two organizations when the recipient intends to use it for his or her own research purposes. MTA

defines the rights of the provider and the recipient with respect to the materials and any derivatives. Three types of MTAs are most common at academic institutions: transfer between academic or research institutions, transfer from academia to industry, and transfer from industry to academia. Each requires different terms and conditions. Examples of MTAs are included in the supporting documents section.

x. Memorandum of Understanding (MOU) / Memorandum of Agreement (MOA)

MOU/MOA is a document written between parties, outlining what each will do, and what each will receive as a result of this agreement. The agreed responsibilities and benefits of the partners will be listed. As a part of the agreement there is usually a list of binding terms that makes the partnership a cohesive unit and often there is an obligation of funds attached to certain terms in the agreement. It can only be signed on behalf of the University by the President or campus/unit Chancellor. In some instances the MOU/MOA is also known as a Letter of Understanding (LOU) or a Letter of Agreement (LOA).

y. Certification and Assurances

Each proposal to the federal government, as well as many non-federal proposals, requires a variety of assurances and certifications. Grant applications may include one or more forms that address these requirements, or include a statement that the signature of the Institutional Official automatically certifies to the federal agency that the University is in compliance. These certifications and assurances are requirements of various federal public policies and are a condition for receiving grant funds.

Grant applications contain the forms required to sign, promising to abide by the various federal laws, regulations, and executive orders that apply to recipients. The certification and assurances forms are signed by the institution's authorized official. The certifications and assurance forms will be signed as part of the University proposal review process.

[http://www.mwcog.org/tpbcoordination/documents/2011\\_Certifications\\_and\\_Assurances.pdf](http://www.mwcog.org/tpbcoordination/documents/2011_Certifications_and_Assurances.pdf)

[http://www.dartfirststate.com/information/programs/2011FTASection5310Program/FTA\\_Certs\\_and\\_Assurances\\_FY11.pdf](http://www.dartfirststate.com/information/programs/2011FTASection5310Program/FTA_Certs_and_Assurances_FY11.pdf)

## b. COMPLIANCE

### A. Compliance Office

The Compliance Office (Coordinator, Committee, or its equivalent) is responsible to understand and follow OMB Circulars A-110 and A-21, and the Federal sponsor, state, and institutional laws and regulations.

Compliance issues are:

#### A. Human subject/Institutional Review Board (IRB)

Provides administrative support to the PI/PD in certifying that all key personnel involved in the human subject portion of the research have completed the required education for the protection of human subjects in accordance with sponsoring agencies and University policies.

The primary responsibility of the University is to ensure the protection of rights, privacy and welfare of all human participants in research programs conducted by the faculty, professional staff, and students. Coexistent with participant protection is the goal of providing quality services to enhance the conduct of research.

To achieve this goal, each campus/unit should:

- a. Appoint an Institutional Review Board (IRB) or Human Subject Committee. An IRB is a committee that performs ethical review of proposed research involving human subjects. The IRB has the authority to review, approve, modify or disapprove research protocols submitted by faculty, staff and students investigators. As required by 45CFR46, the Board should have a community person, attorney, psychologist, and physician to deal with the varying array of human research projects. The Board shall prepare and maintain adequate documentations of committee activities such as minutes of the board meetings, written procedures, copies of all correspondence between the board and the PI/PD, a list of the board members, statements of significant new finding provided to subjects as requires in section 46.116(b)(5).
- b. Register its own IRB, (an “internal” IRB), or designate an already registered IRB operated by another organization, (an “external” IRB), after establishing a written agreement with that other organization.
- c. Register for a Federal Wide Assurance (FWA) Number in order to receive support from the US Department of Health and Human Services for research involving human subjects. Each FWA must designate at least one IRB registered with OHRP. Some federal departments and agencies

that conduct or support human subject research permit use of the FWA as the assurance required by their regulations. Others require use of their own assurance for research not appropriate for an FWA.

- d. Establish internal procedures and review process guided by federal rules and regulations. The procedures and review process should be based on the Protection of Human Subject Code Federal Regulations, the Belmont Report, and provisions of 45CFR46-Protection of Human Subjects requiring institutions receiving federal funds to have all research human participants be approved by an IRB.

The internal procedures should guarantee that all research proposals involving human subjects must be submitted to the IRB for review and approval before submission to the sponsor agency.

- e. Where a human is used as a research subject, the PI/PD must obtain the legally effective informed consent of the subject or the subject's legally authorized representative. A PI/PD shall seek such consent only under circumstances that provide the prospective subjects or the authorized representative sufficient opportunity to consider whether or not to participate. The minimal possibility of coercion or undue influence on the subject must be avoided. The information given to the subject or authorized representative must be in understandable language. Informed consent, whether oral or written, may not include any exculpatory language through which the subject or the authorized representative is made to waive or appear to waive the subject's legal rights or releases. Also, it must not appear to release the PI/PD, the sponsor, the University or its agents from liability for negligence (45CFR46.16)
- f. In the event research is undertaken without the intention of involving human subjects, but is later proposed to involve human subjects in the research, the research project must be reviewed and then approved by the IRB.

## B. Biosafety

The University conducts research and academic laboratory activities that involve the use of hazardous materials. These materials may pose a risk to persons or the environment. To be in compliance with federal, state and institutional regulations, the University and each campus/unit must have established the Health, Occupational Safety and Environmental Protection Office (OSSOPA acronym in Spanish) or its equivalent. It is the responsibility of this office to provide a research environment free from recognized biohazards and comply with state and local agencies regulations.

### C. Institutional Animal Care and Use Committees (IACUC)

Institutional Animal Care and Use Committees are of central importance to the application of laws to animal research. Federal regulations require that institutions using animals as research subjects must carefully monitor animal care and use. The standards contained in the Subchapter A, “Animal Welfare” of Title 9 of the Animal Projects Act and the PHS/NIH Guide for the Care and Use of Laboratory Animals governs the use of animals in research in a University system. Each campus/unit must establish written guidelines and procedures to review and approve proposals involving the proposed uses of animals in research, testing or education; and establish a mechanism for receipt and review of concerns involving the care and use of animals.

#### b. Composition

The IACUC must consist of at least 5 members appointed by the institution. The appointed members must be qualified to regulate animal care at that institution. The IACUC must include a veterinarian with expertise in the species used at the institution. Another member must be a practicing scientist experienced in animal research. Another must have primary concerns that are in nonscientific areas. Another must have no relation with the institution except for serving on the IACUC. One member can fulfill more than one prerequisite, but the committee must still consist of at least 5 members.

#### c. Activities

Each local IACUC reviews research protocols and conducts evaluations of the institution's animal care. The evaluations include inspections of all animal use facilities every six months. The IACUC reports to the NIH Office of Laboratory Animal Welfare (OLAW) annually, and is issued an animal welfare assurance number by OLAW without which no federally funded use of animals in research may occur. The IACUC is required to report significant noncompliance with animal use protocols to OLAW, as well as IACUC actions taken to correct the noncompliance.

#### c. Protocol review

Each animal use protocol (AUP) must be reviewed by full IACUC committee each three years or more often. The protocol must cover at least these points:

- i. Identification of the species and approximate number of animals to be used.

- ii. Rationale for involving animals, and for the appropriateness of the species and numbers used.
- iii. A complete description of the proposed use of the animals.
- iv. A description of procedures designed to assure that discomfort and injury to animals will be limited to that which is unavoidable in the conduct of scientifically valuable research, and that analgesic, anesthetic, and tranquilizing drugs will be used where indicated and appropriate to minimize discomfort and pain to animals.
- v. A description of any euthanasia method to be used.

In review, the IACUC is required to ensure that the proposed work falls within the OLAW Animal Welfare Assurance, and that the following points are covered:

- i. Procedures with animals will avoid or minimize discomfort, distress, and pain to the animals, consistent with sound research design.
- ii. Procedures that may cause more than momentary or slight pain or distress to the animals will be performed with appropriate sedation, analgesia, or anesthesia, unless the procedure is justified for scientific reasons in writing by the investigator.
- iii. Animals that would otherwise experience severe or chronic pain or distress that cannot be relieved will be painlessly killed at the end of the procedure or, if appropriate, during the procedure.
- iv. The living conditions of animals will be appropriate for their species and contribute to their health and comfort. The housing, feeding, and nonmedical care of the animals will be directed by a veterinarian or other scientist trained and experienced in the proper care, handling, and use of the species being maintained or studied.
- v. Medical care for animals will be available and provided as necessary by a qualified veterinarian.
- vi. Personnel conducting procedures on the species being maintained or studied will be appropriately qualified and trained in those procedures.
- vii. Methods of euthanasia used will be consistent with the recommendations of the American Veterinary Medical Association (AVMA) Panel on Euthanasia (PDF), unless a deviation is justified for scientific reasons in writing by the investigator.

d. Whistleblowing policies

Institutional Animal Care and Use Committees must have a way to correct problems in animal care including fair treatment of whistleblowers who report animal welfare violations on USDA species.

e. Inspections

The actions of the IACUCs are subject to inspection by multiple agencies. PHS staff and advisors may inspect any PHS awardee at any time to verify adherence to PHS policy. The APHIS branch of the USDA conducts surprise inspections of institutions that use species covered by the Animal Welfare Act up to every six months. These inspections verify compliance with the Animal Welfare Act, which is a subset of the PHS policies governing IACUCs. AAALAC inspects facilities for accreditation at least every three years. Accreditation also requires an annual report to AAALAC.

f. Reliability

The central importance of Institutional Animal Care and Use Committees means that animal care and use is fundamentally dependent on the application of the **Guide for the Care and Use of Laboratory Animals** regulations by an institution's committee.

D. Research Misconduct

The University of Puerto Rico is committed to promoting the highest standards of excellence and integrity in research. To achieve this, UPR strives to provide an environment in which faculty and students may pursue knowledge objectively and in accordance with ethical norms. Misconduct in research constitutes unacceptable behavior for faculty, staff, and students, and it is prohibited by the UPR. In order to safeguard research against actions that undermine its integrity and the public's trust, the University enacted the Board of Trustees Certification Number 45, 2006-2007, System-Wide Policy and Procedures for Responding to Allegations of Possible Research Misconduct. The inquiries and investigations on research misconduct include the following:

- ✓ Research Fraud
- ✓ Falsification
- ✓ Plagiarism
- ✓ Fabrication
- ✓ Other Serious Deviations

The policy, with general procedures, has been established to discourage and address effectively allegations of misconduct in research and research-related

activities and for reporting to the pertinent agencies, when required. It also assigns responsibilities to each campus/units and corresponding Chancellors:

- a. Institutional Responsibility: Each campus/unit is responsible for fostering a research environment that discourages misconduct in research and for implementing the procedures required for compliance with the system-wide policy, as well as with the requirements established by the funding sponsor(s) for each specific project.
- b. Chancellor Responsibility: The Chancellor of each campus/unit is responsible for developing mechanisms to make this policy and its procedures known to all faculty, staff, students, and collaborators, and to carry out the procedures contained in this policy. If needed, this responsibility shall include, but is not limited to, the development of campus-wide policies that conform to the specific campus/unit profile and conform to this system-wide policy and procedures. The Chancellor of each campus/unit will appoint a Research Integrity Officer.
- c. Research Integrity Officer Responsibility: The Research Integrity Officer will have primary responsibility for implementation of UPR's policy and procedures on research misconduct. The Research Integrity Officer will be an institutional official who is well qualified to administer the research misconduct procedures.

#### E. Conflict of Interest

The UPR is a public corporation of the Commonwealth of Puerto Rico. Orderly procedures must be followed to avoid ethical and legal conflicts of interest and to ensure that such activities do not conflict with the proper discharge of University responsibilities.

In order to identify, eliminate or manage any possible threat to the integrity of the research and sponsored programs conducted at the University of Puerto Rico, Certification Number 63, 2007-2008, Board of Trustees, the Policy on Conflicts of Interest and Disclosure of Financial Interests in Research and other Sponsored Programs of the University of Puerto Rico, was enacted. The policy sets forth procedures and guidelines that are to be followed by the University in resolving or managing actual and potential faculty conflicts of interest and commitment pertaining to all research projects, independent to its source of funding.

The Certification assigns to each Chancellor the responsibility to implement the policy, to provide the reviewers with appropriate administrative support, assure that technical advice on conflict of interest matters is provided, and assure that appropriate documents related to this policy are available to the public as required by law.



It also assigns the VPRT of the UPR the responsibility for assuring compliance with applicable State law, this policy, and related University regulations. The VPRT is also responsible for developing, issuing and notifying the necessary guidelines to implement this policy and serves as the liaison on these matters with the campuses.

F. Single Point of Contact (SPOC) – Puerto Rico Planning Board

All proposals for federal funding request must be filed in the Office of Federal Proposals Review, Puerto Rico Planning Board to assign the number of "Single Point of Contact (SPOC)", according to Federal Executive Order 12372, Intergovernmental review of Federal programs, and the Commonwealth of Puerto Rico Administrative Bulletin 4763-A. For more information, visit <http://www.jp.gobierno.pr>.

G. Online Representations and Certifications Application (ORCA)

ORCA is an e-Government initiative to replace the paper bases representations and certifications process. It replaces most of the paper based representations and certifications with an Internet application. CCR and ORCA are complementary systems. ORCA reuses data pulled from CCR and pre-populates many of the required Representations and Certifications.

The Office of Sponsored Programs or its equivalent is responsible for the registration and yearly update of ORCA.

H. Central Contractor Registration (CCR)

CCR is the primary registrant database for the U.S. Federal Government. CCR collects, validates, stores and disseminates data in support of agency acquisition missions. Since October 1, 2003, it is federally mandated that any organization wishing to do business with the federal government under a Federal Acquisition Regulations (FAR)-based contract must be registered in CCR before being awarded a contract.

The Office of Sponsored Programs or its equivalent is responsible for the registration and yearly update of the CCR.

I. Dun and Bradstreet (DUNS) Number: Data Universal Numbering System, this is the number assigned by Dun and Bradstreet, which provides the University credit rating to inquirers. Each campus/unit must have a DUNS number.

J. Commercial and Government Entity (CAGE) Code: This number identifies companies doing or wishing to do business with the federal government. This

number is assigned by the Defense Logistics Information Service. Each campus/units must have a CAGE number.

K. Time and Effort Reporting (see Section II.b.4.d)

Effort reporting encompasses many processes, including calculating and committing effort in proposals, charging and cost sharing salary expenses for effort, and certifying effort to support commitments and salary charges. Federal regulations provide a basic regulatory framework for effort reporting. OMB Circular A-21 requires that any individual, who performed work on a federally sponsored project, including federally funded subawards received from other institutions, industry or State, must certify that the effort, paid or committed, is reasonable. Non-compliance with these requirements would result in disallowance of cost for salary and wages and would limit the recovery of Facilities and Administrative (F&A) costs (i.e. indirect costs).

L. Inventions (Intellectual Property)

The Board of Trustees Certification Number 132 (2002-2003) “Institutional Policy on Patents, Inventions and their Commercialization” provides authority for the solicitation, evaluation and commercialization of inventions by faculty, staff member, students, and others that may be employed or engaged in work at the University. The policy also establishes and governs a program for recognizing, evaluating, disclosing, patenting and commercializing such inventions. The President and Chancellors have specific responsibilities regarding the implementation and administration of this policy.

The UPR intends to protect and promote applications for patentable and commercialization of inventions in accordance with the laws of the Commonwealth of Puerto Rico and the intent of the United States Patent Act (Title 35 US Code), as amended, including the Bayh-Dole Act, and the CREATE Act of 2004, with regard to inventions made under the sponsorship of the United States Government. If the University, according to the Policy on Patents, Inventions and its Commercialization, decides to pursue a patent for such invention, the grantee and the PI/PD have the responsibility to notify the funding agency. The PI/PD must abide with the corresponding terms and conditions of Certification Number 132. All patents and agreements must be processed through the Office for Intellectual Property under the VPRT.

M. Copyright

The production and transmission of knowledge in the context of the university finds expression in a variety of artistic, creative, literary and scientific forms. The creative works of members of the faculty, non-teaching personnel and students must be given appropriate copyright protection so that they authors, the institution and the community at large benefits may benefit from them. In order to protect, recognize and disseminate information on the rights and

responsibilities regarding Intellectual Property and the members of the university community and the university itself, the Certification Number 93-140, Puerto Rico Council of Higher Education, established the Institutional Policy Regarding Intellectual Property consonant with the mission of the University of Puerto Rico. The President and the Chancellors have specific responsibilities regarding the implementation and administration of this policy. Each campus/unit must establish procedures to comply with this policy.

N. Visa Requirements

University of Puerto Rico faculty, students, and staff may engage in a variety of academic and research activities that will require compliance with all applicable immigration requirements. It is important to coordinate and process in timely manner different visas or options that allow the implementation of academic and research activities that involve international professors, researchers and guests in the University of Puerto Rico. Each campus/unit must establish procedures to comply with this requirement. For further guidance, visit <http://daarrp.uprrp.edu/pve/IVAEP.htm>.

O. Fly America Act

The Fly America Act was enacted in 1974 to mandate the use of U.S. flag air carriers for federally funded international travel (Title 49 of the United States Code, Subtitle VII, Part A. Subpart I, Chapter 401, 40118 - Government - Financed Air Transportation). The Federal Travel Regulations requires international flights be on U.S. flag air carriers whenever possible, which is accomplished when code sharing is present. Code sharing occurs when two or more airlines “code” the same flight as if it was their own. In other words, the international flight may be on a foreign air carrier’s plane, but is is considered the same as one operated by an U.S. flag air carrier. Compliance with the Fly America Act is satisfied when the U.S. flag air carrier’s designator code is present in the area next to the flight numbers on the airline ticket, boarding pass, or on the documentation for an electronic ticket.

The Fly America Act is applicable to all travel funded by United States federal government funds and requires the use of "U.S. flag" airlines (not to be confused with flag carriers) with a few exceptions. These individuals include U.S. federal government employees, their dependents, consultants, contractors, grantees, and others. The Fly America Act is incorporated into the Federal Acquisition Regulations (FAR) at Subpart 47.4—Air Transportation by U.S.-Flag Carriers and is, therefore, applicable to all U.S. government contracts issued to U.S. and non-U.S. companies, except for commercial item contractors, which are exempt from the act under Part 12.503 of the FAR.

According to the United States Department of State (Transportation Dept, Aviation), the Fly America Act applies equally to non-U.S. nationals and non-

U.S. companies or their representatives both within the U.S. and extraterritorially, regardless of enforcement difficulties or possible infringements of international law and personal liberty that this could represent.

P. Federal Funding Accountability and Transparency Act (FFATA)

All offices of sponsored research or its equivalent must comply with the FFATA legislation which requires information on federal awards (federal financial assistance and expenditures) be made available to the public via a single, searchable website. Federal awards include grants, subgrants, loans, awards, cooperative agreements and other forms of financial assistance as well as contracts, subcontracts, purchase orders, task orders, and delivery orders. For more information, visit <https://www.fsrs.gov/>.

Q. Professional Development in Research Administration

Research administration encompasses a variety of skills including, among others, continuous professional development. It is relevant for all sponsored research offices or its equivalent to send staff and faculty to professional conferences, sponsored activities, and workshops. Professional development strategies can include:

- i. Affiliations to associations or societies such as: National Council of University Research Administrators (NCURA), Society of Research Administrators (SRA), Canadian Association of University Research Administrators (CAURA), *Sociedad de Administradores de Investigación de Puerto Rico* (SAI).
- ii. Online resources
- iii. In-house libraries
- iv. Networking

R. Responsible Conduct of Research (RCR)

Responsible conduct of research is defined as the practice of scientific investigation with integrity. It involves the awareness and application of established professional norms and ethical principles in the performance of all activities related to scientific research. It requires that all faculty, students, and fellows receiving support through any NIH or NSF grants must receive instruction in responsible conduct of research. Applications lacking a plan for instruction in responsible conduct of research will be considered incomplete and may be delayed in the review process or not reviewed. Each campus/unit must maintain records sufficient to

demonstrate that faculty, students, and fellows have received the required instruction. The RCR training plan must be in place at the time of proposal submission. For further information, refer to NIH NOT-OD-10-019 and NSF (RCR). Primary responsibility is for the campus/unit Officer for Research Integrity Officer (RIO), designated as required by the Department of Health and Human Services (DHHS) Office for Research Integrity (ORI). The latter institutional officers, as well as the office of the VPRT, must submit an annual report to ORI accounting for any misconduct incident.

In order to fulfill the NIH and NSF mandated training and education requirements for faculty and trainees receiving support from these sponsors the university campus/units have implemented a series of mechanisms, courses and programs. The campus/unit Officer for Research Integrity serves as a guide to assist all interested and required to obtain this education. A visit to the following websites will demonstrate a series of resources available at the main UPR campuses, i.e. online courses and certifications by the Collaborative Institutional Training Initiative (CITI).

<b>CAMPUS</b>	<b>ACADEMIC UNIT</b>	<b>RESOURCE</b>
UPR Rio Piedras	Deanship for Graduate Studies and Research (DEI) (Chancellor's Office)	CITI – online web course  Course offerings
UPR Mayaguez	Research and Development Center (Chancellor's Office)	CITI – online web course
UPR Medical Sciences Campus	Division of Graduate Programs in the Biomedical Sciences- (School of Medicine)	Responsible Conduct In Research Compliance Program – [RC] <sup>2</sup> P  Survival Skills Course (Department of Pharmacology)
UPR Cayey	Office of Sponsored Programs (Chancellor's Office)	CITI – online web course

#### S. Export Controls (ECLs)

Export control laws (ECLs) represent a comprehensive set of federal regulations that control and restrict the release of critical technologies, technical data, software code, equipment, chemical and biological materials, and other materials, information, and services to foreign nationals or foreign countries for reasons of foreign policy and national security. Any transfer to a citizen or permanent resident of a foreign country, irregardless of where the transfer occurs, is deemed by the United States government to be an export to that country. Export controls apply to all activities, not just sponsored research projects but to activities ranging from discussions with foreign nationals to the transfer of equipment.

ECLs involve a number of different regulations. The three major regulatory schemes in place governing ECLs are the Export Administration Regulations (EAR) administered by the United States Department of Commerce; the International Traffic in Arms Regulations (ITAR) administered by the United States Department of State; and the Office of Foreign Asset Control (OFAC) administered by the United States Department of Treasury.

The Department of Commerce's EAR and ITAR restrict the export of certain technology or technical data, such as military applications (regulated by ITAR) or commercial applications that may also have value in a military context (regulated by EAR), overseas and to foreign nationals working in or visiting the United States. OFAC regulates trade embargoes, sanctions, and travel restrictions and restricts exportation of information and research articles to embargoed entities and persons.

In some circumstances, the university may be required to obtain prior approval from the appropriate agency before allowing foreign nationals to participate in research, collaborate with a foreign company, or share research results with foreign nationals. Although these regulations do contain exclusion criteria for fundamental research, universities are not exempt from these laws since the exclusion clause applies only under certain conditions. It is therefore each employee's responsibility to understand any export control requirements related to his or her work and to ensure that no exports are made contrary to any of these laws and regulations. This means making sure that any required licenses or approvals are in place prior to exporting anything that is export controlled. PI/PD is responsible for taking export controls into consideration during the planning and implementation of their programs or projects, as well as whenever those activities change in scope or direction.

A great majority of work and products qualify as fundamental research and are not subject to export controls. Fundamental research consists of basic and applied research in science and engineering for which the resulting information is ordinarily published and shared broadly within the scientific community. Basic research is distinguished from proprietary research or industrial development.

Each campus/unit must establish written internal guidelines to comply with these regulations.

a. What is considered an export?

Generally speaking, any delivery or exposure of U.S. hardware, software, or technical data or assistance outside of the U.S. is considered an export and is potentially subject to being controlled. In addition, certain deliveries or exposure occurring entirely within the U.S. may be considered "Deemed Exports," as discussed below. The Department of Commerce in its export control regulations defines an export as:

- i. Any shipment, transfer, or transmission out of the United States by any means (including hand-carrying) of any:
  - 1. Goods (equipment, hardware, or materials)
  - 2. Technology (technical data, information, or assistance)
  - 3. Software/Codes (commercial or custom)
- ii. Any transfer to any person or entity of goods, technology, or software by physical, electronic, oral, or visual means with the knowledge or intent that the item(s) will be shipped, transferred, or transmitted to a non-U.S. entity or individual.
- iii. Any disclosure of technical data or information to a foreign entity or individual, by any means, inside or outside of the United States.
- iv. Any transfer of goods, technology, or software, by any means, to a foreign embassy or affiliate.

Only exports defined by the U.S. government to be sensitive are actually impacted by export controls. Such export control sensitivity usually arises for any or all of the following reasons:

- i. The nature of the export itself
- ii. Concerns about the destination country, organization, or individual
- iii. Concerns about the declared or suspected end use and/or end user of the export (e.g., an individual, an entity such as a laboratory or other organization, or a country)

b. Penalties for noncompliance

These regulations, which have been in place for over twenty years, carry a range of potential penalties (civil and criminal), including imprisonment, for individuals who violate them.

c. Useful links

**Export Administration Regulations (EAR)**

- Introduction to Commerce Department Export Controls  
<http://www.bis.doc.gov/licensing/exportingbasics.htm>
- EAR Homepage  
<http://www.access.gpo.gov/bis/>
- EAR Database  
[http://www.access.gpo.gov/bis/ear/ear\\_data.html](http://www.access.gpo.gov/bis/ear/ear_data.html)
- Commerce Control List Index alphabetical list  
<http://www.access.gpo.gov/bis/ear/pdf/indexccl.pdf>
- EAR, Bureau of Industry and Security  
<http://www.bis.doc.gov>

**International Traffic in Arms Regulations (ITAR)**

- ITAR Regulations & Reference  
<http://www.pmdtc.org/reference.htm>
- United States Munitions List  
[http://www.pmdtc.state.gov/docs/itar/2007/itar\\_part\\_121.doc](http://www.pmdtc.state.gov/docs/itar/2007/itar_part_121.doc)

**Office of Foreign Assets Control (OFAC)**

- OFAC Sanctions Program & Country Summaries  
<http://www.treas.gov/offices/enforcement/ofac/>
- List of Specially Designated Nationals & Blocked Persons  
<http://www.treas.gov/offices/enforcement/ofac/sdn/t11sdn.pdf>
- Comprehensive Guidelines for License Applications to Engage in Travel-Related Transactions Involving Cuba

**Regulatory offices**



- U.S. Department of Commerce  
<http://www.commerce.gov/>
- U.S. Department of State  
<http://www.state.gov/>
- U.S. Department of Treasury ~ Office of Foreign Assets Control  
<http://www.treas.gov/offices/enforcement/ofac/>

#### T. Program Income

2 CFR Part 215 (former OMB A-110) define Program Income as gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. 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.

Federal awarding agencies shall apply the standards set forth in section 215.25 in requiring recipient organizations to account for program income related to projects financed in whole or in part with Federal funds. The treatment of program income on federal grants is stipulated by the administrative requirements of the awarding agency. Similarly, non-federal sponsors may have terms and conditions that govern the treatment of program income. Treatment of program income earned under contracts is handled under the terms and conditions of a particular contract.

PI/PD must identify and document program income on projects from both federal and non-federal sponsors in accordance with sponsor requirements. If Program Income is anticipated at the time of proposal submission, this information must be included in the proposal submission. When Program Income is not anticipated during the proposal preparation process and arises out of opportunities that occur during the life of the award, the PDI/PD is responsible for notifying the Office of Sponsored Projects or its equivalent in order to establish the Program Income account. The nature of this income must be appropriately documented and the resulting revenue properly recorded.

Most agencies identify the method for accounting for Program Income in the notice of award, or have default rules for accounting it. At the University, each campus/unit must establish separate accounts to register Program Income and related expenses. The Program Income account and the main grant account are both included in financial reports to agencies. The Financial Status Report submitted to the agency must include the aggregate amounts earned and spent.

If authorized by Federal awarding agency regulations or the terms and conditions of the award, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award. Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards, section 215.30 through 215.37.

Unless Federal awarding agency regulations or the terms and condition of the award provide otherwise, recipients shall have no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 U.S.C. 18) apply to inventions made under an experimental, developmental, or research award.

a. Program income earned during a project period

Program income earned during a project period shall be retained by the campus/units and is usually treated using one of three methods, depending on policy, sponsor type, and/or terms and conditions of the award:

1. Additive: Program income funds are added to committed funds of the project by the awarding agency and recipient, thus increasing the amount available to accomplish program objectives (increase in available budget).
2. Matching: Program income is used to finance the non-federal share of the project (offset to cost sharing or matching). Program income is used for costs during the project period unless the sponsor authorizes deferral to a later period.
3. Deductive: Total funds available to the project remain the same and the funds generated through program income are deducted from the financial commitment of the sponsor (offset to sponsor's funding).

Sponsor approval is required for any variances from the above methods.

b. Program income earned after the project period

Recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period, unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise. Program income, in this case, may be expended at the PI/PD's discretion.

c. Termination of funded project

- i. Federal regulations require the UPR to use program income funds before sponsor funds. If funds remain in the project or program income account after the project has terminated, this money is the sponsor's and must be returned to the sponsor. If the principal investigator wishes to retain these funds, he or she must write a letter to the sponsor requesting to use these funds and outlining a plan for their use.
- ii. For nonfederal sponsors, how leftover program income funds are to be handled depends on the sponsor and contract involved. In the absence of a non-federal sponsor's policy, the program income will be considered non-reportable and will be retained by the UPR.

d. Examples of Program Income

- i. Revenue generated from conference fees
- ii. The sale of conference materials
- iii. Income generated from the use, sale, rental of equipment purchased or fabricated with project funds
- iv. Proceeds from the sale of excess supplies or equipment purchased or fabricated with project funds
- v. Income from the sale of research materials
- vi. Royalties from patents and copyrights
- vii. Sales of products with an accompanying material transfer agreement

Program income is NOT:

- i. Interest earned on advances of funds

- ii. Credits, discounts, loans, etc. (both principal and earned interest)
- iii. Taxes, special assessments, levies, and fines raised by government recipients
- iv. Income earned after the end of the project period
- e. Useful links

Program Income must be identified, documented, and reported to the sponsor when earned according to the terms and conditions of the sponsored project.

For NIH regulations on Program Income visit:  
[http://grants.nih.gov/grants/policy/nihgps\\_2003/nihgps\\_part8.htm](http://grants.nih.gov/grants/policy/nihgps_2003/nihgps_part8.htm).

For NSF regulations on Program Income visit:  
<http://www.nsf.gov/pubs/2002/nsf02151/gpm7.jsp#750>

#### IV. INTERNAL AND EXTERNAL AUDITS

All records are subject to audit and any authorized representative of the grantor (prime agency or first-tier recipient), the state or the university shall have right of access to any books, documents, papers or other records of the grantee which are pertinent to the contract or grant. The right of access shall not be limited to the required retention period but shall last as long as the records are retained.

The Finance Office at Central Administration is responsible for contracting the firm who will be conducting the Single Audit.

The following is a non-exclusive list of the types of reviews, audits, and monitoring which internal/external authorized personnel may request.

- a. Audits – UPR Internal Auditors, Office of the Comptroller, Office of Management and Budgets (OMB), or any sponsor agency or authorized representative on any aspect of project;
- b. Pre-contract or contract negotiations and discussions;
- c. Reviews (program, participant, sponsor or compliance);
- d. Monitoring visits (program, progress, sponsor);
- e. Site visits (program, progress, sponsor);
- f. Progress or interim visits/reviews;
- g. Organized inquiries regarding the functions or activities related to a project, program, or institute/center, which is sponsored by or related to a sponsored project.

Audits, reviews and monitoring may take a number of different forms including but not limited to:

- a. Formal procedures with entrance and exit conferences.
- b. Desktop reviews (usually consisting of web site access and reviews)
- c. Paper only (requests for interim reports, financial records or supporting documentation on financial reports submitted)
- d. Verbal (phone, fax, or e-mail requests for data)
- e. In person (actual schedule of meetings with or visits by internal or external persons to review some aspect of project performance or management).

In all cases, the notified party has certain responsibilities to coordinate and cooperate with the relevant campus offices involved in the review. Audit visits should be prepared for as soon as notification is received in order to assure maximum coordination of staff time and availability of records.

#### A. Internal Audits

The Internal Audits Office, attached to the Board of Trustees, performs different audits throughout the year focusing on financial and operating controls, business processes, management effectiveness, and information systems controls and security. The audits are done cooperatively with the management of each unit, and results and suggestions are shared with affected employees. Each campus/units establish a corrective action plan to correct the each audit's findings. The Office is also available as a resource for consultations on compliance with all the federal, state, and local regulations to which we are subject.

#### B. External Audits

##### 1. Annual A-133 Audit

The most frequent audit is the A-133 audit mandated by OMB Circular A-133, "Audits of States, Local Governments, and Other Non-profit Organizations." This audit is conducted annually on behalf of the federal government and examine several areas, among them cost allowability and allocability, appropriateness of cost transfers, controls over equipment management, timeliness of effort reporting, financial reporting, processes for subrecipient monitoring, internal controls over payables, and billing rate processes for service centers.

- a. The A-133 compliance supplement describes 14 types of compliance requirements and related audit objectives and procedures to be considered in performing audits subject to Circular A-133. The 14 compliance requirements are as follows:

1. **Activities allowed or unallowed:** provides guidance on activities that can or cannot be funded under a specific program.
2. **Allowable costs/cost principles:** describes the cost accounting requirements associated with federal awards. These include OMB Circular A-21, "Cost Principles for Educational Institutions;" Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments;" Circular A-122, "Cost Principles for Nonprofit Organizations;" and HHS CFR Title 45, Part 74, Appendix E, "Hospital Cost Principles for R&D."
3. **Cash management:** requires the adoption of procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the grantee. It applies only to grants with advance payments, but not to cost-reimbursement grants.
4. **Davis-Bacon Act:** requires that wages for "laborers and mechanics" employed by contractors (including subcontractors) of federally-funded projects be paid in accordance with the prevailing local wage established by the Secretary of Labor.
5. **Eligibility:** specifies the criteria for determining the individuals, groups of individuals, or subrecipients that can participate in the program and the amounts of assistance for which they qualify.
6. **Equipment and real property management:** provides standards for the use and disposition of equipment and real property purchased with federal funds. These requirements cover records and inventory management.
7. **Matching, level of effort, and earmarking:** requires the auditor to determine whether the minimum amount (or percentage) of grantee contributions or matching funds was provided, specified service or expenditure levels were maintained, and minimum or maximum limits for specified purposes were met.
8. **Period of availability of federal funds:** requires that only those costs resulting from obligations incurred during the funding period for a federal award may be charged to the award (unless otherwise permitted by the specific grant).
9. **Procurement and suspension and debarment:** prohibits recipients of federal awards from contracting with parties that have been suspended or debarred by a federal agency.
10. **Program income:** requires that income generated from a federal program be recorded correctly and used as a deduction from outlays, as an addition to the project budget, or to meet matching requirements.
11. **Real property acquisition and relocation assistance:** requires that people displaced from their homes, businesses, or farms by a federal program be treated equitably and in accordance with the Uniform

Relocation Assistance and Real Property Acquisition Policies Act of 1970.

12. **Reporting:** requires the use of standard financial and other reporting forms authorized by the OMB or the awarding agency and establishes due dates for report submission.
13. **Subrecipient monitoring:** requires entities to monitor the activities of subrecipients relative to their federal awards to ensure compliance with requirements of the awards.
14. **Special tests and provisions:** requires the consideration of special provisions related to each federal program, if any, as required by the terms of the award.

In addition to providing audit objectives and procedures for these 14 types of compliance requirements, the supplement also includes a description of the applicability of these requirements to each federal program covered by Circular A-133; internal control guidance to assist management in designing appropriate controls and to assist auditors in understanding, evaluating, and testing them; and guidance for auditing certain cluster programs and other programs not specifically covered by the supplement. (A cluster program is a grouping of closely-related programs that share common compliance requirements.)

## 2. Other Audits

Puerto Rico Office of the Comptroller

Sponsor or Agency

## 6. Best Practices for Audit Preparedness

### 1. Ask for Help

The Office for Sponsored Programs or its equivalent should be contacted any when an audit will be conducted in any sponsored project.

### 2. Charge Direct Costs Correctly

Remember the three criteria for charging items to sponsored projects: allowability, allocability, and reasonableness. If an expense is allowable and benefits more than one project, apportion it among the benefitting projects according to an equitable, pre-determined allocation scheme.

### 3. Avoid Cost Transfers

The best way to avoid cost transfers is to plan ahead. Expenses should not be posted to particular sponsored accounts unless they actually belong

there. Communication between administrators and PI/PDs is key in deciding the appropriate account(s) to charge for each expense.

#### 4. Manage Equipment Well

The auditors expect the information in the equipment inventory to be accurate and up-to-date. Location information is particularly important if a piece of equipment is moved, loaned out, or decommissioned and equipment inventory must be updated.

#### 5. Maximize Effort Reporting Accuracy and Timeliness

PI/PDs are responsible for attesting that payments were appropriate to the effort expended on sponsored projects. Auditors look for timeliness, completeness, and assurance that the signer is either the PI/PD in the Time and Effort Reports.

#### 6. Submit Technical and Financial Reports on Time

Auditors look for timeliness and accuracy in submission of final financial reports for sponsored awards. Since resubmissions of reports are taken as evidence of poor grants management, it is important that all closing transactions for grant accounts be posted before or soon after the end of the award period.

#### 7. Monitor Subrecipients

Campus/units must be sure that subcontractors own A-133 audits have not returned results that affect subcontracts under our awards. PI/PD are responsible for collecting progress reports from subcontractors; verifying that invoices from subcontractors are sufficiently detailed, reasonable, and in keeping with budgets, and performing occasional visits to subcontractors sites. Progress reports, approved-for-payment copies of invoices, and reports of site visits should be kept on file for examination by auditors.

#### 8. Exert Internal Controls Over Payables

The control of payables is documented by demonstrating that requisition or purchase order, invoice, and packing slip all match for each purchase.

### V. ROLES AND RESPONSIBILITIES

Overall responsibility for submitting proposals and for executing and administering awards rests on the President and Chancellors. However, many of these responsibilities are delegated to various units and individuals within the UPR campus/unit.



The roles and responsibilities establish lines of authority within the UPR related to financial transactions on sponsored accounts. Responsibility is defined as the authority to make a decision and be accountable for any outcomes associated with that decision. To the extent possible responsibility is maintained locally so that decisions are made by individuals with the best information. Oversight is always distinct from the operating unit that makes the decisions.

A. Board of Trustees

The Board of Trustees is the organism responsible for regulating and overseeing the university system. It is responsible for the creation or reorganization of campuses, the budget approval, establishing/amending university policies, laws and regulations, and supervising the general operations of the system. It is thus, the highest governing authority within the organizational and governance structure of the institution.

It is accountable for the academic quality, fiscal and academic integrity, academic planning, assets, and financial health of the institutions.

B. UPR President

Pursuant to Board of Trustees Certification 36, 2009-10, the President of the UPR

1. Authorizes each Chancellor to enter into contracts, proposals and other documents related to solicitation of funds from the federal government and other external sponsors, without review by the Central Administration or prior endorsement of the President, with some exceptions.
2. Assures that:
  - a. Inter-institutional coordination and collaboration are sustained and that effective links are established and maintained with outside organizations or groups, as required, in order to maximize fund raising by way of the proposals submitted to external sponsors for the benefit of the UPR.
  - b. The Central Administration is kept informed about the laws and regulations of federal and state governments, and other regulatory changes or interests of potential donors in order to anticipate and increase levels of external funds throughout the system.
  - c. The establishment and maintenance in the Central Administration of a monitoring and coordination system to generate integrated information on external funding, programs and human resources involved in its implementation, for the purposes of achieving effective planning and efficient decision-making and ensure compliance with the rules and regulations.

- d. The completion of the necessary steps to present to the federal departments or agencies, government agencies, state or municipal governments, and the sponsors and private sector partners, the expression of institutional policy and procedures applicable to the administration of applications, external grants and contracts. These policies shall be updated and accessible to the community.

C. UPR Vice President of Research and Technology

1. Launches and promotes multidisciplinary, collaborative, and infrastructure-related initiatives designed to enhance the UPR's competitive position in external funding and research.
2. Presides, in conjunction with his/her staff, an university-wide Committee for Sponsored Programs which oversees all aspects of sponsored program offices infrastructure and functionalities, in order to guarantee their stability and development to assure full compliance with sponsor and university requirements, and leadership in the seeking of external sources for the university community of scientists.
3. Assist faculty and staff with patents, funding opportunities and awards, and research protections.
4. Promotes alliances between the UPR researchers and industries.
5. Protects and licenses UPR intellectual property.
6. Supports and promotes research and scholarly activity.
7. Oversees research funding.
8. Promotes and communicates research findings.
9. Supports the enhancements of the UPR research and technology infrastructure.
10. Assists and provides the procurement of start-up funds to recruit outstanding faculty.
11. Maintains an updated list of all proposals submitted and awards issued in response to ARRA funding and from federal agencies.
12. Maintains a master list of all projects (proposals and awards) from the UPR and share it with the Central Administration Finance Office.

13. Distributes request for reports as well as assist various campus/unit in understanding reporting requirements issued by various funding agencies.
14. Shares information with the Financing Authorities of the Commonwealth of Puerto Rico, which submits reports to the Governor and ARRA funding from the UPR.
15. Fosters new start-up companies based on UPR discoveries in lieu of Law 150.
16. Stewards relationships between the different campus/unit and with peer institutions locally and worldwide.
17. Promotes and assists faculty in the development of research, technology, and education proposals such as facilitating multi-campus, multi-disciplinary research centers, hosting and supporting workshops/seminars/conferences.
18. Facilitates relations between researchers and affiliated institutions and private industry.
19. Stimulates an environment that fosters and rewards creativity, collaboration and community outreach.
20. Provides support for research efforts; advocates on behalf of research needs and resources; and maximizes the benefits of the UPR.
21. Oversees compliance with federal, state and university regulations governing research and creative activity.
22. Provides guidance to Chancellors on all aspects related to research and technology.
23. Functions as an active member of the governing boards of university advanced-research initiatives, such as the Molecular Science Building and the Bioprocess Development and Training Complex (BDTC).

D. Chancellors

1. Authorized to act on behalf of the campus/unit and to assume the obligations imposed by Federal, State, and local laws, agency regulations, requirements, conditions as well as University policies that apply to the proposal and award.
2. Designates the campuses' Authorized Organizational Representative (AOR).
3. Certify that the campus/unit will comply with all applicable assurances and certifications referenced in an application.
4. Accountable for the appropriate use of funds awarded and the performance of

the sponsored project activities resulting from an application.

5. Foster collaborative research, innovation, technology commercialization and entrepreneurship in each campus/unit.
6. Focus special attention on compliance issues so that the campus is at reduced risk in a number of crucial areas.
7. Encourage cooperation with other institutions, public, private industry in the endeavor to diversify and deepen the UPR academic and research portfolio.
8. Ensure the overall effective coordination of research administration services, systems, policies, and processes.
9. Designate the administrative units that have the responsibility to provide services related to the administration, both before and after, the raising of funds for externally funded programs. This will ensure that the proposals, information on potential sources of funds and related activities, as well as financial and progress reports are addressed in line with the expectations and requirements of donors and in coordination with the Central Administration.
10. Establish internal review procedures to ensure that the conditions outlined in a proposal for external funding are consistent with the mission, goals, objectives and the budget available for the development of research and academic programs. The officers appointed to carry out this review should include but not be limited to the deans, department heads and directors of budget, finance and planning.
11. Develop strict procedures for the development, processing, and submission of proposals, and the efficient management of projects, once funds are granted. These internal documents shall be consistent with institutional policy, with guidelines prepared at the central level and the regulations of the UPR.
12. Maintain an efficient information and reporting system on grants received and expenditure incurred in operating programs with external funds; prepare the reports required by the Central Administration to ensure the integration of information concerning levels external funding, details of the direct and indirect costs and budget modifications.
13. Establish review boards and other mechanisms required by sponsors of projects with external funding to ensure compliance with existing laws and regulations including, but not limited to, the following areas: biological safety, security and disposal of hazardous materials, care of animals in research, drug use and abuse, and procedures for handling misconduct in scientific research. Special attention shall be given to strict compliance with all applicable federal and local regulations to ensure maximum protection of researchers for

activities involving recombinant DNA molecules, radioactive and other hazardous substances.

14. Establish effective procedures to assure the budget documents submitted with the proposals must conform to university standards of wages and fringe benefits and remuneration policy of the campus/unit. The recruitment of professional and technical staff to be paid wholly or partly with foreign funds must comply with regulations and administrative procedures followed by Personnel Committees of each departmental unit.

E. Deans

1. Promotes the school's sponsored research and creative activity to enhance the institutional scholarly productivity.
2. Fosters collaborative research, innovation, technology commercialization and entrepreneurship in the school.
3. Certifies by signing the campus/unit transmittal form, that the proposal purpose, scope and plan of operations represents the best interest of the department, the campus/unit and the UPR.
4. Reviews each proposal submitted and pays particular attention to non-fiscal institutional commitments incurred and to the technical quality of the document.
5. Verifies that matching fund sources are identified and that any commitments beyond the life of the grant are documented.
6. Verifies the following: release time, equipment purchases, funds for clerical assistance, use of facilities, expenditures for travel, and matching funds source, if applicable.
7. Assures proposed project is appropriate and in-line with departmental and institutional mission.
8. Assures compliance with Responsible Conduct of Research.

F. Department Chair/Center Director (Administrator)

1. Promotes the department's sponsored research and creative activity to enhance the institutional scholarly productivity.
2. Fosters collaborative research, innovation, technology commercialization and entrepreneurship in the department.

3. Certifies by signing the campus/unit transmittal form, that the proposal purpose, scope and plan of operations represents the best interest of the department, the campus and the UPR.
4. Checks the proposal for accuracy of content, and for compliance with the applicable regulations.
5. Verifies the following: release time, equipment purchases, funds for clerical assistance, use of facilities, expenditures for travel, and matching funds source, if applicable.
6. Verifies that any request for additional staff has been discussed with the appropriate authorities.

G. Office of Sponsored Programs, R&D Center (UPRM), Resources center for Science and Engineering (RCSE) (UPR Central Administration) or its equivalent

1. Provides institutional leadership through ongoing training and advising to assure the UPR continuing success in obtaining external funds and managing sponsored programs.
2. Keeps current with Federal and non-Federal regulations regarding grants and contracts.
3. Disseminates UPR policies, related to grants and contracts.
4. Provides guidance and interpretation of Federal regulations, agencies specific requirements, and UPR policies and procedures.
5. Identifies funding sources/opportunities.
6. Maintains current proposals data base.
7. Reviews proposal guidelines to determine funding eligibility.
8. Provides guidance and support on the development of budget and budget narratives to accomplish proposed work.
9. Reviews proposal and request changes as needed prior to agency submission.
10. Confirms that fiscal and non-fiscal institutional commitments have been approved by the appropriate office and confirms the technical quality of the document.
11. Reviews each proposal submitted and verifies that matching funds sources are

identified, if applicable, and that any commitments beyond the life of the grant are documented and realistic.

12. Keeps campus/unit, institute or center id accesses updated.
13. Reviews the proposal and classifies with the PI/PD and other offices if there are any questions regarding the proposal and/or with factual accuracy.
14. Retains upon submission a copy of the proposal and campus/unit transmittal form with original signatures.
15. Closes and inactivates award/projects in the University Financial Integrated System (UFIS).
16. Submits financial patent and equipment inventory reports (interim and final).
17. Verifies and audit cost share in accordance in award term and conditions.
18. Audits expenditure balance and award activity to verify financial compliance with UPR and Sponsor regulations and to ensure allowability, allocability and reasonableness.
19. Prepares and submits billing for all sponsored awards.
20. Initiates collection activities on past due invoices.
21. Verifies data within effort certification submissions in accordance with UPR policies and procedures.
22. Works with external auditors to complete the A-133 audit process.
23. Provides assistance in the response of any audit process (internal and external).
24. Verifies submission of protocols to appropriate oversight regulatory committees.
25. Provides guidance for the effective accomplishment of all sponsored activities.

H. Principal Investigator/Program Director (PI/PD)

1. Bears the primary responsibility for the accuracy of all material in the proposal and for compliance with all applicable regulations.
2. Informs the department chair and dean of their intention to submit and of

proposal content and obtaining written verification of approval.

3. Responsible for the completion of the campus/unit transmittal form and of the application according to the specifications in the guidelines. By signing the transmittal form, the PI/PD certifies that the proposal represents the highest quality in purpose, scope and plan of operation in accordance with the UPR Systemic Strategic Plan Ten for the Decade (2006-2016).
4. Initiates request for No Cost Extension.
5. Ensures that the proposal meets all requirements of the Institutional Review Board (IRB) on Human Research, complies with the Affirmative Action regulations, if applicable, IACUC, and meets any other regulations which might apply.
6. Checks all financial data with the Finance Office or designated office prior to the submission of the grant. Special attention should be paid to F&A costs, cost matching or cost sharing provisions.
7. Submits the completed form and final proposal to the campus office of sponsored programs or its equivalent, no less than seven (7) business days prior to the sponsor's submission deadline.
8. Determines financial charges that are allocable to the sponsored project, including cost transfers.
9. Attests to the allowability and reasonableness of all expenditures.
10. Initiates hiring/assignment of personnel working on the sponsored project.
11. Responsible for the completion, accuracy and timeliness of Time and Effort Reports, and all technical reports.
12. Initiates subcontract agreements and approves invoices for payments.
13. Initiates requests for rebudgeting of costs on the project.
14. Monitors spending against budget, noting certain trends such as overspending or under- spending
15. Identifies and allocates any program income (such as revenue from sales and services of goods developed in conjunction with a sponsored project).
16. Ensures project personnel compliance with all applicable regulations and reports instances of non-compliance to the appropriate compliance area institutional officer.



17. Responsible for all closeout procedures.
18. Responsible for the implementation, administration and management thereof. In compliance with the restrictions and provisions of the grants, special attention shall be given to budget constraints, the protection of health and safety, and the terms, conditions and reporting requirements established by sponsors.

In addition, the PI/PD shall coordinate with the appropriate campus/unit officials any changes to the original budget or the proposed program in accordance with the guidelines of the sponsors and campus/unit policies.

I. Department, Research or Program Administrator

1. Assists PI/PD in obtaining appropriate internal approvals, in accordance with Federal regulations, UPR and sponsoring agency policies and procedures, prior to submitting research proposals to sponsoring agency.
2. Provides assistance to PI/PD in ensuring proposals meet all applicable Federal regulations, University, and sponsoring agency policies and procedures.
3. Interprets agency guidelines to facilitate PI/PD preparation of the scientific proposal in accordance with Federal regulations, UPR, and sponsoring agency policies and procedures.
4. Provides assistance to PI/PD in preparing categorized budget and justification in accordance with all applicable Federal regulations, UPR, and sponsoring agency policies and procedures.
5. Provides administrative support to PI/PD in preparing protocols associated with compliance (e.g., human subjects and/or animals in research, etc.) necessary to support the research.
6. Reviews award terms and conditions and assists PI/PD in complying with and implementing terms and conditions.
7. At the direction of the PI/PD, revises the categorized budget based on the actual award and the specific needs of the project.
8. Assists the PI/PD in coordinating financial, personnel, and related aspects of the sponsored program in accordance with Federal regulations, UPR, and sponsoring agency policies and procedures.

9. Coordinates with PI/PD, and sponsored program office to verify the correct facilities and administrative (F&A) cost rate to any sponsored project budget in accordance with agency guidelines.
10. Coordinates with PI/PD in obtaining, maintaining, and safeguarding property used to conduct research according to Federal regulations and UPR and sponsoring agency policies and procedures.
11. Coordinates with sponsored program office or its equivalent to provide fiscal and administrative assistance to the PI/PD in developing, monitoring, and administering all fiscal aspects.
12. Provides administrative support to the PI/PD for the timely completion and submission of all technical and/or progress reports, in coordination with the sponsored program office.
13. Assists the PI/PD in the accurate and timely submission of final closeout documents to the sponsoring agency, as specified by agency policies and procedures, in coordination with the sponsored program office.
14. Oversees day-to-day financial administration of project funds.
15. Reviews and approves financial transactions on sponsored projects to verify that costs are reasonable and transactions represent an appropriate allocation of costs in accordance with Federal regulations, UPR, and sponsoring agency policies and procedures.
16. Processes financial transactions and reviews and analyzes sponsored projects financial reports.
17. Advises PI/PD on financial and administrative matters, and serves as liaison between the Principal Investigator, sponsoring agencies, sponsored programs office, and compliance offices.
18. Assists PI/PD in verifying that that appropriate cost-sharing obligation has been met and is in compliance with all applicable Federal regulations, UPR, and sponsoring agency policies and procedures.
19. Assists the PI/PD in reviewing allowable and allocable research project charges and processes, reviews and approves cost transfer transactions.
20. Monitors approved budget and notifies PI/PD of possible cost overruns, and advises PI/PD on resolutions.

21. Coordinates with the PI/PD to complete and submit appropriate final closeout or transfer forms.
22. Assists the PI/PD in reviewing and adjusting the Time and Effort Report for appropriate personnel according to Federal regulations, UPR, and sponsoring agency policies and procedures.
23. Discloses any financial conflicts of interest according to University policies and procedures.
24. Remains appraised of current UPR policies and procedures with regard to the requirements of the sponsored programs offices.
25. Assists the PI/PD in disclosing and reporting patent and invention information in accordance with Federal and State regulations, UPR and sponsoring agency policies and procedures.

J. AOR/Designee

1. Verifies that the internal transmittal form has all the necessary institutional signatures.
2. Verifies that all corresponding forms contain the correct campus/unit.
3. Certifies that the applicant organization will be accountable both for appropriate use of funds awarded and for the performance of the sponsored project activities resulting from the application.
4. Submits electronically or by hard copy the proposal to the sponsoring agency.
5. Submits Just-in-time documentation, progress reports, close-out, no-cost extension, carryover, and any other required documentation or information.
6. Verifies full compliance with sponsor terms and conditions, UPR policies, and federal regulations and requirements.
7. Creates and updates research accounts in eRA Commons (electronic research administration), FastLane and all applicable sites.

K. Finance Office (Financial/Administrative Management)

1. Create and monitor project accounts.
2. Create and monitor approved budget.
3. Verify that all expenditures are allowable, allocable and reasonable.

4. Provide budgetary management assistance and guidance to PI/PD and or Project Administrator to facilitate resolution of accounting problems.
5. Process necessary paperwork to acquire the goods and resources needed to carryout the project
6. Process rebudgeting requests in accordance to sponsor guidelines.
7. Complete final property reporting and ensure disposition instructions followed.
8. Prepare financial journal entries when needed to adjust charges to the accounts.
9. Review reporting on purchases, available balances, and personnel; initiate any corrections in a timely manner.
10. Review request for change and justification, determine level of authority required, forward to agency or process
11. Audits and certify time and effort reports.
12. Reviews, approves and processes all cost transfers.
13. Prepare information for, and work with internal/external auditors on annual A-133 single audit.
14. Process award/account parameter changes.
15. Prepare and submit invoices and receive payments; monitor accounts receivable and follow up as needed.
16. Reviews expenditures in restricted budget categories.
17. Prepare, reconcile, and submit financial status reports.
18. Contact PI/PD regarding delinquent technical reports.
19. Prepare and submit required equipment and small business subcontracting reports.

L. Property Office

Certification Number 062, Board of Trustees, 1994-95, establish the policy and procedures to manage tangible property and property purchased with federal funds.

## VI. DEFINITIONS (Glossary of Terms and Acronyms)

### A

**A-21** - "Cost Principles for Educational Institutions," a circular published by the federal Office of Management and Budget (OMB) that establishes the principles for determining the costs applicable to grants, contracts, and other government agreements with educational institutions (also known as sponsored projects).

**A-110** – See 2 CFR Part 215.

**A-133** - Audits of States, Local Governments, and Non-Profit Organizations. A circular published by the federal Office of Management and Budget (OMB).

**AFOSR** - Air Force Office of Scientific Research

**Allocable Costs** - Those allowable costs that actually benefit the grant or contract to which they are charged.

**Allowable Costs** - Those categories of costs that are allowable as a charge on a grant or contract as determined by the terms and conditions of the award and/or appropriate cost principles. Certain types of costs, such as the cost of alcoholic beverages are not allowable and may not be charged to a contract or grant.

**Applied Research** - The systemic, intensive study directed toward the practical application of knowledge.

**Audit** - A formal examination of an organization or individual's accounts or financial situation. An audit may also include examination of compliance with applicable award terms, laws, regulations and policies.

**Authorized Signature** - (1) Signature of the person authorized to commit funds and facilities on grants and contracts. The President, Chancellors and their authorized representative are the only authorized signatures in executing a tendered contract or accepting a grant. The President, Chancellors and their authorized representative are the authorized institutional officials to sign a proposal on behalf of the UPR. (2) Signature of those persons authorized to commit project funds. The project director/principal investigator is the authorized signer for his/her own project, and may authorize other persons to commit project funds.

**Award** - Funds that have been obligated by a sponsor for a particular project.

### B

**Basic Research** - A systemic, intensive study. The primary aim of which is fuller knowledge or understanding of the subject under study rather than a practical application thereof.

**Bequests** - A type of donation or gift. Bequests and gifts are awards given with few or no conditions specified. Gifts may be provided to establish an endowment or to provide direct support for existing programs. Frequently, gifts are used to support developing programs for which other funding is not available.

**Broad Agency Announcement (BAA)** - An announcement of a federal agency's general research interests that invite proposals and specifies the general terms and conditions under which an award may be made.

**Budget** - A list of anticipated project costs that represent the PI/PD's best estimate of the funds needed to support the work described in a research grant or contract proposal.

**Budget Description (Justification or Narrative)** - A written description of the cost estimation methods used in preparing a budget that also explains or describes the types of individual costs that make up a larger budget category.

**Budget Period** - The interval of time (usually 12 months) into which the project period is divided for budgetary and funding purposes.

**Budget Adjustment** - The act of amending the budget by moving funds from one category or line item to another. (See also rebudget.)

## C

**CAS** - Cost Accounting Standards

**CDC** - Centers for Disease Control and Prevention

**CFDA** - Catalog of Federal Domestic Assistance

**CFR** - Code of Federal Regulations

**Change Order** - A written order signed by the contracting officer, outlining specific changes to a contract. The change order directs the contractor to make changes as ordered. The changes clause of the contract authorizes the contracting officer to issue change orders without the consent of the contractor.

**Close Out** - The act of completing all internal procedures and sponsor requirements to terminate or complete a research project.

**Cognizant Agency for Audit** - The Federal Agency designated to carry out the responsibilities for recipients expending more than \$25 million (\$50 million for fiscal

years ending after December 31,2003) a year in Federal awards shall have a cognizant agency for audit. The cognizant agency for audit shall: (1) Provide technical audit advice and liaison to auditees and auditors, (2) Consider auditee requests for extensions to the report submission due date - the cognizant agency for audit may grant extensions for good cause-, (3) Obtain or conduct quality control reviews of selected audits. For further information go to: [www.whitehouse.gov/omb/circulars/a133](http://www.whitehouse.gov/omb/circulars/a133).

**COLA** - Cost of Living Allowance. Used to compare the cost of maintaining a certain standard of living in different geographic areas.

**Community of Science (COS)** - A website containing information about scientific expertise, funded scientific research, and funding opportunities for research. The web address is <http://www.cos.com> .

**Competing Renewal Proposal** - Proposals (for ongoing projects) that must compete again if the term of the original award has expired.

**Conflict of Interest** - Situations in which employees use their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.

**Consortium Agreement** - Group of collaborative investigators/institutions; arrangement can be formalized with specified terms and conditions.

**Contract** - A mechanism for procurement of a product or service with specific obligations for both sponsor and recipient. Typically, a research topic and the methods for conducting the research are specified in detail by the sponsor, although some sponsors award contracts in response to unsolicited proposals.

**Contracting Officer** - A sponsor's designated individual who is officially responsible for the business management aspects of a particular contract. The contracting officer is responsible for all business management matters associated with the review, negotiation, award, and administration of a contract and interprets the associated administration policies, regulations, and provisions. (For definition of scientific officer, see Program/Project Officer .)

**Copyright** - An intangible, incorporeal right granted by statute to an author or originator of certain literary or artistic productions, where he/she is invested, for a limited period, with the sole and exclusive privilege of multiplying copies of the same and publishing and selling them. Works of authorship include literary, musical or dramatic works, works of art, motion pictures or video tapes, audio recordings or computer programs.

**Cooperative Agreement** - An award similar to a grant, but in which the sponsor's staff may be actively involved in proposal preparation, and anticipates having substantial involvement in research activities once the award has been made.

**Cost Accounting Standards (CAS)** - Federally mandated accounting standards intended to ensure uniformity in budgeting, accounting and reporting project costs.

**Cost-Reimbursement Type Contract/Grant** - A contract / grant for which the sponsor pays for the full costs incurred in the conduct of the work up to an agreed-upon amount.

**Cost-Sharing** - A general term, used as a noun or adjective, that can describe virtually any type of arrangement in which more than one party supports research, equipment acquisition, demonstration projects, programs, institutions. Example: A university receives a grant for a project estimated to have a total cost of \$100,000. The sponsor agrees to pay 75% (\$75,000) and the university agrees to pay 25% (\$25,000). The \$25,000 is the cost-sharing component.

## D

**Deficit** - The result of expenditures exceeding the project funds available.

**Department Administrators** – Administrative staff at the departmental level who coordinates with Principal Investigators, school administration, and central administration personnel to provide financial and administrative support for one or more sponsored projects. Administrative staff report directly to supervisors in the department (e.g., Department Head, business manager division administrator, Principal Investigator etc.). The Department Administrator serves as adviser to the Principal Investigator and Department Head/Chair on research-related fiscal and administrative matters.

**Developmental Research** - The systemic use of scientific knowledge directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes.

**DHHS** - Department of Health and Human Services. DHHS is UPR's cognizant agency.

**Direct Costs** - Clearly identifiable costs related to a specific project. General categories of direct costs include but are not limited to salaries and wages, fringe benefits, supplies, contractual services, travel and communication, equipment, and computer use.

**DOD** - Department of Defense (includes Air Force, Army, ARPA, and Navy)

**DOE** - Department of Energy

**DoED** - Department of Education

**DOI** - Department of Interior

**DOT** - Department of Transportation



**Donation** - Transfer of equipment, money, goods, services, or property with or without specifications as to its use. Sometimes a donation is used to designate contributions that are made with more specific intent than is usually the case with a gift, but the two terms are often used interchangeably. (Also see Gift\_)

## E

**Effort** - The total activity or work for which an individual is compensated by the University. Expressed as a percentage of the full-time equivalence (FTE).

**Electronic Research Administration (ERA)** - Conducting research administration by utilizing electronic resources such as the Internet, form templates , databases and other electronic tools. (For more information, link to NCURA or ERA Task Force )

**Encumbrance** - Funds that have been set aside or "claimed" for projected expenses pending actual expenditure of the funds.

**Endowment** - A fund usually in the form of an income-generating investment, established to provide long-term support for faculty/research positions (e.g., endowed chair).

**EPA** - Environmental Protection Agency

**Equipment** - For UPR system purposes, equipment is defined as a tangible article that has an acquisition cost of \$200 or more, even though Federal regulations stipulates equipment as an acquisition cost of \$5,000 or more.

**Expiration Date** - End date of the performance period, as indicated on the Notice of Grant Award.

**Extension** - An additional period of time authorized by the sponsor (or awardee institution, as appropriate) to an organization for the completion of work on an approved grant or contract . An extension allows previously allocated funds to be spent after the original expiration date.

## F

**FAA** - Federal Aviation Administration

**Facilities and Administrative (F&A) Costs** - Costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with Indirect Costs. General categories of indirect costs include general administration (accounting, payroll, purchasing, among others), sponsored project administration, plant operation and maintenance, library expenses,

departmental administration expenses, depreciation or use allowance for buildings and equipment, and student administration and services.

**FDA** - Food and Drug Administration

**FDP** - Federal Demonstration Partnership is a cooperative effort between a number of universities and federal agencies to increase research productivity by eliminating unnecessary administrative procedures and by streamlining and standardizing needed controls.

**FEDIX** - On-line federal database serving most federal agencies for on-line searches.

**Final Report** - The final technical or financial report required by the sponsor to complete a research project.

**Fiscal Year (FY)** - Any 12-month period for which annual accounts are kept. The federal government's fiscal year is October 1 through September 30. UPR's is July 1 through June 30.

**Fixed-Price (FP) Contract/Grant** - A contract/grant for which one party pays the other party a predetermined price, regardless of actual costs, for services rendered or the delivery of a final product/report. Quite often this is a fee-for-service agreement.

**FOIA** - Freedom of Information Act is a federal freedom of information law that allows for the full or partial disclosure of previously unreleased information and documents controlled by the United States Government.

**Fringe Benefits** - Employee benefits paid by the employer. (e.g. FICA, Worker's Compensation, Withholding Tax, Insurance, among others.)

**Funding Cycle** - Range of time during which proposals are accepted, reviewed, and funds are awarded. If a sponsor has standing proposal review committees (or boards) that meet at specified times during the year, application deadlines are set to correspond with those meetings. For some sponsors, if proposals are received too late to be considered in the current funding cycle, they may be held over for the next review meeting (i.e., National Science Foundation's Target Dates).

## G

**General Purpose Equipment** - Equipment that can be utilized for activities other than the specific, technical, specialized activities supported by a grant or contract. Examples include office equipment and furniture, reproduction equipment, motor vehicles and data processing equipment.

**Gift** - Gifts and bequests are awards given with few or no conditions specified. Gifts may be provided to establish an endowment or to provide direct support for existing programs.

Frequently, gifts are used to support developing programs for which other funding is not available. (Also see Donation .)

**Grant** - A type of financial assistance awarded to an organization for the conduct of research or other program as specified in an approved proposal . A grant, as opposed to a cooperative agreement, is used whenever the awarding office anticipates no substantial programmatic involvement with the recipient during the performance of the activities.

**Grantee** - Organization or individual legally responsible and accountable for the performance and financial aspects of a supported project or activity awarded by an external sponsor. Also known as awardee or recipient.

**Grants Officer** - A sponsor's designated individual who is officially responsible for the business management aspects of a particular grant or cooperative agreement . The grants officer is responsible for all business management matters associated with the review, negotiation, award , and administration of a grant or contract and interprets the associated administration policies regulations, and provisions.

## H

## I

**IC** - Indirect Costs (Facilities and Administrative Costs - F&A Costs)

**IFB** - Invitation for Bid

**In-Kind** - defined under federal guidelines as "contributions other than cash". Equipment, materials, or services of recognized value that are offered in lieu of cash.

**Incremental Funding** - A method of funding grants and contracts that provides specific spending limits below the total estimated costs. Each increment is, in essence, a funding action.

**Indirect Costs** - See Facilities & Administrative Costs.

**Indirect Cost Rate (also known as F&A rate)** - The rate, expressed as a percentage of a base amount established by negotiation with the cognizant federal agency on the basis of the institution's projected costs for the year and distributed as prescribed in OMB Circular A-21 .

**Invention** - Any process, machine, manufacture, composition of matter, or design, or any new or useful improvement thereof, and any variety of plant which is or may be patentable under the patent laws of the United States.

**Investigator-Initiated Proposal** - A proposal submitted to a sponsor that is not in response to an RFP , RFA , or a specific program announcement .

**Invitation for Bid (IFB)** - A solicitation issued to prospective bidders. An IFB describes what is required and how the bidders will be evaluated. Award is based on the lowest bid. Negotiations are not conducted.

## J

## K

**Key Personnel** - Personnel considered being of primary importance to the successful conduct of a research project. The term usually applies to the senior members of the project staff; however, sponsors may have differing definitions of key personnel. Changes in key personnel require agency prior approval.

## L

**Limitation of Cost (LOC)** - A mandatory clause for cost-reimbursement type contracts. Under the clause, the sponsor is not obligated to reimburse the contractor for costs in excess of the stated amount. The contractor, however, is not obligated to continue performance once expenses reach the stated amount.

**Line Item Budget** - A budget that lists the cost of personnel participating in a project as well as itemizes the costs for all other budgeted categories such as travel, supplies, equipment, etc. Itemization may be required in varying degrees of detail.

## M

**Matching Funds** - A term used to describe the requirement or condition that a generally minimal amount of money or services-in-kind originate from the beneficiaries of financial amounts.

**Matching Grant** - A grant that requires a specified portion of the cost of a supported item of equipment or project be obtained from other sources. The required match may be more or less than the amount of the grant. Some matching grants require that the additional funds be obtained from sources outside the recipient organization.

**Misconduct in Science** - Fabrication, plagiarism, falsification or destruction of data, or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research.

**Modification** - An award document that modifies any aspect of an existing award.

**Modified Total Direct Costs (MTDC)** - Consist of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care and tuition remission, rental costs of off-site facilities,

scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

## N

**NACUBO** - National Association of College and University Business Officers

**NAS** - National Academy of Sciences

**NASA** - National Aeronautics and Space Administration

**NCHGR** - National Center for Human Genome Research (NIH)

**NCI** - National Cancer Institute (NIH)

**NCRR** - National Center for Research Resources (NIH)

**NCURA** - National Council of University Research Administrators

**NEA** - National Endowment for the Arts

**NEH** - National Endowment for the Humanities

**NEI** - National Eye Institute (NIH)

**New Award** – An award not previously awarded or a renewal or continuation award treated as a new award by the sponsor and given a new agency number.

**New Proposal** - Proposals that are submitted to a particular sponsor for the first time.

**NHLBI** - National Heart, Lung, and Blood Institute (NIH)

**NIA** - National Institute on Aging (NIH)

**NIAAA** - National Institute on Alcohol Abuse and Alcoholism (NIH)

**NIAID** - National Institute of Allergy and Infectious Diseases (NIH)

**NIAMS** - National Institute of Arthritis and Musculoskeletal and Skin Diseases (NIH)

**NICHD** - National Institute of Child Health and Human Development (NIH)

**NIDA** - National Institute on Drug Abuse (NIH)

**NIDCD** - National Institute on Deafness and other Communication Disorders (NIH)

**NIDDK** - National Institute of Diabetes and Digestive and Kidney Diseases (NIH)

**NIDR** - National Institute of Dental Research (NIH)

**NIEHS** - National Institute of Environmental Health Sciences (NIH)

**NIGMS** - National Institute of General Medical Sciences (NIH)

**NIH** - National Institutes of Health

**NIMH** - National Institute of Mental Health (NIH)

**NINDS** - National Institute of Neurological Disorders and Stroke (NIH)

**NINR** - National Institute for Nursing Research (NIH)

**NLM** - National Library of Medicine

**No Cost - Extension** - An extension of the period of performance beyond the expiration date to allow the PI/PD to finish a project. Usually, no additional funds are provided.

**Non-Competing Continuation Proposal** - A continuation proposal reports on progress made during a portion of the project period and requests continuation funding for the next portion of the project period. Continuation proposals do not compete with new project proposals and are not subject to peer review beyond the initial project approval.

**Notice of Grant Award (also known as NoA)** - The legally binding document that serves as a notification to the recipient and others that a grant or cooperative agreement has been made; contains or references all terms and conditions of the award; and documents the obligation of funds.

**NSF** - National Science Foundation

O

**OMB** - Office of Management and Budget

**OMB Circulars** - Regulatory circulars issued by the Office of Management & Budget (OMB) . Definitions included in OMB Circulars A-21, 122, 128 and 133.

**ONR** - Office of Naval Research

**Organized research** - All research and development activities of the institution that are separately budgeted and accounted for. It includes:

(1) **Sponsored research** - all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

(2) **University research** - all research and development activities that are separately budgeted and accounted for by the institution, and which are supported by institutional funds. University research, shall be combined with sponsored research under the function of organized research.

## P

**Peer Review** – A system that uses reviewers who are the professional equals of the principal investigator or a program director and are responsible for directing or conducting the proposed project. It is a form of objective review. Peer review is legislatively mandated in some programs and in other programs is administratively required.

**Personnel Activity Report (PAR)** - A report that reflects an after-the-fact reporting of the percentage of activity ( effort ) of each employee. Each report must account for 100% of the activity for which the employee is compensated and which is required in fulfillment of the employee's obligations to the institution. The report must reasonably reflect the percentage of effort applicable to each sponsored agreement, and to other activities defined on the PAR. Each report must be signed by the employee or by a responsible official having first hand knowledge of the work performed.

**PHS** - Public Health Service

**PHS 2590** - Application for Continuation of a PHS Grant ( National Institutes of Health )

**PHS 398** - Application Form for a PHS Grant ( National Institutes of Health )

**PI** - Principal Investigator

**Pre-Award** -

**Post-award Administration** - Post-award administration refers to all administrative activities that take place after a grant or contract has been awarded. These may include a change of PI/PD, a transfer of funds or equipment, changes in the amount of effort put forth by key personnel, and the submission of progress reports. The process also require the establishment of institutional procedures for assuring compliance with the terms and conditions of an approved award and the institutional regulations; timely reporting procedures, including reports on the products resulting from research, academic or public service activities; continued interaction with the awarding entity; compliance with integrity, ethical conduct of

project's activities, animal care, human and hazardous materials; and the submission of a final report.

**Pre-Proposal** - A brief description, usually 2-10 pages, of research plans and estimated budget that is sometimes submitted to determine the interest of a particular sponsor prior to submission of a formal proposal. Also termed Preliminary Proposal.

**Principal Investigator** - The individual responsible for the conduct of research or other activity, described in a proposal for an award . The Principal Investigator is responsible for all programmatic and administrative aspects of a project or program.

**Prior Approval** - The requirement for written documentation of permission to use project funds for purposes not in the approved budget or to change aspects of the program from those originally planned and approved. Prior approval must be obtained before the performance of the act that requires such approval under the terms of the agreement .

**Priority Score** - A score derived from the rating given a research proposal by each member on a review committee. It is used to help determine which approved proposals will be granted awards, based on funds available.

**Program Announcement** - Describes existence of a research opportunity. It may describe new or expanded interest in a particular extramural program or be a reminder of a continuing interest in an extramural program.

**Program income** - gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. 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.

**Program/Project Officer** - sponsor's designated official responsible for the technical, scientific, or programmatic aspects of a particular grant , cooperative agreement , or contract . Serving as the counterpart to the principal investigator /project director of the grantee/contractor organization, the program/project officer works with the grantee/contractor organization staff to assure programmatic progress.

**Progress Report** - Periodic, scheduled reports required by the sponsor summarizing research progress to date. Technical, fiscal, and invention reports may be required.



**Project Period (PP)** - The total time for which support of a project has been programmatically approved. A project period may consist of one or more budget periods. (Also see Budget Period .)

**Proposal** - An application for funding that contains all information necessary to describe project plans, staff capabilities, and funds requested. Formal proposals are officially approved and submitted by an organization in the name of a principal investigator .

**Proposal Transmittal Form** - An internal transmittal form used at FAMU for securing institutional approvals prior to submitting a proposal to a sponsor for funding consideration.

## Q

## R

**Rebudget** - The act of amending the budget by moving funds from one category or line item to another. (See also Budget Adjustment )

**Recipient** - An organization receiving financial assistance directly from an awarding agency to carry out a project or program.

**Regs** - Short for "regulations."

**Regulations** - The contractual rules and procedures governing sponsored research projects.

**Regulatory Noncompliance** - Failure to adhere to regulations, policies, procedures or special conditions related to the conduct of research. Examples of such noncompliance include, but are not limited to, failure to obtain/maintain approval for research; coercion of human subjects; performing unapproved procedures; and conducting research at unapproved sites.

**Renewal** - Applicable to grants and cooperative agreements only. A competitively reviewed proposal requesting additional funds extending the scope of work beyond the current project period. A continuation of a project for which the proposal submission is competitive.

**Request for Applications (RFA)** - Announcements that indicate the availability of funds for a topic of specific interest to a sponsor . Proposals submitted in response to RFAs generally result in the award of a grant. Specific grant announcements may be published in the Federal Register and/or specific sponsor publications. (Also see Broad Agency Announcements .)

**Request for Proposal (RFP)** - Announcements that specify a topic of research, methods to be used, product to be delivered and appropriate applicants sought. Proposals

submitted in response to RFPs generally result in the award of a contract . Notices of federal RFPs are published in the Commerce Business Daily.

**Request for Quotations (RFQ)** - A formal request to vendors for a price quotation on equipment or supplies to be purchased.

**Research** - A systematic study directed to enhance scientific knowledge or understanding of the subject studied. Research can be classified as basic, or applied although data reported here are not separated into these categories. In basic research the investigation is oriented toward gaining a better knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications toward processes or products in mind. In applied research the investigation is aimed at gaining the knowledge or understanding necessary for determining the means by which a recognized and specific need may be met.

The term research also includes activities involving training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

**Research and Development (R&D)** - Includes all research activities, both basic and applied, and all development activities that are supported at universities and colleges. Demonstration projects conducted to discover whether a technology or method is workable are considered to be within the scope of R&D if their objective is to produce new information within a specific time period.

"Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

Research and development excludes topographic mapping and surveys, collection of general-purpose statistics, and activities concerned primarily with the dissemination of scientific information. Also excluded are routine product testing, quality control, and R&D facilities and fixed equipment.

**Research equipment** - is included as part of R&D. It includes any item (or interrelated collection of items constituting a system) of nonexpendable tangible property or software having a useful life of more than 2 years and an acquisition cost of \$5,000 or more that is used wholly or in part for research.

**Research Project or Program** – Are defined as projects or programs that require a proposal or other application to obtain funding, have a defined scope of work associated with the project, anticipate a deliverable result, and require that periodic financial and progress reports be submitted to the sponsor. It is also defined as a plan or course of action prepared by one or a group of investigators to conduct research activities that will result in the broadening of human knowledge in one or more disciplines. The products of

the research is expressed in scientific or scholarly peer reviewed publications or reports to the sponsor that commissions the work, and usually, also results in intellectual property that may be protected by patents when appropriate or pertinent. Most research projects or programs are financially sponsored by a federal agency, local government or private entity. In those instances, a pre-award and post-award management procedure must be followed.

**Revised Proposal** - A modified and resubmitted request for funding for a project that was previously not funded either because it was denied by the sponsor or withdrawn by the principal investigator or project director.

## S

**Salaries and Wages (S&W)** - Payments made to employees of the institution for work performed.

**SBA** - Small Business Administration

**Scope of Work** - The description of the work to be performed and completed on a research project.

**Senior Personnel** - Professional personnel who are responsible for the scientific or technical direction of project.

**Small Business Innovative Research (SBIR)** - Agency administered programs supported by ear-marked federal funds, making grants to small business entities.

**Small Business Technology Transfer (STTR)** - Grant applications and/or programs to fund small business "teamed" with research institutions.

**Small Grant** - A special type of

**SmartsS** - SPIN Matching And Researcher Transmittal System

**Special Purpose Equipment** - Equipment that is generally usable only for research, medical, scientific, or technical activities.

**SPIN** - Sponsored Programs Information Network An on-line search system available by subscription for research opportunities developed by the InfoEd.

**SPOC** – Single Point of Contact.

**Sponsor** – Agency, entity or organization that provides the funding for a cooperative agreement, grant or contract. Sponsors may be federal or state government agencies, as well as non-governmental organizations.

**Sponsored Projects/Programs** - Externally-funded research, education, services and training activities in which a formal written agreement, a grant, contract, or cooperative agreement is entered into by the University and by the sponsor. A sponsored project/program are conducted by University employees, using any University space, facilities, materials, equipment or property, which is financed by any source other than the University's funds and that may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer and commitment to a specified project plan. This statement of work is usually supported by both a project schedule and a line-item budget, both of which are essential to financial accountability. The statement of work and budget are usually described in a written proposal submitted by the University to the sponsor for competitive review. A sponsored project budget will include the University's full negotiated F&A (indirect) cost rate, unless a waiver of those costs has been approved. While not all of the above conditions are necessary to define a sponsored project, they are collectively indicative of the increased level of financial accountability associated with such projects.

**Sponsored Research** - Research conducted by University employees using any University space, facilities, materials, equipment, or property, and which is financed by contract payments, grants, or gifts from any source other than the University's funds.

**Sponsored Research Services (SRS)** - SRS is a unit of the Division of Sponsored Research reporting to the Vice President for Research. SRS staff are responsible for reviewing and submitting contract and grant proposals, accepting grants, and negotiating contracts for extramurally-funded research, training, and public service projects. SRS staff act as FSU's institutional official in matters involving the sponsor's awarding office. SRS is also responsibilities for post-award activities, such as approving certain actions delegated to the campus by sponsors, obtaining sponsor approvals as required, resolving problems that arise during the project period, reviewing consultant agreements, and assuring compliance with University and sponsor policies and regulations. SRS staff write and execute subcontracts with other institutions for performance of a portion of the scope of work under contracts and grants awarded to the University. Working with the FSU Research Foundation, SRS coordinates proposal and award activity involving non-public funding.

**SRA** - Society of Research Administrators

**SRAD** - Those funds received for earned overhead or indirect costs, and distributed to University schools/colleges, departments or institutes to support the research activity of the University.

**SSA** - Social Security Administration

**Stipend** - A payment made to an individual under a fellowship or training grant in accordance with pre-established levels to provide for the individual's living expenses

during the period of training. A stipend is not for services rendered; it is not salary or wage.

**STTR** - (See Small Business Technology Transfer)

**Subcontract, Subgrant, or Subagreement** - A document written under the authority of, and consistent with the terms and conditions of an award (a grant, contract or cooperative agreement), that transfers a portion of the research or substantive effort of the prime award to another institution or organization.

**Subs** - Short for subcontractors.

**Supplemental Proposal** - A request to the sponsor for the additional funds for an ongoing project during the previously approved performance period. A supplemental proposal may result from increased costs due to modifications in design or a desire to add a closely related component to the ongoing project.

**Supplemental (Rebudgeting or Modification) Proposal** - A request to the sponsor for additional funds for an ongoing project during the previously approved performance period. A supplemental proposal may result from increased costs, modifications in design, or a desire to add a closely related component to the ongoing project.

## T

**Task Order Agreement (TOA)** - A legally binding document authorizing work and appropriating funds as a supplement to a basic contract or master agreement.

**Teaming Agreement** - An agreement between two or more parties to participate in a research project or teaching activity.

**Technical Data** - Recorded information, regardless of form or characteristic, of a scientific or technical nature. Often referred to as the "science" of a proposal.

**Templates** - Facsimiles of agency forms created with common software (MS Word, Excel, WordPerfect, etc.) that enable the user to complete agency forms with their computer. (See FORMS)

**Terms of Award** - All legal requirements imposed on an agreement by the sponsor, whether by statute, regulation(s), or terms in the award document. The terms of an agreement may include both standard and special provisions that are considered necessary to protect the sponsor's interests.

**Total Direct Costs (TDC)** - The total of all allowable direct costs of a project.

**Total Project Costs** - The total allowable direct and indirect costs incurred by the institution to carry out an approved project or activity.

**TRAM** - A WWW service initially developed by the Texas Research Administrators Group providing funding opportunity searches, agency form templates, links to research administration home pages, etc.

## U - Z

**Unallowable Costs** - Unallowable costs are specific categories of costs that cannot be charged, directly or indirectly, to federally sponsored agreements in accordance with Federal regulations.

**Unrestricted Funds** - Moneys with no requirements or restrictions as to use or disposition. Grants, contracts, and cooperative agreements are considered to be restricted funds, while gifts are usually considered unrestricted funds.

**Unilateral Award** - An award made by a sponsor to an organization without considering competitive proposals. Unilateral awards are most often made when unsolicited proposals receive favorable treatment.

**Unsolicited Proposal(s)** - Proposals submitted to a sponsor that are not in response to an RFP, RFA, or program announcement. (See also Investigator-Initiated Proposal.)

**USDA** - United States Department of Agriculture

**USIA** - United States Information Agency

**VA** - Veterans Administration

**VAH** - Veterans Administration Hospital

## VII. RESOURCES/REFERENCES (incluirl los enlaces)

### A. Federal

#### Regulations

- Code of Federal Regulations (CFR), <http://www.gpoaccess.gov/cfr/>
  - Title 2, Part 220 ( OMB A-21), Cost Principles for Educational Institutions
  - Title 2, Part 215 (OMB A-110), Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
  - 37 CFR 401 –Patents, Trade Marks and Copyrights
- Office of Management and Budget (OMB)
  - A-133, Audits of States, Local Governments, and Non-Profit Organizations
- Education Department General Administrative Regs (**EDGAR**)

- <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Executive Order 12372
- <http://www.fws.gov/policy/library/rgeo12372.pdf>

#### Major Funding Agencies

- NIH (National Institute of Health)
- NSF (National Science Foundation)
- NASA (National Aeronautics and Space Administration)
- Department of Energy (DOE), Office of Science
- National Endowment for the Humanities
- National Endowment for the Arts
- US Department of Agriculture, Cooperative State Research, Education and Extension Search (CSREES) [www.csrees.usda.gov](http://www.csrees.usda.gov)
- Department of Homeland Security
- Department of Commerce
- Department of the Interior

#### **Federal Agencies link:**

[http://www.usa.gov/Agencies/Federal/All\\_Agencies/index.shtml](http://www.usa.gov/Agencies/Federal/All_Agencies/index.shtml)

#### Major Sponsored Research Administration Organizations

- NCURA
- SRA
- SAI, Puerto Rico

#### On-line Resources

- Grants.gov
- Fastlane
- E-grants
- eRa Commons
- USA.gov

Federal Government Forms, <http://search.usa.gov/forms>

Code of Federal Domestic Assistance, <https://www.cfda.gov/>

University of Puerto Rico Certifications and Circulars (UPR documents are available at the VPIT webpage: <http://acweb.upr.edu/vpit/index.html>)

1. System-wide Circulars and Certifications
  - a. Circular Number 04-13, Central Finance Office - Procurement Card (Credit Card)
  - b. Certification 30, 2008-2009, Board of Trustees - Purchasing Procurement (Reglamento de compras)
  - c. Certification Number 36, 2009-2010, Board of Trustees, External Funds

- d. Certification Number 45, 2006-2007, Board of Trustees, Research Misconduct
- e. Certification Number 63, 2007-2008, Board of Trustees – Conflict of Interest
- f. Certification Number 132, 2002-2003, Board of Trustees – Patents, Inventions and Intellectual Property
- g. Certification Number 93-140, Council on Higher Education – Copyrights
- h. Certification Number 062, 1994-1995, Board of Trustees - Property (Equipment) Management (Reglamento de Propiedad)
- i. Institutional Base Salary
- j. Certification Number 35, Board of Trustees, Política Inst sobre el uso Aceptable de los Recursos de la tecnología de la información en la UPR
- k. Certification Number 120, 2005-06, Board of Trustees, Reglamento de Gastos de Viajes de la UPR, (amended by Certification Number 59, 2007-2008, Board of Trustees)
- l. Certification Number 190, 2002-2003, Board of Trustees – Normas Sobre Gastos para el Desarrollo de Relaciones Institucionales
- m. Certification Number 191, 2002-2003, Board of Trustees, Normas sobre Gastos para Actividades de la Comunidad Universitaria
- n. Certification Number 192, 2002-2003, Board of Trustees, Normas sobre el Uso de las Telecomunicaciones
- o. Certification Number 130, Reglamento sobre adquisición de equipo, materiales y servicios no personales de la UPR
- p. Reglamento General de la UPR
- q. Certification Number 144, 1996-1997, Board of Trustees - Strategic Plan for Science and Technology at the UPR
- r. Certification Number 108, 1998-1999, Board of Trustees - Política de la Universidad de Puerto Rico sobre Investigación Institucional
- s. **Recently** Board of Trustees approved regulations:
  - 1. Certification Number 14, 2011-2012 – Policy for the Promotion and Development of Research at the UPR.
  - 2. Certification Number 15\_, 2011-2012– Effort Reporting Policies and Procedures at the UPR
  - 3. Certification Number 16, 2011-2012– Cost sharing/Matching Funds Policies and Procedures at the UPR

**B. Other documents and Forms (pending final weblinks)**

- 1. Procedure for the submission of proposals that require matching funds or endorsement from the President of the University (Office of the Vice President for Research and Technology)
- 2. UPR Strategic Plan (10 X 10), Cert 123, 2005-2006, Board of Trustees
- 3. PR Law Number 101, 2008, Tax Incentive for Investigators
- 4. PR Law Number 150, 2010.