A FINANCIAL MANAGEMENT GUIDE FOR PRINCIPAL INVESTIGATORS

Grants Accounting
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# Contents

1. Introduction ................................................................................................................................. 3
2. Where to Start ............................................................................................................................... 4
3. Understanding the Budget ............................................................................................................. 5
4. Pre-Award Spending ...................................................................................................................... 7
5. How to Process Expenditures on a Grant ..................................................................................... 8
6. Expense/Cost Transfers ............................................................................................................... 9
7. Cost Sharing ................................................................................................................................. 10
8. Participant Support ..................................................................................................................... 11
9. Allowability of Costs .................................................................................................................. 12
10. Select Items of Cost ................................................................................................................... 13
11. Unallowable Costs .................................................................................................................... 18
12. Direct/Indirect Costs ................................................................................................................ 19
13. Monitoring Expense Reports .................................................................................................... 20
14. Extensions/Budget Revisions ..................................................................................................... 21
15. End of Grant Expectations ......................................................................................................... 22
16. Time and Effort Certification ..................................................................................................... 23
17. Program Income ....................................................................................................................... 24
18. External Reporting and Invoicing .............................................................................................. 25
19. Sponsor Payments ..................................................................................................................... 26
20. OMB Uniform Guidance Procurement Statement ................................................................... 27
21. Exceptions ................................................................................................................................. 28
Introduction

This guide is designed to assist Principal Investigators (PI’s) and the grants community in the financial management of grants and sponsored programs once awarded by an agency. This document reviews general policies and procedures applicable to grant spending and outlines expectations and regulations. It is not intended to address all possible situations. Exceptions in extenuating circumstances may apply.

The office of Grants Accounting is a unit of the Controller’s Office that oversees the accounting and financial management and compliance aspects of grants and sponsored programs for all colleges, departments, offices, and centers on both BGSU campuses. The office monitors all post award grant and contract activity to ensure the university is in compliance with local, state, and federal regulations along with other sponsor terms and conditions. Grants Accounting provides guidance on allowable uses of funds, establishes and monitors projects accounts in the university’s financial management system, completes and submits all required financial reports, invoices sponsors according to billing schedules, receives and processes checks and ACH payments for projects, assists with budget revisions and no cost extension requests, and responds to auditor requests.

While Grants Accounting is trained in compliance monitoring, it is important to remember that Principal Investigators are responsible for project management and proper technical administration of the project. PI’s are ultimately responsible for compliance with terms and conditions of the sponsored agreement, university and sponsor policies and procedures, and managing project funds within the approved budget. PI’s must also ensure timely completion and submission of required technical reports and other deliverables.
Where to Start

When a grant account has been established, PI’s will receive an email from Grants Accounting with the subject of “New Award Notice.” This email provides descriptive information such as the sponsor, title, assigned project number, project period, accounting string(s), and the grants analyst assigned to the account. It is important that PI’s forward this email to budget administrators, administrative assistants, or anyone who will assist with the processing of expenditures as it includes the accounting string(s) to be used when processing expenses. In addition, the sponsor-approved budget will be attached to the email (see next section on understanding the budget).

This is a sample of a new award notice email:

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(Name of PI),

Project number 100000 was assigned to your (Name of sponsor) grant titled (Title of grant project). Please use this project number to charge expenses in accordance with your attached budget. (Name of Grants Analyst) is assigned to this account and can be reached at (Grants Analyst email address) or (Grants Analyst phone number).

(Funds may be obligated from: (Project period)

The SpeedCharts for charging your grant expenditures are:

Speedcharts are set up to make charging expenditures to a grant easier. Rather than having to remember an entire accounting string, you can simply refer to the correct accounts by using the project number and a suffix like GR, PT, C1, C2.

100000 GR Grant (Fund 4X000, Project 100000, Department [PI's dept number], Function X000, Activity X00000 Program 1000)
1XX00000 PT Grant Participant (Fund 4X000, Project 100000, Department [PI's dept number], Function X000, Activity X00000 Program 1010)
1XX00000 C1 PI's Department Cost Share (Fund 18700, Project 100000, Department [PI's dept number], Function X000, Activity X00000)
1XX00000 C2 VPREE Cost Share (Fund 18700, Project 100000, Department 119910, Function X000, Activity X00000)
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A follow up email will be sent to the PI by the grants analyst assigned to the account. This email will include a request for an orientation meeting (required for new PI’s and unique awards) and will also outline important deadlines and other details specific to the grant.

PI’s will also begin to receive scheduled Web Report Library reports to monitor their grant expenditures and will be added to the Grants listserv to receive updates affecting the grants community.
The sponsor-approved budget developed during the proposal phase will be attached to the new award notification email. The excel spreadsheet columns are labeled by speedchart for easier identification of which account to use. Speedcharts ending in “GR” and “PT” are grant (external) funds and are tied to a fund beginning with a “4”. Speedcharts ending in “C#” are cost share (internal) funds tied to fund 18700 and sourced by a university budget.
The first column on the excel budget example indicates the category abbreviation that displays in FMS, which is the financial system used by BGSU. Expenses are charged to various account codes, which roll up into budget categories. All expense accounts begin with a “5”. The second digit of the account number is the number associated with the budget category to which the account rolls up. The FMS budget categories are defined below with examples of the most frequently used account codes:

1. PER - personnel salaries
   - 51010 faculty full time AY
   - 51011 faculty full time SUM
   - 51020 administrative full time
   - 51030 classified full time
   - 51230 graduate assistants AY
   - 51231 graduate assistants SUM
   - 51235 post-doctorals
   - 51600 student wages
   - 51700 salary letters of appointment

2. FRG - personnel fringe
   - 52010 STRS
   - 52020 OPERS
   - 52100 medicare
   - 52200 workers comp
   - 52500 health care
   - 52600 life insurance contract
   - 52650 life insurance hourly
   - 52700 instructional fee waived – employee
   - 52710 instructional fee waived - dependent

3. SUP - supplies
   - 53100 office supplies
   - 53200 computer supplies
   - 53300 copiers
   - 53400 instructional supplies
   - 53450 research supplies

4. TRV - travel
   - 54010 professional development/training
   - 54020 travel meals/other
   - 54040 travel meals
   - 54050 mileage
   - 54300 entertainment meals
   - 54400 programming –not used for grants

5. CMM – communication (printing/copying)
   - 55100 memberships
   - 55200 printing
   - 55300 advertising
   - 55400 telephone
   - 55500 postage
   - 55700 shipping

6. M&R – maintenance, rentals
   - 56200 maintenance and repairs
   - 56300 building/facilities rental

8. NEM – non-employee compensation
   - 58010 compensation non-employee 1099

8. EQL – equipment under $3500
   - 58510 equipment less than $3500
   - 58500 capital equipment

8. EQP – equipment over $3500
   - 58910 subaward 1 up to $25,000
   - 58915 subaward 1 over $25,000

8. S1A – subaward 1 less than or equal to $25,000
   - 58200 GA instructional fee
   - 58210 GA non-resident fee
   - 58230 GA other fee

8. S1B – subaward 1 greater than $25,000
   - 58220 GA general fee

8. TUI – tuition
   - 58900 other miscellaneous

Note that if at any time a PI decides that a deviation from the original budget is necessary, the change should be reported to the grants analyst assigned to the account prior to incurring any expense.
Pre-Award Spending

On federally funded awards, spending prior to the effective date of the award may be permissible. Pre-award costs are those incurred prior to the effective date of the federal award directly pursuant to the negotiation and in anticipation of the federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the award start date and only with the written approval of the federal awarding agency. For some federal sponsors with awards under expanded authorities, such as NSF and NIH, the incurrence of pre-award expenses, up to 90 days, is allowed without sponsor approval.
How to Process Expenditures on a Grant

Salary/Fringe
To charge salary to a grant or cost share account:
- PI’s should work with their department budget administrators
- Use the new award budget to determine the correct speedchart for charging salaries
- New employees should be hired in compliance with university hiring requirements in coordination with HR
- Existing non-student employees’ funding sources can be changed through a contract addendum (paper)
- Summer and adjunct faculty contracts are entered into OnBase
- Graduate Assistant contracts must be entered into the GA Contracting system
- Undergraduate student employees must be hired through Student Employment Services
- Supplemental payments are requested through a supplemental payment contract (paper)
- Fringe is automatically charged proportionately to the same account(s) as salary

Supplies
Supplies can be purchased via requisition in Falcons Purch, on a department P-Card, or upfront by an individual and reimbursed through Chrome River. The university encourages the use of Falcons Purch for procurement as the system utilizes state contracts that offer substantial discounts.

Technology Accessories and Equipment
All computers, laptops, i-pads, software, printers, ink, etc. must be requested through the ITS department. These cannot be charged to a P-Card and reconciled to a grant without written approval from an ITS representative.

Travel
Travel expenses are reimbursed through Chrome River. Pre-paid expenses, such as hotel and airfare may be charged to a department’s P-Card. The traveler can also incur these expenditures and request reimbursement after the travel has occurred. (See more in the Travel Guidelines section.) All other expenditures must be incurred by the traveler and then reimbursed. Typically, travel reports must be submitted within 90 days of return from travel and no later than 30 days after the end date of the grant unless earlier deadlines are assigned by Grants Accounting.

Consultants
Consultants paid from grant funds must have a signed independent contractor agreement. A template can be found on the Controller’s website under Forms. At minimum, the agreement should state the contract period, number of hours to be worked, hourly rate, and project deliverables. Once the agreement is signed and executed, payment can either be made via requisition or Single Pay Request in Falcons Purch.

Subawards
All subawards must be included in the sponsor approved budget. Subaward agreements are prepared by the Office of Sponsored Programs and Research (OSPR). Once these agreements are fully signed and executed, the PI’s budget administrator should create a requisition in Falcons Purch for the subaward amount. As the subrecipient invoices BGSU, the invoice should be reviewed by the PI for accuracy and the budget administrator should then load the receipt in Falcons Purch to request payment. Copies of the invoices should be emailed to the grants analyst.

Note
All expenditures require PI and Grants Accounting approval. It is the PI’s responsibility to ensure that each expense is necessary for the performance of the award and complies with award terms and conditions. Due to the additional reviews and approval workflows necessary for compliance, PI’s should be sure to submit expense requests with plenty of time before the item or service is needed.

System Contacts
Chrome River/Falcons Purch – Teresa Coss
Purchasing – Maureen Ireland
Payroll – Rhonda Dicke
Purchasing Card – Darin Teeple
GA Contracting System – Michele Schmitz
Web Report Library – Amy Beltano
Expense/Cost Transfers

An expense/cost transfer is the transfer of an expense from one account to another through a journal entry. These are most frequently used when an expense is charged directly to a department instead of to a grant account. External auditors closely monitor cost transfers at universities, so cost transfers must have adequate documentation to support the transfer. Receipts from the original transaction must be attached to the journal entry and the journal description must reference the original journal, voucher, or purchase order number. Appropriate transfers must be accompanied by an explanation of how the original charge occurred, a justification for the new charge, receipts/invoices, PI approval, and a description of the financial impact on the accounts involved. Department budget administrators are responsible for entering journal entries.

Regulations governing cost transfers involving federal agency grants recognize four general circumstances under which cost transfers may be appropriate. In all cases, transfers must be made within 90 days of when the error was discovered and no later than 90 calendar days after the end date of the period of performance. These circumstances are:

1) to correct clerical errors made in the original charge
2) to reflect legitimate re-budgeting as a result of a change in the approved budget
3) to reallocate resources between accounts supporting closely related work for reasons other than to cover over-expenditures in one account. The relationship between the two accounts must be well established in advance
4) to reallocate costs incurred by a university department account on behalf of a grant project

If an expense is charged to a grant that is unallowable, it will be charged back to the home department via a journal entry. Journal entries for removing expenses from a grant do not require PI approval. If the expense is also an unallowable university expense, it must be moved to the department and then the PI must pay back the departmental account through a payment to the Bursar.
Cost Sharing  
(200.306)

Cost share accounts are set up for most of BGSU’s grants and use fund 18700 in order to keep cost share expenditures separate from grant expenditures. Some grants have required cost share/match while other grants use the cost share account to track effort and GA scholarships provided to research assistants working on grants. Cost share accounts are not utilized to track budgets besides required cost share, effort, or GA scholarships.

In most cases, BGSU’s cost sharing is provided as the percentage of the PI’s salary that is devoted exclusively to the project (level of effort). A contract addendum will need to be routed for signatures and submitted to Grants Accounting in order to charge the salary amount to the cost share account.

BGSU’s cost sharing is also used to track Graduate Assistant scholarships provided for GA’s working on grant projects. The GA Contracting system found in MyBGSU must be used to charge scholarships to the cost share account when there is budget for a GA scholarship.

When there is required cost share and non-personnel/scholarship expenses are included in the budget for the university’s project cost share, these charges should be made directly to the cost share account whenever possible.

In rare circumstances, donations of tangibles or services may be offered as the project cost share. These are considered in-kind contributions that have no direct charges to the cost share account. If facilities or tangibles are donated, there must be appropriate documentation on file to support the value of these items. Grants Accounting will explain this process when necessary.
A participant is an individual who is a recipient of a service or training session in a workshop, conference, seminar, symposium, or other information sharing activity funded by an external grant or award. A participant does not perform work or services for the project or program other than for their own benefit. A participant does not provide deliverables to BGSU or to a third party. PI’s, grant staff, and speakers are NOT participants.

Participant costs are costs that are directly attributable to individual participants. BGSU recognizes participant costs as: stipends for participation, travel reimbursements such as lodging and meals, registration fees or admittance fees.

Participant support costs do not include the following types of payments: honoraria paid to a guest speaker or lecturer, human subject payments, supplies, conference/activity support costs such as facility rentals and media equipment rentals, and admission/registration or travel reimbursement for grant employees, or agreements with employers to reimburse the employer for the costs related to sending its employee to a conference, workshop, or other activity. “Other participant costs” such as incentives, gifts, souvenirs, t-shirts and memorabilia must be explicitly approved by the sponsor and included in the submitted budget justification.

Budgets cannot be revised to reduce the amount of participant costs without prior sponsor approval. Indirect costs are not typically calculated on participant costs.
Allowability of Costs
(200.403-200.405)

All grant expenditures must be consistent with BGSU policy, state and federal regulations, sponsor terms and conditions, and other applicable requirements. Awards that are directly or indirectly federally funded are subject to the federal regulations set forth in the OMB Uniform Guidance. In order to be allowable under federal awards, costs must be:

- Necessary for the performance of the award
- Allowable under federal, state, university, and sponsor regulations
- Reasonable for the performance of the award in nature and amount (prudent person in like situation)
- Allocable/chargeable/assignable to the project with high degree of accuracy based on relative benefits received
- Consistently charged as direct/indirect costs following the same principles applied to non-grant funded activities
- Charged to one account and not also used to meet cost sharing or matching requirements for any other project
- Documented adequately

In order for an expense to be allowable on any grant or cost share accounts (federal or non-federal):
- A detailed business purpose must be listed
- The expense must be allowable, reasonable, allocable, and necessary
- The expense must be incurred and the good/service received during the grant period
- The expense must be included in the approved budget or have received prior sponsor approval
- The expense must add value to the grant project
- There must be money available in the budget category of the grant
- Legible itemized receipts must be provided
- Costs must be split proportionately when the expense is allocable/beneficial to multiple funding sources. All associated costs must be allocated consistently
- Costs must be split proportionately between participant and non-participant costs when applicable
- The grant account must still be active and the final financial report or invoice not yet started

In the absence of applicable federal or sponsor regulations or guidelines, Bowling Green State University policies and procedures apply. PI’s should be aware that when federal, state, sponsor, and/or university regulations overlap, the most restrictive regulations apply. The PI is responsible for reviewing federal, sponsor, university, and departmental guidelines, policies, and procedures that are applicable to each project and responsible for compliance throughout the life of the project.

If there is any question whether an expense might not be allowable, please contact the assigned grants analyst to review the potential expense prior to incurring it. When contacting Grants Accounting regarding a specific grant, please have the project number available.

Links to federal regulations:
Uniform Guidance
NSF
NIH/HHS
ED
Select Items of Cost

Memberships
Institutional memberships are allowable as direct costs on federal awards. Individual memberships are not allowable unless they reduce the cost of a conference so that the combined membership and registration cost is less than the regular registration rate or they were written into the proposal or prior sponsor approval was obtained.

T-Shirts
NSF only allows participant t-shirts to be charged to grants when the t-shirts are specifically identified in the proposal budget justification. Project staff shirts may sometimes be allowable if a justification is provided that indicates that the shirts are necessary for meeting the project objectives and not for general personal use.

Technology Accessories and Equipment
All computers, laptops, i-pads, software, printers, ink, etc. must be requested through the ITS department. These cannot be charged to a P-Card and reconciled to a grant without written approval from an ITS representative.

Administrative Fees
Administrative fees on university invoices like dining services or residence life are not allowable as direct costs on a grant as they are indirect costs that are intended to be funded by the recovered F&A. Non-university invoices with administrative costs may be allowable.

Tax
BGSU is a tax-exempt entity so sales tax in the State of Ohio is not reimbursable. A State of Ohio Sales Tax Exemption form can be obtained from a department budget administrator or downloaded from the University Controller’s Office webpage.

Consultant Services (Section 200.330)
The services of consultants may be sought to accomplish a specific portion of the project work. The service provider may be either a member of a profession or a person possessing a special skill. The provider generally cannot be on the regular payroll of the institution. Most agencies consider the use of consultants allowable if the consultant’s area of expertise and the anticipated cost of the service are included in the proposal or prior sponsor approval is obtained. Additionally, the consultant’s services rendered must be documented by a consultant agreement. The following information must be included in the agreement: the name of the firm or consultant, the nature of the services rendered and their relevance to grant objectives (if not apparent from the nature of the service), the period of service, the billing rate, and number of hours to be worked.

Equipment (Section 200.313)
If an equipment purchase is specified in the proposal budget, further approval is generally not required. If the approved budget does not detail the purchase, Grants Accounting must be notified and prior approval of the purchase must be sought from the sponsor. In general, BGSU becomes the owner of any equipment purchased with grant funding at the time of the purchase. Occasionally, ownership may belong to the granting agency with transfer of ownership to BGSU at the termination of the grant or contract. For capitalized equipment purchases ($3,500 and over), documentation regarding the project/grant ID, condition, and location of the equipment will be kept by asset management and updated every two years.

Special Purpose Equipment
Special purpose equipment is used only for specific research, medical, scientific, or other technical activities and is generally allowable with sponsor approval.

General Purpose Equipment
General purpose equipment is not limited to specific research purposes as defined above. Examples of general purpose equipment would be computers, printers, furnishings, etc. General purpose equipment may be allowable on a grant if essential and allocable, even if not solely dedicated to the performance of a Federal award.
Subcontracts (200.330)
OSPR is responsible for writing and executing subcontracts and subawards. Generally, subcontractors must submit final financial reports, patent reports, equipment reports, and invoices to the Project Director within 60 days after project completion. Some agencies may require reports to be submitted sooner. Project Directors are responsible for obtaining these documents within the allotted time in order to meet all deadlines in a timely manner.

Postage/Copying/Telephone Expenses (200.461)
Postage and copying costs are only allowable as direct costs if the allocable portion of the costs can be identified at a high degree of accuracy. Typically, postage and copying costs are allowable for centers and programs that are 100% funded from one grant. A common example of allowable postage and copying costs is when a project-specific survey or brochure is printed and mailed to participants. If the costs are paid from a departmental account and then later allocated to a grant account, the department must supply documentation and justification for expense. The department should maintain records documenting the purpose of such calls to support their allocation to the grant. Cell phone stipends are not allowable as direct costs to a grant.

Office Supplies
General office supplies are only allowable as direct costs if the allocable portion of the costs can be identified at a high degree of accuracy. Typically, office supply costs are allowable for centers and programs that are 100% funded from one grant.

Administrative and Clerical Salaries and Wages
The salaries of administrative and clerical staff should normally be treated as indirect costs (F&A). Direct charging of these costs may be appropriate only if all the following conditions are met: (i) Administrative or clerical services are integral to a project or activity; (ii) Individuals involved can be specifically identified with the project or activity; (iii) Such costs are explicitly included in the approved budget or have the prior written approval of the sponsor; and (iv) The costs are not also recovered as indirect costs.

Supplemental Payments
All supplemental payments must be specifically provided for in the approved sponsor budget or receive prior written approval by the sponsor. Salaried staff are typically not eligible for supplemental payments from grants. The rate of pay cannot exceed the institutional base salary and the maximum total for all supplemental pays cannot exceed 20% of the base salary. Compensation for employees engaged in work on federal awards is only considered reasonable to the extent that it is consistent with that paid for similar work in other university activities that are not grant funded.

Tuition Fee Waivers for Employees and Dependents
Tuition fee waivers for employees and dependents should not be charged to federal or state grants or some privately funded grants. This benefit may be offered to grant-funded employees, but should be charged to department operating accounts.

Incentives/Human Subject Payments
Incentive payments to encourage individuals to participate as human subjects in a research study are allowable in accordance with the following requirements. Currently, there are two payment methods available, which includes check requests and gift cards.

Checks can be issued to human subjects by submitting a Check Request Form using the project’s speedchart and account 58010. The individual must provide identifiable information in order to receive payment, but the name of the research study will be excluded from the payment request form in order to maintain confidentiality. The Principal Investigator and Grants Analyst must approve and sign each check request before Accounts Payable can process the payment. The check payment method must be used for any human subject payment greater than or equal to $100.
Gift cards for human subjects may be purchased only on a department’s Purchasing Card and only if the card value is less than $100. Upon reconciliation, gift card receipts must be uploaded into Chrome River and the expense should be charged to the project’s speedchart and account 58010. The Principal Investigator and Grants Analyst must electronically approve the expenditure in Chrome River. The PI and research team must provide the PI’s department and Grants Accounting with a list of gift card recipients. For confidentiality purposes, the lists provided to the PI’s department and Grants Accounting may utilize participant identifier codes instead of participant names. If there are unused gift cards remaining at the end of the project period, the Principal Investigator must notify Grants Accounting and the remaining value must be charged to the PI’s department.

Due to audit implications, BGSU does not permit cash payments to be charged to federal grants. Payments to human subjects by check or gift cards are considered taxable income by the IRS. Unless explicitly written in the grant proposal, expenses associated with drawing and raffle prizes to promote participation in a study may not be charged to a restricted fund. These payments are not considered participant support costs.

Pre-Order/Items in Bulk
Pre-ordered items like advance admissions tickets and brochures for parent meetings must be based on a reasonable estimate of attendees. Unused pre-order items are unallowable expenses on the grant and should be charged to the F&A account if available or department account as these are administrative costs of doing business. Bulk purchases often provide cost savings so items like research lab gloves or parking passes may be ordered in bulk. All items must be used in their entirety by the end of the project period. Written confirmations of supply exhaustion will be required from PI’s upon grant closeout. The cost of unused items are unallowable expenses on the grant.

Tips
Tips resulting from personal convenience services are not allowable (doormen, valet, etc). Tips that are generally a normal part of doing business (restaurants, taxi drivers) are allowable but may not exceed 20% of the cost.

Travel Expenses in General
- The travel must adhere to the university travel policy
- The travel must comply with all grant-specific travel restrictions like mileage rates or foreign travel regulations
- The method of transportation must be the lowest, most economical cost or there must be an approved justification for using another method
- Agendas are required for all meetings/conferences and must list dates, times, and meals if provided
- A list of all attendees with names, titles, affiliations, and project roles must be attached to report when multiple persons are involved
- All personally reimbursable travel must be included on one expense report (except prepays)
- The expense owner must either have salary paid from the grant that is being charged for travel or there must be an approved justification regarding the necessity of the individual’s travel in meeting the project objectives
- The reimbursement request must be made after travel occurs unless the expense is charged to a university pcard
- The reimbursement will be made to the individual whose name is on the receipt
- When travel costs benefit more than one funding source, all expenses associated with the trip must be split similarly (ex. If registration is split 50/50 between department and grant, then airfare, lodging, etc must be charged 50/50)
- Personal travel/vacations combined with business travel require more support and justification and should represent a minority of the time spent on travel
- Burden of proof is the responsibility of the traveler
- Travel paid by rewards points or vouchers is not reimbursable for cash value
- Cancelled, non-refundable travel costs can only be reimbursed if a result of unavoidable acts of nature or medical emergencies supported by adequate documentation
- Spell out acronyms
- In most circumstances, travel and meeting expenses should be pre-approved by employee supervisors and arranged prior to travel dates
Mileage
- The starting/end point must be the lesser distance of home or work
- If it would cost less to fly or rent a car, there must be an approved justification and a print screen showing flight/rental car quotes. The justification documentation provided must be obtained at the time travel was approved and be clear that out of a range of flight possibilities, mileage was less than the cost of coach airfare
- To calculate the reimbursement cap if flying would be cheaper, add the cost of the flight plus mileage for travel to and from airport, airport parking, and $25 baggage fees each way
- To calculate the reimbursement cap if a rental car would be cheaper, add the cost of the rental car plus estimated fuel costs

Rental Car
- Rental cars must be economy size. Exceptions are made in situations where a van is needed to transport a group of individuals or research equipment
- The rental period must be appropriate for the dates of travel or the report must contain an approved justification for variances that are covered by other funding sources
- The cost of the rental and fuel must be less than the cost if reimbursed for mileage
- Use of BGSU’s agreement with Enterprise/National is strongly encouraged
- If conference materials indicate on-site or adjacent lodging is available, a rental car is not typically reimbursable

Meals
- Allowable only when travel involves an overnight stay
- The first and last days of travel are reimbursed at 75% of the per diem amount
- Conference meals and room service meals are deducted from per diem reimbursement requests
- Alcohol is not reimbursable. If the receipt includes alcohol, the tax and tip must also be adjusted for just the food cost only
- Gratuity must be no greater than 20%
- For partial days of travel before and after an overnight stay, meals will be reimbursed for one day prior and one day after and will be based on these travel times: Breakfast-travel beginning prior to 6am and continuing until after 9am; Lunch-travel beginning prior to 11am and continuing until after 1pm; Dinner-travel beginning prior to 5pm and continuing until after 8pm

Meals for Conferences and Meetings
- Meals can be charged to sponsored projects, provided the sponsor does not explicitly prohibit such costs, if the following conditions are met:
  1. The meeting includes a majority of outside/external participants, AND
  2. The meal is served at a formal meeting being conducted in a business atmosphere where the provision of the meal serves to maintain the continuity of the meeting, AND
  3. The activity at which the meal is being served is significant and integral to the goals of the project
- Receipts must be accompanied by a list with names of attendees, affiliations, and project roles noted (ex. BGSU student, bus driver, participant, OSU researcher/collaborator, etc)
- Meeting agenda must be attached to expense report
- If the event duration is not all day and meals were provided, there must be an approved justification for why the meeting had to be held over a meal time
- The total of the food cost, delivery fee, and tip amount divided by the number of expected guests must be equal to or less than the allowable meal per diem amount. If fewer individuals attended than expected this must be noted on the report
- Business meals may not be charged as project costs when individuals decide to go to breakfast, lunch, or dinner together when no need exists for continuity of a meeting. Such activity is considered to be an entertainment cost.
- NIH Allowability of Costs/Activities: When certain meals are an integral and necessary part of a conference (i.e., a working meal where business is transacted), grant funds may be used for such meals, as qualified in the NIH Grants Policy Statement. Where meals and/or lodgings are furnished without charge or at a nominal cost (e.g., as part of the registration fee), the proposed per diem or subsistence allowance must take this into consideration.
- NSF Meals and Coffee Breaks: No NSF funds may be spent on meals or coffee breaks for intramural meetings of an organization or any of its components, including, but not limited to, laboratories, departments and centers.

**Hotel**
- The lowest price room must have been selected
- Room service meals must be equal to or less than per diem amounts and an itemized receipt is required
- Dates of stay must be appropriate based on travel dates and times

**Airfare**
- Fare receipt must show the fare rate and class
- Flight must be economy. Exceptions may be made if economy was unavailable at the time of booking as long as a screenshot showing available seating at the time of booking is submitted with reimbursement report or if ADA accommodations are needed (as approved by BGSU’s Office of Accessibility Services)
- Seat selection fees will not be reimbursed
- Flight change fees will not be reimbursed
- Travel protection fees/insurance will not be reimbursed
- Stops and layovers must be reasonable. If combined with a personal trip, a screenshot of pricing for a non-stop trip must be submitted with reimbursement report
- Internet fees are allowable if they are justifiably necessary for business purposes. Typically these are considered a personal expense and unallowable on grants.

**Incidentals**
- Some private grants require receipts for incidentals
- Since Chrome River automatically adds incidentals to the per diem cost, these are permitted on grants even without receipts in order to reduce administrative review time. However, in order to claim the incidentals, reimbursement for at least one eligible meal must also be requested

**Parking**
- Valet parking is considered a personal service by the OMB UG and is not allowable on federal awards.

**Admission Costs**
- Admission fees are only allowable on federal awards for project staff, program participants, and chaperones. The cost of other individuals like bus drivers is not permissible as a direct cost.

Reminder: This section is intended to be used as a guide to ensure that expenses are in compliance with federal regulations and BGSU policies and would pass an audit test. Please note that this is not an all-encompassing list of requirements as some grants may have additional restrictions than those listed below.
Unallowable Costs
(See 200.420 to 200.475)

- Administrative fees on university invoices as direct costs when a grant budget includes indirect costs
- Advertising and public relations costs are unallowable unless they are necessary to meet the requirements of the sponsored program. Allowable advertising costs might include advertisements for recruitment of personnel; procurement of goods or services; and disposal of surplus material. Unallowable public relations costs include promotional items and memorabilia, including gifts and souvenirs
- Advisory councils
- Alcoholic beverages
- Alumni activity costs
- Audit services
- Bad debt costs
- Bonding costs
- Commencement (graduation) and convocation costs
- Contingency provisions
- Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement
- Depreciation as a direct cost
- Entertainment costs like amusements, diversions, and social activities without a programming purpose
- General purpose equipment, buildings and land or improvements without written sponsor approval
- Fines, penalties, damages and other settlements due to failure to comply with federal, state or local laws
- Fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions
- Goods and services for personal use
- Intellectual property costs of preparing disclosures, reports, and other documents, and of searching the art to make disclosures not required by the Federal award and costs in connection with filing and prosecuting any patent application where the award does not require conveying title or a royalty-free license to the government
- Lobbying
- Losses associated with other sponsored agreements
- Memberships that are not at the institutional level or memberships to any country club, social club, or dining club
- Proposal costs for preparing bids, proposals, or applications as direct costs
- Publication and printing costs not identifiable with a particular cost objective
- Rearrangement and reconversion costs as direct costs
- Relocation costs of employees
- Scholarships on awards that are not purposed to provide training to participants
- Selling and marketing university products or services without prior sponsor approval
- Student activity costs for intramural activities, student publications, student clubs, and other student activities
Direct/Indirect Costs
(200.412-200.414)

Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Indirect costs are classified within two broad categories and are sometimes referred to as F&A, or Facilities and Administration. Facilities is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. Administration is defined as general administration and general expenses such as the director’s office, accounting, personnel and other types of expenditures. BGSU’s indirect cost rate is 42% on modified total direct costs (meaning direct costs incur F&A with the exception of equipment, tuition, and subaward amounts exceeding $25,000).
Monitoring Expense Reports

PI’s and budget administrators should review grant activity on a monthly basis to verify that expenses are allocated correctly and spending is within the approved budget. BGSU uses the Web Report Library (WRL) to generate user friendly reports of data from financial systems. There are a few existing reports in the WRL that can be used to view grant data.

The “Grants Budget Summary” report is a summary of budget and expenses by category that can be pulled through certain months or cumulatively. This report is automatically scheduled to be sent PI’s at the beginning of each month for their particular grants. Please note that when there are various funds and departments used, the gray headers for each section do not always display in the correct places. Also, payroll encumbrances do not appear on this report. The report can be found in the Finance 9.2 Financial Reports folder.

The “Grant and Project Expense Detail” report is designed to show cumulative grant and cost share expense detail. This report does not display payroll or student financials by individual names or disbursements. With the implementation of Chrome River and new Single Pay Requests through Chrome River and Falcons Purch, the available detail provided by these reports is minimal. The report can be found in the Finance 9.2 Financial Reports folder.

The “Grant and Project Payroll Expense Detail” report is a detailed breakdown of salaries by grant employee and paycheck date. This report does not show fringe. The report can be found in the Finance 9.2 Budget Administrators folder.

The “Student Fee Waivers by Department and Project” report is a detailed breakdown of grant financial aid disbursements by student and disbursement date. The report can be found in the Finance 9.2 Budget Administrators folder.

Access to the WRL can be obtained by submitting a form in BGSU’s TeamDynamix system. Use the search bar to locate “Web Report Library: Request Access” and follow the directions on that page.

Grants Accounting can be contacted for additional help and for any questions in regards to reading/interpreting reports.
Extensions and Budget Revisions

Depending on sponsor terms and conditions, PI’s may be able to request no cost extensions and revise budgets. PI’s should notify the grants analyst assigned to their account for instructions on how to request these modifications.

Extensions
No cost extension means that the end date of the award is extended, but no additional funds are requested. A no-cost extension may be requested by a PI when all three of the following conditions are met:

- The end of the project period is approaching
- There is a programmatic need to continue the research
- There are sufficient funds remaining to cover the extended effort

Extensions may not be exercised merely for the purpose of using unliquidated balances. A justification must be provided to explain the need for the extension, present an estimate of the unobligated funds remaining, and detail a plan for the remaining funds. The plan must adhere to the previously approved objectives of the project. The extension request should be made to both Grants Accounting and the Office of Sponsored Programs and Research at least 30 days prior to the end date of the grant. Ultimately, the approval to grant the extension is solely at the discretion of the sponsor.

Most federal agencies grant recipients expanded authorities that allow grantees to extend the award for one year without prior approval. If additional time beyond the one year extension is necessary, the sponsor then needs to approve the request.

Budget Revisions
A budget revision occurs when there is a need to deviate from the original sponsor approved budget during the course of a project. PI’s should check with their grants analyst to determine whether budget revisions are allowable and if sponsor approval is required.

Most federal agencies afford expanded authorities that allow universities to rebudget the majority of budget items without prior approval. Typically, as long as the project scope is not changing and indirect costs and participant costs are not affected, budget revisions are permissible. Special approval is usually necessary for equipment purchases and subcontracted work. Most state agencies permit modifications of up to 10% of a budget category before sponsor approval is needed while most pass through entities and private sponsors have stricter restrictions.
End of Grant Expectations

PI’s will receive email notifications 30, 60, and 90 days prior to their grant’s end date. These emails will contain budget and expenditure data so that the PI can closely monitor the grant balance.

All expenditures in the last 90 days of the grant will be closely reviewed for allowability. Spending cannot be increased at the end of an award period for the sole purpose of exhausting funds. For example, a grant with a 3 year project period typically should not be purchasing supplies in the last 2-3 months of the final year as this indicates an intention to purchase items in order to spend down the balance. If the expenses will truly be utilized and meet the tests of allowability, the PI will need to have a strong justification as to how the expenses are necessary for the completion of the project.

It is expected that grant funds are obligated by the end of the project period and liquidated no later than five business days before a final invoice or report is due to the sponsor. Based on reporting requirements and final invoicing, a grants analyst may set a different deadline for processing final expenditures. No expenditures on the grant account will be allowed after this deadline. This is to ensure that final submissions reflect general ledger data properly and accurately.

If there is a residual inventory of unused supplies exceeding $5,000 in total aggregate value upon termination or completion of the project, the university can retain the supplies for use on other activities or sell them, but must, in either case, compensate the federal government for its share. Increased spending near the end of the grant for consumable supplies will require PI’s written certification that all supplies were exhausted prior to the end of the grant.

NSF specifically notes that NSF funds may not be expended subsequent to the end date of the grant, except to liquidate valid commitments that were made on or before the end date, e.g., commitment of project funds for subrecipient or contractor for services rendered during that award period but not billed to the grantee until after the grant expired. Generally, the costs of equipment or supplies ordered after the end date, may not be charged to the project. In addition, the grantee typically should not purchase items of equipment, computing devices, or restock materials and supplies in anticipation of grant expiration where there is little or no time left for such items to be utilized in the actual conduct of the research.

However, in accordance with 2 CFR § 200.461, Publication and Printing costs, awardees may charge federal awards before closeout (90 days after project period ends) for the costs of publication or sharing of research results, even if the costs are not incurred during the period of performance of the award.
Effort certification refers to the process of reporting how much time an individual has spent working on a particular project and is a requirement of the OMB Uniform Guidance. Effort certification is required for employees who charge a portion of their compensation to a grant or cost share account and is completed at the end of each semester coinciding with the payroll calendar.

At the end of each semester, all employees who are working on sponsored programs or who have salary distributed to a cost share account will receive an Effort Certification Report. This system-generated report is distributed by the Grants Accounting Office. The body of the report lists the individual being certified and the percent distribution of their wages by account. Each report will show 100% of an employee’s time as it includes payroll charged to the grant, cost share, and department. When available, a copy of the employee’s contract will be attached to the report to show how much they should have been paid, for what time frame, and from what grant and/or department account.

All Effort Certification Reports should be reviewed by the employee, who should make any needed changes to the report and affix his or her signature. If the employee is unavailable to sign (ex. graduated student/retired faculty), the PI can write “not available for signature” on the signature line. All reports should be signed by the PI. If the report is for the PI, the PI’s supervisor must sign the report.

The percentages displayed on the report are determined from the current salary distribution information in the payroll system. Under most circumstances, the report will be accurate and will require only a signature verifying its accuracy. However, there may be situations in which the salary distribution does not reflect the actual work done in that reporting period. Changes in the actual effort expended should be noted on the report by the employee or the PI.

Reasons for report discrepancies may include the following:

- A change in the effort expended during that period
- An error in the original appointment, such as wages being charged to the wrong account
- Multiple appointments at different pay rates
- A change in the pay rate that becomes effective during the reporting period

After the PI and individual employees have reviewed the reports, made necessary changes, and applied signatures, the certified reports should be returned to Grants Accounting. Returned reports are reviewed, logged, and maintained in Grants Accounting’s audit files. Reports that have been modified are examined by Grants Accounting to determine the next steps in regards to making changes to the distributed salary.
Program Income
(200.307)

Program income is gross income earned by the awardee organization that is directly generated by a supported activity or earned as a result of grant funding. Program income may be generated from activities supported in whole or in part by sponsoring agencies. Program income may include, but is not limited to, conference registration fees, fees for services performed, fees from the sale of equipment or property, usage or rental fees, license fees, and patent or copyright royalties. Gifts and financial assistance are not considered program income. Taxes, fines, penalties, special assessments, levy proceeds collected by the sovereign authority of a governmental agency, and interest earned on advances of federal funds are not considered program income, unless a provision for such income is stated in the terms of the program agreement.

The use of program income may be in accordance with one of the following methods, as determined by the grant agreement or upon written approval of the sponsor:

- Deductive Alternative- program income is applied toward the allowable project costs during the term of the agreement to reduce the net cost to the sponsoring agency and the university
- Matching Alternative- program income may be used to finance part or all of the amount of matching funds which the university is required to provide
- Additive Alternative- program income is added to the funds committed to the project by the sponsoring agency and the university and is used to further program objectives

If a sponsored program has generated program income, the PI is required to keep accurate records of the income and forward to Grants Accounting a complete list of the amount of funds generated and the sources. The PI is responsible for maintaining the original documentation associated with program income.
Performance/Technical Reports
Most sponsoring agencies require the university to submit reports on the performance status of the grant. Performance and technical reports provide an indication of how the grantee is accomplishing what it set out to do. It is the responsibility of the PI to submit performance reports according to the instructions provided by the sponsoring agency. If financial information is required as part of the performance report, please contact the grants analyst assigned to the account for assistance.

The three most common reporting problems are late submission, lack of completeness, and inaccuracy. Pl’s should avoid these situations and any other situations that may result in an inadequate report. In unusual circumstances, agencies may waive reports or extend the submission date if a grantee can demonstrate that the report cannot be furnished on time due to reasons beyond the PI’s control. Delinquent reports frequently cause audit findings and may prompt the sponsoring agency to seek recovery of funds expended. Please submit copies of performance reports to Grants Accounting for compliance monitoring.

Financial Reports
Most sponsoring agencies require the grantee to submit reports on the financial status of the grant, either at the end of the grant period or periodically during the grant period. These reporting requirements are generally included in the grant agreement. It is university policy for Grants Accounting to prepare all financial reports based on transactions as recorded in the Financial Management System (FMS). It is the responsibility of the PI to submit all items for payment so that they are recorded in the grant account in a timely manner to be included in the financial report. If a PI receives a required sponsor template or specific guidelines for the reports that were not included with the grant agreement, please forward to the grants analyst assigned to the account.

Invoices
Some sponsoring agencies make payment to grantees based on properly prepared invoices submitted by the grantee periodically throughout the grant period. These invoicing requirements will generally be included in the grant agreement. It is the responsibility of the office of Grants Accounting to submit invoices. The same procedures and issues mentioned in the “Financial Reports” section apply to invoices as well.
Sponsor Payments

Grants Accounting handles the receipt of payment from granting agencies. Federal, state, and local agencies, as well as foundations and corporations, differ in the way they pay the University for sponsored projects. Payments are made by ACH, wire transfer, or check. If a PI or department receives a payment on behalf of the grant, the payment should be forwarded directly to Grants Accounting so the check can be deposited and applied appropriately to the grant account.

BGSU utilizes cost reimbursement and fixed price agreements. All federally funded grants are cost reimbursement, meaning BGSU must incur costs related to the project and then request reimbursement from the federal agency up to or equal to the award amount. Some federal flow through subawards and federal contracts (non-grant) operate as fixed price agreements. Fixed price contracts have designated payment dates. Sometimes these agreements are funded in advance and other times these are installment-based. Depending on the sponsor, remaining balances may need to be returned to the sponsor at the completion of the grant or occasionally the balance can be retained by BGSU as residual funds.
OMB Uniform Guidance Procurement Statement

As allowed under the Federal Registers dated December 19, 2014, and September 10, 2015, BGSU has elected to delay implementation of the procurement standards outlined in 2 CFR 200.317 through 200.326 and will continue to comply with the procurement standards outlined in OMB Circular A-110 for Awards subject to the Uniform Guidance until July 1, 2018.
Exceptions

The purpose of this document is to provide guidance and direction for the financial management of sponsored projects. It is not intended to address every possible issue, exception, or contingency that may arise in the course of the project period. Specific issues not covered should be directed to the assigned Grants Analyst for clarification and resolution.