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Introduction: Award Management

Award Management is a process that encompasses University, school and sponsored policies and procedures pertinent to the sponsored project. It is often referred to as the “post award” phase of the life cycle of an award. Sound management of sponsored funds is critical in maintaining the public’s trust in research results and outcomes, in how public and private funds are spent, as well as its trust as participants of research studies.

Practice Compliance

- Ensure that your research/program staff are cognizant of their responsibilities and those of the school’s and the university’s academic and administrative offices.
- Abide by the key terms and conditions of your award, such as the approved scope of work and budget, required prior approvals, reporting, payment, and publication rights.
- Know and work within your Sponsor’s rules and regulations and the University’s research and business policies, guidance, and procedures.

Section I. Sponsored Award Set Up

As new awards are received, the Office of Sponsored Accounting (OSA) staff reviews the award paperwork and notes from the Office of Sponsored Programs (OSP) to determine the best set up structure for an award in Syracuse University’s Financial PeopleSoft System. The PeopleSoft Grants Module holds the detail data for grant administration and accounting. The Grants modules send data to the General Leger at a summarized level for inclusion in the University’s financial statements. The Grants modules, as a subsidiary system, will be used primarily by the central accounting offices. The data from the Grants modules will be provided to end users on campus through other ways such as the SAMtool and the data warehouse. Once the information has been entered into the Grants modules, the Office of Sponsored Accounting will notify the Department, and the Office of Sponsored Programs of the Chart string.

See the University’s <http://comptroller.syr.edu/resources/chart-of-accounts-overview/>

Section II. Sponsored Expenditures Guidelines

A. Introduction

Purpose

This document provides guidance on appropriate budgeting and expenditures of sponsored funds, whether from federal or non-federal sources and whether directed toward research, training, or other purposes.

All federal awards issued after December 26, 2014 must comply with OMB 2CRF2002CFR200 (Uniform Guidance), the basis for this document. Most awards issued before that date must comply with OMB Circular A21 (unless the agency has notified Syracuse University of adoption of the new guidelines). There are a limited number of areas where the Uniform Guidance differs from previous federal regulations, specifically OMB Circular A-21. These include, but are not limited to, administrative and clerical expenses, direct charges of computing devices, visa costs for recruiting purposes, and expenses relating to fluctuations in exchange rates.

Who Should Use This Guidance

All Principal Investigators and administrators at Syracuse University within all schools, units, divisions, University-wide initiatives, and centers who are responsible for budgeting and expenditures charged to sponsored awards must comply with these guidelines.

Key Cost Principles for Federal Awards

This guidance is based on the interpretation of federal regulations, and adherence is required for all federal awards.

For any costs to be charged directly to a federal award the expense must be:

1. **Allowable** under both the provisions of federal guidance AND the terms of a specific award. It must be reasonable; allocable to the sponsored agreements; consistently treated; conform to the sponsored agreement. The sponsored agreement takes precedent over cost principles.
2. **Allocable**: the expense can be associated to an award with a high degree of accuracy in proportion to the benefit received.
3. **Reasonable**: the cost reflects what a “prudent person” would pay in a similar circumstance. A “prudent person” is an individual who acted prudently – other individuals would have made a similar decision given the facts and circumstances at the

time the decision was made i.e.: necessary; followed good business practices and applicable laws and regulations, and sponsored agreement terms and conditions; acted prudently given the circumstances; and followed institutional policies.

4. Charged **consistently** as direct expense (versus an indirect cost). Note that certain types of awards constitute exceptions to the consistency requirement as referenced in Section II. Consistently is like costs being treated the same for similar purposes.

An expense is a “direct cost” if that expense can be identified specifically with a particular sponsored award or other activity with a high degree of accuracy. “Indirect costs” (sometimes referred to as facilities and administrative (F&A) costs or overhead), are costs that benefit many activities (e.g., building operations and maintenance, IT expenses, security, administrative personnel such as grant managers, etc.). F&A costs are recovered through the federally negotiated rate. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct expenses or indirect costs.

Non-Federal Awards

Syracuse University treats all non-federal awards as “different purpose and circumstance” (see section II, “Unlike Purpose and Circumstances Criteria” below); therefore, barring any sponsor award restrictions, the award expenditures fall under general University policies.

However, proper stewardship of non-federal awards, including those from non-US governmental sponsors, requires adherence to these key principles:

1. **Allowable** under Syracuse University policies and complies with the terms and conditions of the award. It must be reasonable; allocable to the sponsored agreements; allocable to the sponsored agreements; consistently treated; conform to the sponsored agreement. The sponsored agreement takes precedent over cost principles.
2. **Directly benefits the purpose of the award:** that is, the expense can be associated with, and is in support of, the project or program with a high degree of accuracy in proportion to the benefit received.
3. **Reasonable:** the expense reflects what a “prudent person” would pay in a similar circumstance. A “prudent person” is an individual who acted prudently – other individuals would have made a similar decision given the facts and circumstances at the time the decision was made i.e.: necessary; followed good business practices and applicable laws and regulations, and sponsored agreement terms and conditions; acted prudently given the circumstances; and followed institutional policies.

Expenses on non-federal awards require the careful review of terms and conditions and any other supporting documentation (e.g., approved budget, sponsor guidance) in order to determine the appropriateness of charges. Any questionable expenses (e.g., alcohol), if not specifically captured in the approved budget, should be reviewed by the appropriate Syracuse University school or department authority prior to expending funds. Specific sponsor approval may also be required in some cases. School guidance and policies may be more restrictive on questionable

expenses than those of the University, and it is important to involve your school or department contact when determining the allowability of an expense.

Direct and indirect (or overhead) costs on non-federal awards are dictated by the sponsor's policies. Variability among non-federal sponsors' policies and a lack of specificity in policies or award terms may require additional scrutiny and judgment in determining what costs can be charged as direct expenses, some of which may normally be considered indirect costs when associated with federal awards (e.g., rent or space, administrative support staff). It is also important to consider that many non-federal sponsors pay a nominal indirect cost rate. As such, it may be appropriate to charge some costs which would normally not be direct-charged on a federal award with full indirect rate, as direct expenses on a non-federal award.

Sponsored Expenditures Questions and the Escalation Process for Disagreements

The Sponsored Research Expenditures Guidance provides general and specific guidance regarding allowability of charges to federal and non-federal awards. There may be situations where a PI and the local department or research administration staff have questions or do not agree on the treatment of specific expenses.

The first step is to seek guidance from your school's or unit's research administration staff or group responsible for reviewing allowability of costs. If a school or unit does not have a research administration staff or group responsible for this type of decision making, or if there is a lack of agreement at the school level, the question should be sent to the Office of Sponsored Accounting (OSA) via email at contacct@syr.edu. When a question is submitted via email, OSA will review it and a written decision will be made based on the information reviewed and with involvement from the Office of Sponsored Programs (OSP) if needed. The research administration staff and leadership of the school that posed the question will be included in any correspondence, or discussion, and informed of OSA's decision. Once a determination has been made, the department and school are expected to follow the decision.

In most circumstances, a response to a question posed to OSA will be delivered within three business days.

B. Cost Principles for Federal Awards

Applicable Federal Regulations

The spending of any funds awarded by the federal government to Syracuse University is governed by 2CFR200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance, or UG), published by the Office of Management and Budget (OMB). The Uniform Guidance includes four Standards, listed below

and promulgated by the Cost Accounting Standards Board, that apply to colleges and universities.

See [Appendix C: Related Syracuse University Policies, Guidance, and other Resources](#).

Applicability to Federal Awards

2CFR §200.101

The cost principles in Subpart E and the audit requirements in Subpart F of the Uniform Guidance are applicable to all Federal awards. All Syracuse University expenditures must comply with Syracuse University policies and follow Syracuse University guidelines.

Cost Accounting Standards

2 CFR §200.419

In addition to the Uniform Guidance, Syracuse University must comply with the Cost Accounting Standards (CAS) located in 48 CFR §9905.501, §9905.502, §9905.505, and §9905.506. The purpose of the CAS is to ensure consistency in:

- Estimating, accumulating, and reporting costs (CAS 501)
- Allocating costs incurred for the same purpose in like circumstances (CAS 502)
- Accounting for unallowable costs (CAS 505)
- Cost accounting periods (CAS 506)

“Unlike Purpose and Circumstances” Criteria

The CAS consistency standard (CAS 502) states that costs must consistently be treated as direct expenses or indirect costs when the costs are incurred for similar purposes and circumstances. Costs normally considered indirect costs – e.g., administrative salaries, postage and express mail, telephone, copier expenses, general office supplies, and space-related costs – may be allowable as direct costs if they meet **all three** of the following criteria:

1. An unlike circumstance exists in which a sponsored award requires resources beyond those normally expected for a typical research award;
2. The cost can be associated with the specific sponsored award with a high degree of accuracy; **and**
3. The awarding agency has approved the cost, if significant, as a direct expense in the awarded budget. If the expense was not included in the awarded budget, notify the Office of Sponsored Programs (OSP) and the Office of Sponsored Accounting (OSA). These offices will obtain sponsor approval, if required. Sponsor approval should be obtained prior to expenditure for any significant expense.

C. Documentation and Justification for Expenditures

Documentation is required to justify any expense charged to a sponsored award. The backup for expenditures should be adequate to support and justify that:

- The expense provides a direct benefit to the award
- The expense complies with any award restrictions and approval requirements outlined in the terms and conditions of the award
- If needed, the expense qualifies as “unlike purpose and circumstance” on a federal award
- Provide a written explanation/justification

Special documentation is required under certain circumstances. Documentation and justification must be maintained in accordance with the terms and conditions of the specific sponsored award.

D. Treatment of Specific Types of Expenses for Federal Awards

This section provides guidance for some of the more common types of costs associated with federal research expenditures. Refer to the Cost Principles in Subpart E, §200.400-200.475 of the Uniform Guidance for the full listing of types of costs. Please contact *your OSA Senior Accountant* with any specific questions.

In general, there are three categories of expenses:

1. **Direct Expenses** – These expenses can normally be directly charged to federal awards. However, the terms and conditions of the sponsored award must be reviewed prior to determining the appropriateness of expenses for each individual award.
2. **Indirect Costs** – Sometimes referred to as facilities and administrative (F&A) costs or overhead, these expenses may not be charged as direct expenses to federal awards unless the costs meet the “unlike purpose and circumstances” criteria noted in Section II.
3. **Unallowable Expenses** – These costs may not be charged to a federal award either as a direct charge or indirectly as recovered through the F&A rate.

Administrative and Clerical Salaries

2 CFR §200.413(c)

Definition: Administrative and clerical personnel provide non-technical support services that benefit departmental, institute, center or school activities. The services of these individuals could include: clerical support, financial management, procurement of materials and services, budget and planning, and personnel management.

The salaries of administrative and clerical personnel are normally treated as an indirect cost unless they meet the definition of “unlike purpose and circumstance” and are integral to the

award. As stipulated in the Uniform Guidance, direct charging of administrative salaries is allowable when **all** of the following 4 conditions are met:

1. Administrative or clerical services are integral to a project or activity;
2. Individuals involved can be specifically identified with the project or activity;
3. Such expenses are explicitly included in the budget or have the prior written approval of the federal awarding agency; **and**
4. The costs are not also recovered as indirect costs.

Advertising and Public Relations

2 CFR §200.421

Definition: The costs of advertising media, including magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and related administrative expenses.

Advertising/media expenses are only allowable as a direct charge if used solely for **one** of the following uses:

1. The recruitment of personnel required for performance of a federal award (subject to the requirements in Recruiting section and 2 CFR §200.463);
2. The procurement of goods and services for the performance of a federal award; **or**
3. Program outreach and other specific purposes necessary to meet the requirements of the award.

Alcoholic Beverages

2 CFR §200.423

Alcoholic beverages and related expenses are unallowable costs and can only be charged to a federal award if alcohol is specifically necessary for the aim and scope of the award, and if the agency has provided specific approval in the award notice or if it is approved in writing by the sponsor.

Bad Debts

2 CFR §200.426

Bad debt or uncollected billings, including losses (whether actual or estimated) from uncollectable accounts and other claims, are unallowable and may not be charged to a federal award. Collections and legal expenses related to bad debt are also unallowable.

Compensation (Bonuses, Maternity or Parental Leave, Severance)

2 CFR §200.430, 440

Compensation costs are generally allowable as a direct expense when the paid effort provides a direct benefit to the award and when the amount is within the federally allowable limits (e.g., agency-specific salary caps).

Special Considerations:

- Level of compensation may not increase solely due to an increase in available sponsored funding.
- Payments to supplement a fellowship are unallowable on any federal award.
- All Syracuse University employees must be budgeted as salary and cannot be included as consultants or vendors.

Bonuses - Variable Pay program

Refer to the Human Resources link:

<https://hr.syr.edu/information-for/managers-and-supervisors/compensation-for-managers/special-pay-practices>

Maternity Leave

Maternity Leave pay cannot be charged to sponsored awards. Disability payments associated with maternity leave is paid directly through disability and are incorporated into the fringe benefit rate. Therefore, they are not allowable as direct expenses on sponsored awards.

Parental Leave

Refer to Faculty Manual link:

<http://provost.syr.edu/faculty-support/faculty-manual/>

Refer to the Human Resources link regarding Parental Leave:

<http://humanresources.syr.edu/resources/faculty/faculty-parental-leave/>

Parental Leave pay cannot be charged to sponsored awards.

Severance

2 CFR §200.431(i)(1)

Definition: Severance pay is compensation in addition to regular salary and wages paid by an institution to employees whose services are being terminated. Expenses of severance pay are allowable only to the extent that such payments are required by law, or by Syracuse University-

employee agreement, or by established policy and available for specific categories of employees or all employees at Syracuse University. Severance pay cannot be charged to sponsored awards. Severance payments are incorporated into the fringe benefit rate and are therefore not allowable as direct expenses on sponsored awards.

Communication Expenses (cell phones, internet)

2 CFR 200 Appendix II

Due to the difficulty in identifying portions of a communications bill to a specific award or other university activity with a high degree of accuracy and certainty, communication expenses are generally included in the indirect cost calculations and treated as indirect costs. Only when a communication expense meets the “unlike purpose and circumstances” criteria noted in Section II can they be directly charged to a sponsored award.

Communication expenses charged as indirect costs include the following:

- Charges for landline telephone services
- Cell phones, smart phones, or other personal digital assistant, “PDA,” device charges
- On-campus or home Internet access or network connectivity fees

What communication costs can be charged as a direct expense?

Communication expenses that can be linked to a specific sponsored award with a high degree of accuracy and are used primarily for the sponsored award may be charged as a direct expense. Examples of communication expenses that may be charged as a direct cost include the following:

- Itemized long distance telephone charges for communication related specifically to an award
- Communication devices used exclusively for conducting surveys
- Telephones and PDAs used exclusively to manage a multi-site research award
- Dedicated telephone lines set up to receive data feeds from the field or conduct surveys
- Hotel and airline Internet fees during travel related to an award
- Incremental expenses for international coverage for Syracuse employees in travel status
- Cell phones in remote locations where communication infrastructure is limited

See the University’s http://supolicies.syr.edu/it/mobile_device_acceptance.htm

Conferences

2 CFR §200.432

A conference fee may be charged as a direct expense if **one** of the following circumstances is met:

- The researcher and /or research team are presenting results of the research obtained during the course of his or her work on the award;
- The researcher can confirm that the purpose of the conference is directly related to that of the award being charged; **or**
- An aim of the award is for the PI to host a conference to disseminate information from the sponsored award.

Conference fees are treated as an indirect cost when the employee attends the conference to gain a general understanding of the topics presented, rather than to receive or present specific information related to a sponsored award. Conference fees that are not specifically related to an award should be charged to a faculty discretionary, departmental, or school account.

Information regarding membership fees associated with conference registrations is found in the Membership section.

Contributions and Donations

2 CFR §200.434

The value (either monetary or in-kind) of donated services and property are unallowable and may not be charged as either a direct expense or an indirect cost.

Depreciation

2 CFR §200.436

Depreciation should not be charged directly to an award. Syracuse University is compensated for the use of its buildings, capital improvements, equipment, and software awards capitalized in accordance with the Generally Accepted Accounting Principles (GAAP) through the F&A rate.

Equipment

2 CFR §200.439, §200.33, §200.452

See the Property and Equipment Link: <http://comptroller.syr.edu/resources/property-and-equipment/> for more information.

Equipment, including fabrications, with a total acquisition cost of \$5,000 or greater is considered capital equipment and may only be charged as a direct expense when it is necessary for the performance of the sponsored award.

- “Special purpose equipment” is equipment that is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, genomic sequencers, imaging equipment, and spectrometers.
- “General purpose equipment” is equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, telephone networks, information technology equipment and systems, air conditioning equipment, and reproduction and printing equipment.

General purpose equipment is generally treated as an indirect cost because it cannot be easily linked to a particular cost objective. Equipment types that are typically considered “general purpose” may only be appropriate as a direct expense when the PI is able to justify that the equipment is necessary for the unique scientific/technical tasks of the specific agreement, not already available, and will be initially utilized almost exclusively for the award objectives.

Equipment Repairs

Routine repair and maintenance of general purpose equipment are normally treated as indirect costs. Service, repairs or warranty costs for special purpose equipment dedicated to a sponsored award may be charged directly.

Equipment Purchases at the End of Award

Equipment purchases charged directly to an award must be necessary for performance on the project; therefore, equipment purchases near the end of an award, less than 90 days before the end of the award period, should have additional scrutiny and may be subject to project-specific justification and/or sponsor approval.

Exchange Rates

2 CFR §200.440

Expense increases for fluctuations in exchange rates can be treated as a direct expense when existing funding is available to cover the difference and there is prior approval by the federal awarding agency.

Fines, Penalties or Settlements

2 CFR §200.441

Expenses resulting from violations (or alleged violations) of, or failure to comply with, federal, state, local or foreign laws and regulations are unallowable. Examples of items that may not be charged to a federal award include:

- Parking ticket or traffic violation
- Regulatory violation fines
- Late returned book fee

In very rare situations, if the expense is incurred as the result of complying with a specific provision of the federal award or with prior written approval from the federal awarding agency, the expense may be directly charged to the award.

Fringe Benefits Rates

2 CFR §200.431

Fringe benefits (FB) are employee associated costs such as health plan expenses, pension plan expenses and workman's compensation expenses, among others. These costs are expressed as a rate by employee class. The rate is the pooled costs of these benefits divided by the total salaries in each employee class. These rates are then applied to the applicable employee salary to represent the associated benefits for that type of employee.

Our sponsors will reimburse us for fringe benefit costs, expressed as a percentage of total salaries. As salaries and FB can represent the largest component of cost on a given sponsored project, the University negotiates its FB rates with the federal government on an annual basis.

Materials & Supplies (Books, journals, periodicals and subscriptions; computing devices; copier charges and copy cards)

2 CFR §200.453, §200.94

General purpose materials and supplies purchased and used by departments for all activities should not be directly charged to federal awards. Examples include copy paper, office supplies, and cleaning materials.

Items purchased specifically for one or more research awards may be charged as direct expenses. If the use of the items is shared among awards or labs, an allocation methodology should be created, documented and periodically reviewed. See [Appendix B: Cost Allocation Methodologies](#).

Examples of office supplies that may be charged as a direct expense include:

- Office supplies specifically purchased for a program project or a survey funded by an award
- Material required for poster or publication preparation (poster board, photographic supplies, color paper for a presentation that is directly attributed to the sponsored award)
- Computing Devices – see section below

Books, Journals, Periodicals and Subscriptions

2 CFR §200.454

Books, journals, periodicals, and subscriptions are normally treated as indirect costs.

Examples of unallowable charges:

- General or reference texts, including medical dictionaries
- Books, manuals, reprints that generally assist the PI in keeping up with his/her field of research
- Publications that provide a general benefit to research and teaching activities
- Subscriptions to journals

These expenditures may be charged as direct expenses only in unusual circumstances. Examples include:

- The book or journal is not available in the library and can be associated specifically with the sponsored award
- The book or journal is available from the library but is utilized so frequently for a specific award that a library copy is not sufficient
- A book contains a specific research technique or information that will introduce efficiencies to the research or improve the quality of results

Note that if the book, journal, periodicals, and subscriptions will be used only in part for an award's activities, the award may only be charged for a portion of the expenditure. The cost will need to be prorated due to multiple funding sources and / or due to the end date of an award.

Computing devices

2 CFR §200.453, §200.94, §200.20, §200.33

Definition: Machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting, and receiving or storing electronic information.

Computing devices that cost less than \$5,000, which are classified as materials and supplies (not equipment), and are essential, reasonable, consistently treated, and allocable (see **CFR §200.403**,

§200.405) to the performance of an award, may be charged directly either as a purchase or a lease.

This means that the computing device must be:

1. Essential for the purposes of carrying out a specific aim of the funded award
2. Above and beyond what is normally provided by the department for academic use
3. Charged to the grant in some reasonable proportion relative to how much is used for the funded award

It is recommended that these unlike circumstances be explicitly disclosed in the budget narrative submitted to the sponsor for approval. If an unanticipated need arises after receipt of the award, approval from the Office of Sponsored Programs or the sponsor, depending on the award's conditions, may be required before the expense can be charged to the award. However, the computing device will only be an allowable expense if it is necessary, reasonable, and essential for the award. The explanation should include why and how the device is essential and beneficial to the award and that no existing resources are reasonably available. The PIs and departments should maintain supporting documentation that describes how the computing device meets these requirements, and the documentation should be forwarded to the Office of Sponsored Programs and the Office of Sponsored Accounting.

For computing devices costing greater than \$5,000, systems or equipment fabrications, please see <http://comptroller.syr.edu/resources/property-and-equipment/>. As with any Capital Equipment, there are purchasing restrictions within the last 90 days of the award.

Examples of computers that can be charged as direct expenses include:

- A laptop specifically needed to record data in field research
- A computer physically attached to another piece of scientific equipment and/or required for collection and analysis of information/data
- A computer used primarily on the designated sponsored award
- A computer that will remain property of the University (and not the personal property of an individual)

Computing devices may be allocated to multiple sponsored awards if the project's portion of the use can be reasonably estimated and is directed by the PI. The expense should be properly allocated to all benefitting activities.

- If a device will be used only in part for an award's activities, the award may only be charged for a portion of the device's expense.
- University-funded activities such as instruction and administration should bear at least their fair share of the acquisition expense.
- De Minimis use of the device for other activities is allowed as long as the device is being used predominately on the sponsored project(s). Predominant use is considered 75% or greater, and would be charged in full to the sponsored project. Those below 75% would be allocated as indicated above or shared between funding sources including other sponsored awards.

See [Appendix B: Cost Allocation Methodologies](#).

Copier Charges and Copy Cards

Copier charges and copy cards for general administrative support of an award should not be charged as a direct expense.

Copy charges and copy cards may only be an appropriate direct charge in cases when **both** of the following criteria are met:

- The awarding agency has approved the direct charge in the awarded budget or there is subsequent agency approval. The copy expenses associated with this expense are extraordinary and meet the “unlike purpose and circumstance” criteria, **and**
- The copy expenses are an integral part of the specific tasks associated with the sponsored award and can be separately tracked.

Memberships, Dues and Professional Activity Expenses

2 CFR §200.454

Dues and memberships in professional organizations are normally charged as indirect costs because their purpose is more general in nature – i.e., furthering a PI’s knowledge in his/her field – and cannot be identified with a high degree of specificity to an individual research award. Membership may be charged only if it is required for conference attendance where the researcher is presenting his or her research or obtaining, circulating, or distributing information to advance the performance of the award.

Note: The membership fee is allowable as a direct cost to the award if it reduces the overall cost of attending the conference.

Note: If the membership, dues and professional activity will be used only in part for an award’s activities, the award may only be charged for a portion of the expenditure. The cost will need to be prorated due to multiple funding sources and / or due to the end date of an award.

Participant Support Costs (excluding training grants)

2 CFR §200.75, §200.456

Definition: Direct expenses 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 conferences or training awards.

Participant support costs are allowed if all of the following criteria are met:

- The costs are programmatically justified;

- The costs are explicitly included in the budget and the budget is approved or prior written approval is received from the Federal awarding agency; **and**
- The expense does not take indirect costs.

Note: NIH will only allow Participant support costs to be charged if they were approved in the original Funding Opportunity Announcement.

Who is a participant?

A participant is defined as a non-Syracuse University employee who is the recipient, not the provider, of a training associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants are not required to provide any deliverable to the university and they are not subject to Syracuse University human resources policies (e.g., they cannot be terminated for failure to perform). Participants may include students, scholars, and scientists from other institutions, representatives of private sector companies, teachers, and state or local government agency personnel.

A person classified as an intern would be paid as an employee and not as a participant, because the intern, while receiving certain training, is also providing services.

What expenses can be included in participant support costs?

Participant support costs include expenditures for items such as the following:

Stipend. A stipend is a set amount of money to be paid directly to the participant in connection with a short-term training activity. Note that short-term means the appointment period approved by the sponsor.

Travel. Travel includes the costs of transportation and associated costs and must follow sponsor guidelines (e.g., US flag carrier, coach class, most direct route) as well as Syracuse University's travel policies and guidelines. The sole purpose of the trip must be to participate in the award activity. If a training activity involves field trips, the cost of transportation for participants may be allowable.

Subsistence allowance. The cost of a participant's housing and per diem expenses necessary for the individual to participate in the award are generally allowed, provided these expenses are reasonable and limited to the days of attendance. Although they may participate in meals and snacks provided at the meeting or conference, participants who live in the local area are not entitled to subsistence payments.

Fees. The fees paid by a participant in connection with meetings, conferences, symposia, or training awards are generally allowable costs. These fees may include laboratory fees, passport or visa fees for foreign participants, and registration fees.

Other. Certain other costs paid on behalf of or to the participant as required for their involvement may be allowable, including training materials, laboratory supplies, and insurance.

What expenses CANNOT be included as participant support costs?

Participant support costs *do not* include the following types of payments:

- Honoraria paid to a guest speaker or lecturer
- Conference support costs such as facility rentals, media equipment rentals, or conference food unless specifically allowed under the Terms and Conditions of the award, as indicated in the approved sponsored budget narrative, or prior approval has been obtained from OSP or the Sponsor
- Subaward to a provider for multiple training events (i.e., an ongoing contract with specific terms and conditions)
- Agreements with employers (e.g., public school system) to reimburse the employer for the costs related to sending its employee to a conference or workshop. It is recommended that the PI inform participants prior to the initiation of the project about any costs associated with their participation in the project that are not covered.
- Expenses for collaborators to meet at a single destination and discuss a research project's progress and direction. Such expenses should be budgeted under travel or other expenses as allowed by the sponsor.
- An incentive payment to encourage an individual to participate as a human subject in a research study is not a participant support cost and should be budgeted as an "other direct costs" bearing full overhead.

Rebudget

Per 200.308(c) (5), prior approval is required to transfer funds budgeted for participant support costs to other categories of expenses.

Postage and Express Delivery

2 CFR §200.473

Postage or express mailing expenses are generally treated as indirect costs.

If the expenses are required for an award and can be linked to that specific award, the cost may be charged as a direct expense. Examples of shipping and postage expenses that may be charged as direct costs:

- Shipping specimens to a lab facility for processing
- Postage for surveys
- Shipment of animals for use on a specific award
- Shipping model organisms as required by the terms and conditions on the award
- Shipping research presentation materials for a conference

Professional Service Expenses

2 CFR §200.459, §200.435

Costs of professional and consultant services are allowable as direct expenses when **all** of the following conditions are met:

- The service has been determined as allowable and necessary for the federal award;
- The professional or consultant is not an employee of Syracuse University; **and**
- The expenses are reasonable in relation to the services rendered (i.e., the service cannot be performed more economically by direct employment).

All Syracuse University employees must be budgeted as salary and cannot be included as consultants, advisors or vendors.

Retainer fees for professional services must be supported by evidence of bona fide services available or rendered. Any professional service costs related to defense and prosecution in criminal and civil proceedings are unallowable.

Recruiting Expenses (Short-term visas)

2 CFR §200.463

Definition: Expenses associated with the hiring of staff and are not normally allowed as direct charges.

Recruiting expenses, for all potential candidates, can be directly charged when the hiring of the individual is essential to achieving the objectives of the award, and are allowable to the extent that such costs are incurred pursuant to Syracuse University's standard recruitment procedure. In this circumstance, the following costs may be allowed as direct charges:

- The expense of employee recruitment directly related to the award
- Travel expenses of applicants for interviews
- Relocation expenses of new employees (see Relocation Expense of Employees)
- Is working on the award funding the visa expense when they are hired.

Please see the Travel and Related Expenses Section for additional information.

Recruiting costs **not** allowed as a direct expense include:

- Special payments
- Gifts
- Fringe benefits
- Salary allowances incurred to attract professional personnel that do not meet the test of reasonableness

Additionally, where recruitment costs incurred have been funded in whole or in part as a direct expense on a federal award, but the newly hired employee resigns within 12 months after hire, Syracuse University is required to refund or credit the federal share of those recruitment expenses.

Please see the Travel - local business meals section for additional information.

Short-Term Visas for Recruiting

2 CFR §200.463

Short-term travel visa expenses, in certain justifiable circumstances and only when associated with recruiting, may be charged as a direct expense on an award. Short-term visas differ from longer-term immigration visas in that they are issued for a specific period and purpose and therefore can be clearly identified as directly connected to recruitment of personnel for a federal award. For the expenditure to be directly charged to a federal award, the individual applying for the visa must meet **both** of the following criteria:

- Is critical and necessary for the performance of the award; **and**
- Is working on the award funding the visa expense when they are hired.

Additionally, where visa costs incurred have been funded in whole or in part as a direct expense on a federal award but the newly hired employee resigns within 12 months after hire, Syracuse University is required to refund or credit the federal share of the visa expenses.

Note that if the short-term visas for recruiting will be used only in part for an award's activities, the award may only be charged for a portion of the expenditure. The cost will need to be prorated due to multiple funding sources and / or due to the end date of an award.

Relocation Costs of Employees

2 CFR §200.464(J)

Relocation costs are allowable as direct expenses if there is a permanent change of assignment of an existing employee or upon recruitment of a new employee. If the relocation of the employee directly benefits and is essential to the sponsored award, then the costs can be charged as direct expenses to the award(s).

Considerations when evaluating the allowability of relocation expenses of an individual include the following:

- The work performed will directly benefit the objectives of the award
- Reimbursement to the employee is in accordance with Syracuse University's written policies and is consistently followed by the employer
- The reimbursement does not exceed the employee's actual (or reasonably estimated) expenses

See the <http://comptroller.syr.edu/resources/payroll/moving-expenses-for-employees/> for more information.

Specialized Service Facilities

2 CFR §200.468

For more information see <http://comptroller.syr.edu/resources/sponsored-accounting/recharge-centers/>

Recharge Center fees and charges are allowable as a direct charge on a federal award when **all** the following criteria are met:

- The service center charges are based on actual usage
- The service provided is directly applicable to the award
- The charge is based on an established rate schedule or methodology that does not discriminate between activities on federal awards and is designed to recover only the aggregate costs of the services **and**
- The charge is compliant with the [Syracuse University Interdepartmental Recharge Centers Policy Implementation](#)

Taxes

2 CFR §200.470

There are allowable federal taxes that Syracuse University is required to pay; in most circumstances, these costs are treated as indirect costs.

In certain instances, taxes, including sales tax and Value Added Taxes (VAT), are legally required and are associated with expenditures on federal awards. These taxes can be charged as direct expenses on the associated federal award. When a refund can be requested, due to exemptions, the original charge should not be charged to a federal award.

See the [University Sales Tax and Tax Exempt Identification Numbers at http://supolicies.syr.edu/admin/sales_tax.htm](http://supolicies.syr.edu/admin/sales_tax.htm)

Travel and Related Expenses

2 CFR §200.474

See the University [Travel Policy](http://supolicies.syr.edu/admin/travel.htm) at <http://supolicies.syr.edu/admin/travel.htm> and [Fly America Act](http://osp.syr.edu/Award-Management/compliance---post-award1/fly-america-act.html) at <http://osp.syr.edu/Award-Management/compliance---post-award1/fly-america-act.html>

Travel-related expenses are allowable as direct expenses when they provide a direct benefit to the sponsored award.

Unallowable travel expenses include:

- Limousines
- Commuting or travel expenses when not on “travel status”
- Airfare above “lowest economy fare class” (coach or equivalent)

For a full listing of unallowable travel expenses, refer to the [Syracuse University Travel Policy](http://supolicies.syr.edu/admin/travel.htm) at <http://supolicies.syr.edu/admin/travel.htm>.

Domestic and foreign travel charged to a sponsored award must follow these guidelines as well as the Syracuse University Travel Policy and funding agency requirements, whichever imposes the greater restrictions.

Travel expenses that directly support the sponsored award may be charged on an actual expense basis, on a per diem or mileage basis in lieu of actual expenses incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip.

In order to charge a **travel meal on a federal award**, an itemized receipt should be presented if the Actual Expense Reimbursement option is taken vs. per diem method. If an itemized receipt is *not* available, refer to section *B – Actual Expense Reimbursement* of the [Syracuse University Travel Policy](http://supolicies.syr.edu/admin/travel.htm) at <http://supolicies.syr.edu/admin/travel.htm>.

The following will also be required:

- If the meal(s) did not include alcohol, the traveler must attest in writing that no alcohol was charged, and the entire amount can be charged to the appropriate federal award.
- If the meal(s) did include alcohol and the traveler can attest the alcohol cost in writing, then the alcohol portion of the meal costs, along with the applicable tax and tip, must be charged to a non-sponsored account. The remainder of the meal costs can be charged to the appropriate federal award.
- If alcohol was included and the traveler CANNOT attest to the alcohol cost, no portion of the meal costs can be charged to a federal award.

Local Business Meals

Meals consumed in the local environs are rarely allowed to be charged to federal awards.

The [Syracuse University Travel Policy - Business Meals](http://supolicies.syr.edu/admin/travel.htm) at <http://supolicies.syr.edu/admin/travel.htm> may permit the expenditure of Syracuse University funds for these types of expenses, but they are generally unallowable on federal awards. In these cases, the expense should be charged to a faculty or departmental discretionary account or other appropriate non-federal account.

Examples of food charges that should not be directly charged:

- Researchers and/or staff meetings to discuss progress on the award
- PI has lunch/dinner with a colleague to discuss research (the meal of the visitor, if they are on travel status, may be charged to the award)

Local business meals may be directly charged to an award if they are linked to a formal meeting or conference at which technical information directly related to the award is being shared or disseminated. Note that specific federal sponsors may have varying terms and conditions that differ from the federal definitions. Please refer to the award's terms and conditions for any specific treatment of expenses.

Examples of meal charges that may be allowed as a direct expense:

- Lunch and refreshments are provided for a periodic all-day meeting with collaborators on a program project where technical information closely related to that award is being shared. There is a formal agenda and documented attendee list.
- A researcher is being recruited to fill an open position on a research award and travels to Syracuse University local environs. Only the researcher's meal may be charged to the award since he/she is on travel status.

In order to charge a business meal on a federal award, an itemized receipt should be presented if the Actual Expense Reimbursement option is taken vs. the per diem method. If an itemized receipt is not available, refer to *B – Actual Expense Reimbursement* of the [Syracuse University Travel Policy](http://supolicies.syr.edu/admin/travel.htm) at <http://supolicies.syr.edu/admin/travel.htm>. The following will also be required:

- If the meal(s) did not include alcohol, the individual/traveler must attest in writing that no alcohol was charged, the entire amount can be charged to the appropriate federal award.
- If the meal(s) did include alcohol and the individual/traveler can attest in writing the alcohol cost, then the alcohol portion of the meal costs, along with the applicable tax and tip, must be charged to a non-sponsored account. The remainder of the meal costs can be charged to the appropriate federal award.
- If alcohol was included and the individual/traveler CANNOT attest to the alcohol cost, then no portion of the meal costs can be charged to a federal award.

Local Parking

Parking expenses incurred in the local environs are normally not allowed to be directly charged to a federal award. Parking can be charged as a direct cost if the local travel benefits the award directly and there is a clear and reasonable business case.

Examples of parking charges that may be charged as a direct cost:

- A PI drives to another institution within the local environs to meet with collaborators on a specific award
- Subjects in a research study are reimbursed for parking expenses incurred when they visit the study site
- Local parking is associated with an out-of-town collaborator on the award who is in travel status when incurring the parking charge

Refer to *Transportation Section* of the [Syracuse University Travel Policy at http://supolicies.syr.edu/admin/travel.htm](http://supolicies.syr.edu/admin/travel.htm).

Local Transportation

- Car Services – The use of private sedan, limousine or car services to attend meetings on or around campus is unallowable as a direct expense
- Local Transportation Services – Where available, public transportation and shuttle services may be allowable as a direct cost. Taxis may also be used where other methods of travel are unavailable or impractical.

Refer to *Transportation Section* of the [Syracuse University Travel Policy at http://supolicies.syr.edu/admin/travel.htm](http://supolicies.syr.edu/admin/travel.htm).

Air Travel

2 CFR §200.474.3(d)

Refer to *Transportation Section* of the [Syracuse University Travel Policy at http://supolicies.syr.edu/admin/travel.htm](http://supolicies.syr.edu/admin/travel.htm).

Lowest Economy Fare Class

Federal regulations require travelers to incur the lowest possible expense to the federal award; in most circumstances, this is a non-refundable (restricted) economy class airfare.

Federal regulations require that airfare costs in excess of the lowest economy fare class are unallowable except when such accommodations would:

- Require circuitous routing
- Require travel during unreasonable hours
- Excessively prolong travel
- Result in additional costs that would offset the transportation savings or
- Offer accommodations not reasonably adequate for the traveler's medical needs.

Once these criteria are met, the traveler must justify and document the exception for the use of business-class or upgraded economy airfare to be allowable on a federal award. Complimentary (no-cost) upgrades are allowed. The appropriate authorizations under the [Syracuse University Travel Policy at http://supolicies.syr.edu/admin/travel.htm](http://supolicies.syr.edu/admin/travel.htm) must be obtained and presented with the justification and documentation.

There may be circumstances where there is a high likelihood that the itinerary may change, Within these situations it is appropriate to purchase a refundable (unrestricted) ticket. Include in the business purpose section of the reimbursement request the reason for purchasing a refundable ticket.

Business Class Airfare or Upgraded Economy

If business class travel or upgraded economy is allowed under the [Syracuse University Travel Policy at http://supolicies.syr.edu/admin/travel.htm](http://supolicies.syr.edu/admin/travel.htm) but cannot be charged to the federal award, the traveler may still fly business class or upgraded economy. However, the difference in fare between the least expensive economy fare class and the business class fare must be charged to a non-sponsored account. Business class airfare can only be charged to a federal award if one of the federal exceptions noted above is met. There are no exceptions to this rule unless specifically allowable under the Terms and Conditions of the particular sponsored award to which the travel relates.

The traveler must obtain, within 24 hours of booking the flight, a price quote for the economy fare for the same itinerary. The economy class fare can be charged to the federal award, and the difference **must** be charged to a non-sponsored account. This price quote documentation must be submitted.

If the traveler does not obtain written documentation of the lowest available economy fare for the same itinerary within 24 hours of booking the flight, NO portion of the fare may be charged to the federal award. Post-booking quotes are not allowed as substitute documentation.

Fly America Act

All air travel on federal awards must comply with the Fly America Act and use US Flag Carriers, even when a less costly foreign flag carrier is available, unless the flight meets the circumstances and exceptions described in the Syracuse University [Fly America Act Exception Form](#). Departments/local units need to retain documentation of the Fly America exceptions.

The Open Skies Agreement is an exception to the Fly America Act requirement and it allows travelers to fly on airlines from the European Union, Australia, Switzerland and Japan under certain circumstances. To determine if a flight meets the Open Skies Agreement criteria, check the Fly America Act and Open Skies Agreements Decision Tree.

Examples of **allowable** air travel expenses on federal awards:

- A researcher purchased an economy fare and it was upgraded to business class for free (no additional costs)
- A research fellow traveled on a foreign airline but the ticket has a US carrier code (code share) next to the flight numbers

Examples of **unallowable** air travel expenses on federal awards:

- A PI purchased a nonstop business class ticket for domestic travel because the coach class fare was not available and there were alternative flights available
- A PI booked a business class ticket for an 8 hour international flight on a US carrier and charged the full fare to the federal award without any written documentation of an exception
- A Co-PI booked the lowest available economy class fare for a flight from Boston to Amsterdam on a European carrier with the business purpose to present a paper on a DoD funded award
- A post-doc purchased a ticket from a US Airlines website for attending a conference in Vancouver, but the ticket has a foreign carrier's code (code share) next to the flight numbers (the seat does not qualify as US flag carrier)

Airline Incidentals

- Reasonable airline internet fees during travel related to an award are generally allowable costs on federal awards

Tuition

2 CFR §200.466

Remitted

Graduate tuition remission may be charged to research awards at Syracuse University as a non-overhead-bearing direct cost. Tuition remission is the payment of tuition expense as part of compensation to students performing necessary work on federal research awards [Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR §200) ("Uniform Guidance")]. Unlike salaries and wages, tuition remission must be excluded from the application of indirect costs [Uniform Guidance §200.466]. Students whose work benefits research awards granted to Syracuse University will be placed on payroll and their salaries will be charged to the appropriate payroll

account number for Graduate Assistants. Remission for tuition and fees will be charged under the appropriate Remitted Tuition account number.

All compensation charged to federal research awards, whether it is paid as salaries and wages or as tuition remission, is subject to effort reporting. In order to meet this requirement without including tuition remission payments explicitly on effort certification forms, the allocation of tuition remission costs on research awards must match the distribution of work effort as reported through salary charges.

For additional information refer to:

<http://osp.syr.edu/proposal-development-and-submission/budget-development/Estimating%20Costs/Other%20Costs/Other%20Direct%20Costs/Tuition.html>

Trainee

Graduate training tuition may be charged to research awards at Syracuse University as a non-overhead-bearing direct cost. Trainee Tuition is not allowable on federal awards unless the purpose of the agreement is to provide training to the selected participants and the charge is approved by the sponsoring agency (OMB Circular Uniform Guidance, Subpart E). Trainee tuition and fees will be charged under the appropriate Trainee Tuition account number.

Stipend

2 CFR §200.466

Background:

To provide greater clarity, Syracuse University has developed the following guidance related to the charging of stipends to sponsored awards. Stipends are payments made to individuals for subsistence support or to defray expenses during a period of academic appointment. Stipend payments are *not* compensation for services rendered and, therefore, are not allowable on federal awards unless the purpose of the agreement is to provide training to selected participants and the charge is approved by the sponsoring agency (OMB Circular Uniform Guidance, Subpart E). Stipends will be charged under the appropriate Stipend account number.

There are instances where stipend expenses are allowable. Sponsored funds intended to support training or research training will state that intention clearly in the agency program announcement. The scope of work in the proposal and award agreements should also state explicitly that training or research training of specific individuals is a purpose of the award. In such cases, stipend expenses are expected and allowable. Typical training awards include NIH "T" and "F" awards, NASA's various fellowship programs, and NSF Doctoral Dissertation grants. Other awards where the training intention in Syracuse University's proposal and award agreement is described clearly and accepted by the federal sponsor can also include stipend expenses.

Federal Guidance:

OMB Uniform Guidance, Cost Principles (Subpart E)

No explicit guidance exists in the Uniform Guidance for the allowability of stipends, but the Cost Principles section does address student support. The only allowance for payments to individuals that do not represent compensation for services rendered appears in §200.466, Scholarships and Student Aid Costs, which states such payments are allowable "...only when the purpose of the Federal award is to provide training to selected participants and the charge is approved by the Federal awarding agency."

Two sections of the Uniform Guidance Cost Principles (Subpart E), suggest that stipends should not be charged to research awards. First, §200.430 (Compensation - Personal Services) requires that amounts paid to individuals for their services on federal programs be documented, implying that payments to individuals which are not for services rendered should not be funded by research awards. Syracuse University's effort reporting system does not include stipends, since these amounts do not represent compensation for work effort. Additionally, the Uniform Guidance Cost Principles for direct and indirect costs requires that the University include all modified total direct costs allocable to benefiting activities across its major functions in determining indirect costs. If funds used to support effort directly benefiting organized research are coded as stipends, these costs are excluded from the research base in violation of the federal cost principles.

National Institutes of Health

The *National Institutes of Health Grants Policy Statement (Revised December 1, 2003)* states explicitly that stipends are not allowable on research grants. This definitive statement appears twice in Part II > Terms and Conditions of NIH Grant Awards Subpart A > General > Selected Items of Costs. Under Salaries and Wages, it states: "Payments made for educational assistance may not be paid from NIH research grant funds even when they would appear to benefit the research project." Further, under the entry for Stipends, it states: "Stipends are not allowable under research grants even when they appear to benefit the research project."

National Science Foundation

The **National Science Foundation Grant Proposal Guide** allows for stipends only in support of participant costs at conferences, symposia, workshops, or other specific training activities. In these cases, the scope of work should include a description of the training activity and NSF would have acknowledged that participant costs would be funded by stipends. NSF guidelines do not provide an allowance for payments to non-employees or non-consultants for activities that benefit a research award.

Given this clear guidance from NIH and NSF, Syracuse University's two dominant federal sponsors, University procedures follow this guidance for all federal awards, regardless of agency.

Syracuse University Guidance:

Stipends are only allowed if there are specific training activities included in the scope of work as proposed and awarded by the federal sponsor.

Outgoing federal proposals that include stipends in the budget should include a description of a training purpose in the award. Graduate student support that is not identified explicitly as "stipend" will be considered "compensation" and should carry indirect costs. OSP offices and research administrators should review proposals to prevent submission of stipends on research awards.

At the appointment stage, department academic appointment administrators should be sure that stipends are allowable if a federal award is involved. Because awards that might allow stipends are not readily identified by fund number or other unique attribute, research administrators should coordinate with appointing officials to communicate whether or not a specific federal award can be used to fund stipends.

During financial reviews, department financial managers of sponsored funds are responsible for reviewing awards for allowable costs and other compliance concerns. Stipend expenses on a federal award should trigger verification that stipends are allowable on that award. Similarly, OSA staff will confirm the allowability of stipend charges on federal awards during their periodic reviews of financial activity.

For cases in which it is not clear whether stipends are allowable, research administrators, OSP and OSA will review the program announcement, the award document, the budget, and the budget justification to determine allowability. If it is determined that stipends are not allowable on the grant, the department financial managers must remove expenses from the grant. See below FAQ#4.

Stipends are allowable on non-federal sponsored research awards, but they should be anticipated in proposal budgets and approved by the sponsor. Many sponsors are willing to fund stipends. It is important, however, to distinguish individuals who are *providing services* to the University from individuals who are being paid *without* any expectation of work effort. University Human Resources policies prevail over non-federal sponsor expectations. An individual who is being paid for the services he or she provides to the University should be considered either an employee or an independent contractor.

Stipend FAQs

1. Which types of NIH awards allow stipends?

In some instances, NIH specifically identifies the "R" series of awards as research awards, but their guidance on stipend allowability seems to make a more general reference. We interpret the guidance to mean that "T" and "F" grants allow stipends, while "R" and "P" awards do not. Other programs should be evaluated on a case-by-case basis.

2. Will appointing researchers as employees, rather than stipendees, increase my indirect costs?

Yes, employees are paid from compensation account codes. Compensation expenses take overhead. Stipends are paid from a stipend account code. Stipends are excluded from overhead and are removed from total direct costs to determine modified total direct costs (MTDC).

3. If I find unallowable stipends on a federal research award, can I simply journal the stipend charges to a compensation account code?

No, payments in these account codes reflect the employment or academic appointment category assigned by the appointing official. The payments carry taxation and employment liabilities for the individual and for the University that are specific to the terms of the respective appointment categories. If the costs are recent and fall within the current calendar year, you may be able to work with Payroll and OSA to modify the appointment retroactively.

4. If I find unallowable stipends on a federal research award, can I simply journal the stipend charges to another fund using the same account code.

Yes, stipends can be moved off of federal research awards to funds where they are allowable as long as the transaction follows the cost transfer rules and the costs meet the conditions of allocability and allowability for the sponsored fund where the costs end up.

E. Prior Written Approval

2 CFR §200.407

Under any given Federal award, the reasonableness and allocability of certain items of cost may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, Syracuse University may seek the prior written approval of the awarding agency in advance of the incurrence of special, or unusual, costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described below.

Items requiring prior approval must be requested specifically and approved in the proposal budget or must be requested, in writing, before the expense is charged to the award. In most cases written approval from the program officer is not sufficient; refer to the terms and conditions of the award for information regarding who can authorize changes to the award budget.

Only those costs that meet the criteria for direct expenses on a federal award, per these guidelines, can be directly charged to an award under any circumstances.

Per the Uniform Guidance, prior written approval from the sponsor is explicitly required for:

- Change of key personnel (200.308 (c)(2))
- Change of scope (200.308 (c)(1))
- Cost sharing or matching (200.308 (c)(7))
- Effort reduction of key personnel greater than 25% or PI disengagement from award of greater than 3 months (200.308 (c)(3))
- Equipment and other capital expenditures (200.313, 439)
- Exchange rates (200.440)
- Fines, penalties, damages and other settlements (200.441)
- Fixed amount subawards (200.332)
- Fund raising and investment management expenses (200.442)
- Goods or services for personal use – housing only (200.445)
- Memberships in any civic or community organization (200.457 (c))
- Organization costs (200.455)
- Participant support costs, any transfer of budget (200.308 (c)(5))and (200.456)
- Rearrangement and reconversion expenses (Renovations) (200.462)
- Selling and marketing costs (200.467)
- Travel costs (200.474 (c)(2))
- Use of program income (200.307)
 - Program Income is gross income directly generated by a supported activity or earned as a result of the sponsored award.

The following require either inclusion in the proposal budget OR prior approval from the sponsor if not originally budgeted:

- Administrative expenses (200.413 (c))
- Entertainment costs (200.438)
- Subawards, any changes or transfers (200.308 (c)(6))
- Supplemental compensation for incidental activities (200.430 (h) (ii))

The following may require prior approval OR be allowable under Expanded Authorities:

- Carry forward (200.308 (d)(3))
- No cost extension (200.308 (d)(2))
- Pre-award Expenses (200.458)

The PI and/or Department Administrator should contact OSP regarding prior written approvals.

F. Other Related Information

Collection of Improper Payments

2 CFR §200.428

Definition: Any payment that should not have been made including those made in an incorrect amount, made to an ineligible party, made for an ineligible good or service, made in duplicate, made for a good or service not received, made without account for credit of applicable discounts, or made with insufficient or lack of documentation.

The costs to recover improper payments are unallowable expenses. If an improper payment has been charged to an award, it should be immediately removed from the sponsored fund.

Cost Sharing

Expenses incurred to meet cost-sharing commitments require the same accounting, financial, legal, and regulatory burdens as expenses charged directly to Syracuse University sponsored awards. Expenditures recorded as cost sharing must follow the guidance in this document.

Pre-Award Expenses

2 CFR §200.209

Pre-award expenses are expenses incurred on awards typically during the 90 days prior to the award start date that are necessary for effective execution of the award. These expenses require sponsor approval and follow the same cost principles as expenses charged during the award period. For some federal sponsors with awards under expanded authorities, such as NSF and NIH, the Office of Sponsored Programs can approve the incurrence of pre-award expenses, up to 90 days, without sponsor approval. Notification of the approved Pre-Award start date will be sent from OSP to OSA prior to the actual expenditures being expensed to the sponsored award.

Any expenditure incurred while an account is in advance status is made at the department's or school's risk.

Procurement

2 CFR §200.317 – 200.326

It is a compliance requirement to follow the University Procurement guidelines when procuring goods and services using sponsored funds. Additionally, you should pay attention to individual sponsor award terms and conditions to ensure that award procurement requirements are noted and followed. For more information see the [Purchasing, Procurement Agreements Policies at http://supolicies.syr.edu/it/printers_copiers.htm](http://supolicies.syr.edu/it/printers_copiers.htm) and http://supolicies.syr.edu/admin/office_supplies.htm

Unallowable Expenses

2 CFR §200.410

Payments made for costs determined to be unallowable (either as direct or indirect) must be refunded to the federal government. Departments are responsible for working with OSA to ensure that direct and indirect funds relating to unallowable expenditures are either returned to the federal government or offset in the award.

G. Appendix A: Special Considerations for Federal Training Grants

Each year, NIH and other DHHS agencies award institutional research training grants to eligible institutions to develop or enhance research training opportunities for individuals (pre-doctoral and post-doctoral), selected by the institution, who are training for careers in specified areas of biomedical, behavioral, and clinical research.

NIH Training Grants generally include the following cost categories: Stipend, Tuition and fees, Training-Related Expenses and Trainee Travel Costs.

Tuition and fees are allowable trainee costs only if such charges are applied consistently to all individuals in a similar training status at the organization, without regard to their source of support. Tuition at the postdoctoral level is limited to that required for specific courses in support of the approved training program and requires prior agency approval.

Trainees are generally supported for 12-month full-time training appointments for which they receive a stipend as a subsistence allowance to help defray living expenses during the research training experience. Stipends must be paid in accordance with established stipend levels. Trainee-related Expenses are "funds provided to defray such training expenses as staff salaries, consultant expenses, equipment, research supplies, staff travel and other expenses directly related to the training program." Trainee-related Expenses are generally requested in a lump sum, based on the number of trainees requested in the application, and entered on the budget page without further stipulation.

NIH may provide funds for Trainee Travel costs (attending scientific meetings, etc.) when requested by the recipient institution.

NIH Training Grant Specific Rules for Re-budgeting of Funds

Funds may be re-budgeted only as follows:

- **Trainee-Related Expenses.** Re-budgeting of funds awarded in a lump sum for trainee-related expenses does not require prior agency approval.

- **Trainee Travel.** For re-budgeting purposes, trainee travel is not considered a trainee cost and, therefore, may be re-budgeted into any other budget category without prior approval of the NIH awarding IC.
- **Trainee Costs.** For re-budgeting purposes, trainee costs include funds awarded in the stipends or tuition/fees budget categories. These costs may not be used for other purposes except under unusual circumstances and then only with the prior approval of the NIH awarding IC. Unless otherwise restricted, re-budgeting into or within the stipends and tuition/fees is allowable without prior approval of the NIH awarding IC.

Unlike participant support costs, which do not take indirect costs, stipends on NIH training grants can take 8% indirect costs. Tuition and fees cannot take indirect costs. The unspent stipend plus the 8% indirect costs can be re-budgeted into the tuition category, but it cannot be re-budgeted into Trainee-Related Expenses.

For more guidance on NIH training grants and re-budgeting funds, please see [NIH Research Training FAQs](#) on NIH website.

The department should contact OSP regarding re-budgeting of funds.

The following trainee-related expenses may be treated as direct expenditures on fellowships and training grants:

- Consultant expenses, including seminar speakers (and their travel and honoraria) and related seminar/symposium expenses
- Announcements, posters, and brochures
- The cost of videotaping seminars because the seminars are trainee-related and trainees would benefit from the educational value of the seminars
- Trainee travel
- Health insurance
- Professional membership fees
- Book allowance
- PI travel and conference fee when attending a conference with trainees

Trainee-related expenses that may be charged to training grants and fellowships, as defined by the NIH, include:

Type of Costs	Allowable or Unallowable?	Considerations
Honorarium	Allowable	Speaker for seminar for trainees
Administrative Salaries	Allowable	May be allocated to help defray such expenses as staff salaries (such charges must meet the tests of allocability and reasonableness)
Books/Journals	Allowable	May be allocated if these items directly benefit the research and training of the project
Domestic Travel	Allowable	Only trainees or PIs w/ trainees may travel to enhance research experience (not from residence to institution)
Foreign Travel	Allowable	Only trainees or PIs w/ trainees may travel to enhance research experience (not from residence to institution)
Videotaping of Seminars	Allowable	If seminars are trainee-related and trainees would benefit as they provided unquestionable educational value, then may be allocated
Business Cards	Unallowable	Would not benefit research or training directly
Computers	Allowable	May be allocated if computer is purchased by department for trainee use while appointed to the project or if sponsor approved and under \$5,000
Visa	Unallowable*	* May be allocated only on Fogarty Training Grants
Food (e.g., pizza or soda)	Unallowable	General food expenses for internal meetings are unallowable. Described in this manner, these would be considered entertainment expenses and as such are unallowable
Moving expenses	Unallowable	Project funds may not be used for a prospective trainee's travel expenses to or from for the purpose of recruitment or relocation
Health Insurance	Allowable	Health insurance is allowable for individual and his/her dependents
Advertising	Allowable	Recruitment expenses may be allocated

H. Appendix B: Cost Allocation Methodologies

Whenever possible, specific expenses should be individually charged to a specific sponsored award. When it is not possible or efficient to determine how much of the cost is used for each award, allocation of the expenses is allowable. Allocation is the process of assigning a cost to one or more awards in reasonable and realistic proportion to the benefit provided to the individual awards.

Allocation Methodology Criteria

At Syracuse University, allocation methodologies must meet **ALL** of the following criteria:

- The allocation must provide a reasonable linkage between the cost incurred and the benefit to individual sponsored agreements,
- The allocation methodology must be identified in advance for the allocation of expenses and documented in a way that a person unfamiliar with grants management would understand,
- Each methodology should be applied consistently for similar costs that meet the criteria of the allocation methodology, **and**
- Allocation methodology must be reviewed and adjusted periodically.

Documentation

Once the allocation methodology has been determined, it needs to be documented and the documentation retained within the department/center. Documentation should include the costs to be allocated and the basis for distribution.

If the allocation requires a calculation for each distribution, this backup should be attached to each monthly allocation journal. Monthly documentation is not required if the journal contains all the information necessary to support the expenditure, provided that the standard methodology is on file in the department and reviewed periodically.

Allocation Methodology Best Practices

- Ensure that the allocation methodology is documented prior to, or contemporaneously with, the costs being incurred and allocated.
- Document how measures, such as headcount, logically relate to the costs being allocated and the benefit received by the awards.
- Retain the supporting documentation in the department (in accordance with the Terms and Conditions of the specific sponsored award) so it is available for review and audit.
- Review allocation methodologies periodically to ensure they are reasonable.

Significant changes to the allocation statistics may signal the need to review the allocation methodology. For example, allocations based on FTEs must be updated to reflect any changes in headcount or effort. Methodologies based on sampling, surveys, etc., should be reviewed,

updated, and approved by the PI at least once each fiscal year and/or when new awards are received and awards expire.

- Identify the allocation method that will be used in advance of purchasing or at the time of ordering the goods/services whenever possible (to avoid the need for manual journals and/or cost transfers).
- Do not use allocation methodologies that result in an over- or under-recovery of expense. An over-recovery of expense may result in a refund to the sponsor while an under-recovery may need to be funded by the department as cost sharing.
- Do not use any allocation methodology that is based on available sponsored funds, budgets, or to avoid restrictions imposed by law, terms of the sponsored award, or for other reasons of convenience
- Do not allocate expenses after the fact by use of journals and/or cost transfers without appropriate documentation.

Some Acceptable Allocation Methodologies (and examples)

Different allocation methodologies may be required for different types of expenses.

- Allocation based on FTEs
 - Acetone purchased for use in a laboratory is needed for the technicians working concurrently on Awards A, B, and C in the amount of \$500/month. There is one technician working on Award A, two working on Award B, and three working on Award C. The expense allocated to Award A is \$83/month (1 technician / 6 total technicians x \$500/month). The expense allocated to Award B is \$167/month (2 technicians / 6 total technicians x \$500/month). The expense allocated to Award C is \$250/month (3 technicians / 6 total technicians x \$500/month).
- Allocation based on usage
 - The monthly cost of supplies/expendables to maintain a lab computer system is \$1,000. The computer system is solely used for Awards A and B. The computer operating system keeps a log of users and their time on the system. A reasonable base to allocate the expense would be computer user hours. Award A assistants have 100 combined user hours a month and Award B assistants have 80 combined user hours a month. The expense allocated to award A is \$560 (100 user hrs / 180 total user hrs x \$1,000). The expense to Award B would be \$440 (80 user hrs / 180 total user hrs x \$1,000).
- Allocation based on effort
 - A research assistant spends 80% effort on Award A and 20% effort on Award B. The research assistant uses supplies totaling \$3,000/month on the two awards. Usage is directly related to the amount of effort devoted to each award. Therefore, \$2,400 (80% of \$3,000) is charged to Award A and \$600 (20% of \$3,000) is charged to Award B.

Unacceptable Allocation Methodologies

The following direct costing practices are generally unacceptable because they do not meet the standard for a high degree of accuracy in the assignment of costs to sponsored awards.

- Rotation of charges among sponsored awards by month without establishing that the rotation schedule credibly reflects the relative benefit to each sponsored award
- Assigning charges to the sponsored award with the largest remaining balance
- Setting the allocation based on the budgeted amount in contrast to charging an amount based on actual usage
- Assigning charges to a sponsored award in advance of the time the actual expense is incurred
- Describing a expense as something other than what it actually is
- Charging expenses exclusively to sponsored awards, when the expense also supports non-sponsored activities
- Assigning charges that are part of normal administrative support (indirect costs) for sponsored awards (e.g., computer charges, administrative salaries, office supplies, etc.)

I. Appendix C: Related Syracuse University Policies, Guidance, and other Resources

Please find documentation and applicable pages linked below.

<http://bfas.syr.edu/>

<http://comptroller.syr.edu/>

<http://osp.syr.edu/>

<http://purchasing.syr.edu/>

<http://purchasing.syr.edu/university-travel/>

<http://comptroller.syr.edu/departments/sponsored-accounting-contacts/>

<http://comptroller.syr.edu/resources/sponsored-accounting/>

<http://graduateschool.syr.edu/>

<http://purchasing.syr.edu/policies/>

<http://supolicies.syr.edu/>

Section III. Sponsored Financial Reporting and Closeout Procedure

Procedure Statement

As the recipient of sponsored funding from federal and non-federal sources, Syracuse University is required to provide accurate, timely, and complete disclosure of the financial results of sponsored awards and programs. Timely recording of transactions to awards is critically important, especially as an award's end date approaches, and Syracuse University must adhere to final reporting, cash collection, and sponsor closeout requirements. The Sponsored Closeout Procedure establishes the deliverables and deadlines that schools, departments, and OSA must meet at the expiration of a sponsored award.

Reason for Procedure

By accepting extramural funding from sponsors, Syracuse University agrees to manage and use these funds in accordance with sponsor terms and, if applicable, federal regulations. This procedure provides guidance to finance and administrative staff who are responsible for managing federal and non-federal sponsored accounts. This procedure also ensures that Syracuse University adheres to the requirements under the Office of Management and Budget (OMB) Uniform Guidance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards. The procedure applies to all sponsored awards at Syracuse University, whether or not they are subject to the Uniform Guidance.

Who Must Comply

All Syracuse University schools, departments, and University-wide initiatives must comply. All individuals involved with the financial and administrative aspects of sponsored awards, including central and department sponsored award staff, principal investigators, and other research personnel must comply with this procedure as applicable.

Closeout

All grants and contracts have end dates that require a variety of closeout procedures:

- Final financial report
- Final invoice
- Reporting of inventions and patent results
- Listing of equipment purchases and equipment ownership information
- Final technical progress report providing the sponsor with the results of the research

Timeliness of reporting and closing is crucial to sound grants/contracts management to assure full compliance with agency regulations and to assure collection of all monetary reimbursement for costs incurred. These functions are tested as part of the annual OMB A-133 audit as well as by other sponsoring agencies when they make periodic visits to Syracuse University.

The procedures to follow for proper closing out of a sponsored research account are as follows:

1. Review the Terms of Award to ensure that all deliverables are submitted by the designated due dates. These might include Final Technical Reports, Final Invention Statements. Contact your OSP representative for further information on completing and processing these non-financial closeout documents. Questions on financial closeout including Property Reports should be directed to your OSA representative.
2. Pay special attention to the policies and procedures regarding close out of sponsored awards.
3. Ensure that Effort Reports have been submitted for all completed periods encompassed in the award project period. Questions regarding effort reporting should be directed to the OSA Effort Reporting Central Administrator.
4. Request close out or changes to recurring expenses such as Telecom charges, and other standing IDs.
5. Request close out of open commitments.
6. Work with the OSA representative to complete any necessary transactions needed to complete final financial reports and/or invoices.

At end of an award it is particularly important that accounts are fully reconciled within 6 months of the termination date. By this point OSP has submitted financial reports to sponsors; a revision in these reports indicates weak internal controls, poses audit risks and can lead to sanctions such as loss of expanded authorities. Per the University changes to the final submitted financial reports will only be considered under exceptional circumstances and must be approved by the OSA Director.

A. Procedures

(See [Appendix II – Detailed Guidelines for Award Management, Financial Reporting, and Closeout](#) for detailed guidance)

1. ***Deliverables required at the end of an award***
 1. Deliverables due at an award's end date vary by sponsor and by federal agency, but generally include the timely submission of:
 - a. A final financial report
 - b. A final invoice or a request for a final draw (for our letter of credit sponsors)
 - c. A technical/scientific/progress report
 - d. An invention/patent report
 - e. A property/equipment inventory report
 - f. A cost-share report, or validation of any cost-sharing on the main financial report
 - g. Other non-financial reports (e.g., assignment and release forms)
 2. Final payment on an award may be contingent on the receipt of non-financial reports.

2. Deliverable procedures and deadlines

A. In most circumstances, within 30 days following an award end date (sooner if sponsor requires earlier date for report submission):

1. Departments shall prepare award for closeout

B. In most circumstances, by 45 days following an award end date (sooner if sponsor requires earlier date for report submission):

1. Departments shall:

- a. Confirm that final expenditures are reported in the general ledger (GL) or provide reconciliation from GL to final award expenditures. In most circumstances, if a department does not confirm the final award expenditures within 45 days of the award end date, OSA will submit final financial invoice/reports and final letter of credit draws based on GL expenses posted up to 45 days following an award end date. Some sponsors do not require a final financial report. However, OSA must confirm final expenditures and close all awards in underlying systems. In most circumstances, the confirmation deadline remains is 45 days.
- b. Verify that PI has submitted programmatic/technical reports to sponsor by the sponsor due date.
- c. Clear compliance items and commitments (if applicable).

Note 1: There is ongoing communication between OSA and Departments on the topics of due dates, deliverables, drafts, etc. between an award's end date and a sponsor's deadline. In most circumstances, OSA will request the Department's confirmation that all expenditures have been submitted and processed in GL within 45 days of an award's end date. This will serve as a prompt toward final confirmation and closeout.

Note 2: When Syracuse University is a sub-awardee on federal awards, 45 days following an award end date marks the 15-day deadline (i.e., final invoices are due from Syracuse University to prime recipients 60 days following sub award end dates).

C. In most circumstances, between 46 days after the award end date and before the sponsor reporting, invoicing deadlines (sooner if sponsor requires earlier date for report submission): OSA submits a final financial report to sponsor, requests a final draw, and submits a final invoice (according to sponsor procedures).

D. After final report is submitted to sponsor:

1. Departments will monitor the expired awards to ensure no further transactions post to the expired award in the GL.
2. In most circumstances, if further transactions occur after the final financial reporting or letter of credit draw is processed by OSA, OSA will request that the expenditures be transferred off or written off of the sponsored award. Balances will be written off to the school's or Department's unrestricted account.

Exceptions to the procedural due dates will only be granted when presented, in writing, by the department and approved by a School Official. Such exceptions will be considered only in extenuating circumstances and may require OSA to request sponsor approval for extension of the reporting deadline. Examples of extenuating circumstances include:

- Failure of another department to take action – e.g., on a properly submitted payroll distribution change request or service center charges
- Failure of a subcontractor to issue a final invoice in a timely manner, when evidence of attempts to obtain invoice(s) exists.

Departments are required to provide evidence of adequate closeout procedures as identified in [*Appendix II – Detailed Guidelines for Award Management, Financial Reporting, and Closeout.*](#)

B. Responsibilities and Contacts

Sponsored award management is a shared responsibility. Principal Investigators and department staff have primary responsibility, and pre-award and post-award offices have secondary responsibility, to facilitate award management and monitor internal controls during an award's lifecycle. This section outlines the role of each individual or group for the successful management and closure of a sponsored award.

Principal Investigators (PIs) have overall responsibility for the programmatic objectives of the research. In addition, PIs are responsible for complying with sponsors' terms and regulations and for meeting all deliverables – scientific, financial and administrative. PIs are assisted by grant managers and other research personnel ("support staff") in managing an award and meeting deliverables. PIs are responsible for communicating issues to support staff throughout the award so that award terms and deliverables can be met or, if necessary, be modified. PIs should keep their grant manager, OSP and OSA informed of any interactions with the sponsor that may impact the terms or deliverables of the award. PIs should perform regular reviews of award expenditures and financial positions with their assigned grant manager and, as part of that review, discuss budget to actual variances, review allowability of charges and ensure expenditures are fully represented (complete), monitor effort commitments and certify effort timely, as well as review and approve any subcontractor invoices for payment. These regular

reviews include an update of Subrecipient monitoring: subcontractor performance and administration where applicable. Lastly, PIs are responsible for the timely submission of non-financial reports to sponsors, i.e. scientific, technical, invention, publications and/or patent reports.

Department Managers / Department Administrators are responsible for financial administration of a PI's research portfolio (proposal preparation and oversight, etc.). These staff members are typically grant managers, finance managers, lab managers, etc. The financial and administrative responsibilities include, but are not limited to, routine monitoring of grants and contracts for PIs to ensure (1) timely posting of transactions and retention of appropriate documentation in support of transactions, (2) confirmation of allowability of expenditures, (3) reasonableness of allocation of costs to awards, and (4) regular reconciliation of expenditures according to budgeted or obligated sponsor amounts. A Department Managers ensures compliance with the terms and conditions of the sponsored award and with University procedures. Working closely with the PI to prepare for closeout, the Department Manager will inquire whether a "no-cost extension" should be requested and follow up on outstanding vendor invoices (including subcontractor invoices). A Department Manager may request an exception to the procedural deadlines under appropriate extenuating circumstances. An Authorized Department Manager confirms to OSA award expenditures ("final figure") for final invoices and financial reports. A Department Manager may assist OSA in collecting outstanding invoices from sponsors if necessary. Following an award's termination, a Department Manager will monitor the "closed" award until it is disabled in the general ledger to identify and remove any additional transactions posted that will cause a variance between the amounts reported to the sponsor and the University's records. A Department Managers must maintain financial records and documentation to support award expenditures in accordance with the terms and conditions of the specific award.

School Dean's Office Officials partner with OSA to resolve outstanding award financial matters including, but not limited to, the review and approval of exceptions, past due sponsor award receivable, overspent and/or unreconciled awards, past due reports or invoices, and closed awards. School/Department Officials serve as escalation contacts for OSA for complex issues needing resolution. They also support department staff and OSA in responding to sponsor audits and annual independent financial statement and A-133 audits. Designated School Officials approve exceptions to this procedures, taking into consideration the risks that such exceptions may present. School Officials are responsible for establishing effective internal control environments within their Schools to ensure proper stewardship of award funds.

The Office of Sponsored Accounting (OSA) is responsible for meeting the financial terms and financial deliverables of federal and non-federal awards. This includes (1) monitoring award expenditures for compliance with sponsor guidelines or regulations, (2) cash management for awards, including interim and final invoicing, letter of credit draws, and agency reporting, and (3) reporting interim and final financial results of the award via a financial report to sponsors and closing out the award, (4) closing out funds in the system of record, PeopleSoft, and (5) maintaining this procedure. These primary responsibilities are accomplished through ongoing engagement with department award managers and senior administrative staff who are responsible for the department's portfolio of awards, including upcoming closeouts. In

conjunction with these duties, OSA staff members maintain appropriate records and documentation to support closeout, including the procedures performed for award monitoring, as well as documentation and other support for invoices and financial reports submitted to sponsor.

Definitions

The list of definitions for this procedure is extensive and has been included in [*Appendix I – Definitions for Sponsored Financial Reporting and Closeout Procedure*](#).

C. Appendices

- I. – Definitions for Sponsored Financial Reporting and Closeout Procedure
- II. – Detailed Guidelines for Award Management, Financial Reporting, and Closeout

Appendix I: Definitions for Sponsored Financial Reporting and Closeout Procedure

Authorized Department Manager or Administrator: The designated department individual who confirms award expenditures (“final figure”).

Closeout: The act of completing all internal procedures and sponsor requirements to terminate or complete a research award. Specifically, closing out a sponsored award that has terminated includes the PI’s completion of the award, filing of non-financial reports, submission of final financial reports and invoices, final payment requests (for LOC drawdowns), submission of award deliverables, and meeting any other terms and conditions of the sponsored agreement. Most awards have strict deadlines for completion of closeout activities. Failure to complete closeout within the deadline can result in non-payment of the final amount due or may affect the ability to obtain another award from the sponsor.

Compliance checklist: A checklist that allows department grant managers and staff to review and confirm compliance items. Checklist items include inquiries such as: over-expenditures, pre-award charges, charges after the award end date, transactions on federal awards that trip cost accounting standards, credit balances, issues with subcontract coding, and invalid code combinations.

Cost share: Expenditures that are funded by the University or by a third party above the amount funded by the sponsor to support the scope of work defined by the sponsored (federal or non-federal) award. The University is responsible for financial accounting for all costs attributable to sponsor-funded awards, including cost sharing. Any costs (mandatory or voluntary) offered at the proposal become a legally binding and accountable commitment of the University upon acceptance of an award, known as a “cost share commitment.” Schools and departments are responsible for regular monitoring of cost share commitments throughout the award period and for ensuring that cost share transactions are allowable and are coded correctly in the General

Ledger. Cost share expenditures are included in financial reports if required by the sponsor. Prior to award closeout, OSA confirms with the department to ensure that the award-related cost share obligation has been fulfilled according to the terms and conditions of the award.

Exception: An exception to the procedural deadlines incorporated into the procedure must be by written request of the department, approved by the designated School Official and will be granted by OSA only under extenuating circumstances. Such exceptions may require OSA to request an extension of reporting deadlines from the sponsor.

Final Figure: Cumulative expenditures reported to the sponsor.

Final Financial Reports and/or Final Invoices: Many sponsors require the submission of annual and/or final financial reports or invoices at the end of a budget period and/or the end of the award. Final reports and/or final invoices are submitted at the time of award termination. When an award is set up in “year logic” an annual report is due and the accounts for the period being reported on require “final figures” for closeout. A financial report may also contain “cost share” expenditures and program income (reported and disbursed) for the sponsored award when applicable.

Final payment draw down (Letter of credit payment): Funding issued via a letter of credit must be drawn down within 90 days of the end of the award (some agencies allow 120 days from end date). These draw down requests are made by OSA at various times throughout the month and are based on expenditures posted to the GL.

LOC: Syracuse University has standing letter of credit (LOC) mechanisms with several federal agencies which allows us to draw up to “authorized” award amounts designated by the sponsor.

No Cost Extension: A mechanism to extend the performance period of an award without adding additional funding. NCE’s typically must be requested before the award period ends.

Small Balance Write-Offs: As part of the monthly review of un-reconciled chartstrings completed by OSA, those chart strings that are underspent by \$50 or less, or overspent by \$50 or less, limited to \$50 per award, are included with OSA’s journals for small balance write-offs, thus allowing chart strings to be disabled.

Project: A unique value used to accumulate financial and budget transactions and track project/sponsor data. These numbers are sequentially assigned by the PeopleSoft system as grants/contracts are set up. A sponsored award can have one or more projects. This provides the functionality for “sub awards/ sub accounts.”

Activity: Used to further breakdown a project or task. A project can have one or more of these activities. This provides the functionality for “sub awards/ sub accounts.”

Budget Reference: Indicates the sponsored budget year of the transaction.

Unliquidated obligations: The amount of obligations incurred by the recipient that have not been paid. For reports prepared on an accrued expenditure basis, these represent obligation amount incurred by the recipient that have not been settled or paid.

Unreconciled Accounts: The result of a general ledger chart string that is out of balance where the net sum of cumulative expenditures, income (plus any fixed price transfers), and “final figure” do not equal zero. When the three do not net to zero, the chart string will need adjustments posted to the general ledger to correct the expenditures or income or the “final figure”.

Appendix II: Detailed Guidelines for Award Management, Financial Reporting, and Closeout

Introduction

These guidelines are presented in the spirit of a framework to follow so that we meet or exceed sponsor requirements.

Individual awards should be reviewed and expenses reconciled in conjunction with a regular monthly close cycle by department sponsored award management staff. Regular monthly monitoring of an award’s financial activity by department staff reduces the number of journal entries required to correct original transactions and allows monitoring against award terms. Some awards are far more complex than others; much of the research may be done through collaboration with other institutions or even at other parts of Syracuse University, known as “subprojects.” These awards present administrative complexities to reporting and closeout that need to be actively managed to ensure Syracuse University (1) reports accurately to the sponsor and (2) is fully reimbursed for the costs incurred on the award.

Active award management includes ongoing monitoring of sponsored award chart strings, ensuring compliance and planning ahead in order to meet deliverables that were promised in the proposal and award agreement. The breadth of responsibilities for staff who manage grants can be significant, and funding comes from a diverse group of sponsors within each category of federal and non-federal sources. Therefore, developing a rigorous support system that includes resource planning and coordination between the finance, administrative, and programmatic group is critical. Departments that practice ongoing monthly reviews and reconciliations of awards experience a smoother award closeout process and avoid late corrective journal entries. Recurring reviews and reconciliations reduce financial risk.

Non-federal awards require additional review of reporting terms and conditions in order to determine the appropriate time frame for the preparation of final invoices and financial reports.

While some non-federal sponsor deadlines to complete award reconciliation and reporting are similar to federal awarding agency deadlines, 60 days is more typical, and some allow only 30 days, and still others even a shorter time period. Active portfolio management becomes even more critical due to these shorter time frames. The closeout of non-federal awards should follow the same process; however, the award reconciliation and closeout timeline may be accelerated due to the reporting demands of the non-federal sponsor.

For federal awards, final expenses will be expected to be confirmed by departments within 45 days (or sooner) after the award end date in most circumstances. Federal deadlines currently include a 90 day or 120 day period following the end date. In most circumstances, OSA will endeavor to submit federal final financial reports before the federal deadline, and will be unable to guarantee complete collection (letter of credit draw requests) that are not confirmed in the general ledger 60 days after the award end date.

OSA must adhere to these deadlines for internal final expense confirmation (“final figure confirmation”) and to sponsor submission deadlines for a few reasons:

1. Federal agencies are enforcing the 90 and 120 day deadlines and swiftly reallocating obligations. Two studies by the federal government revealed that significant undisbursed funds have lingered in agency accounts for years. Agencies have been notified to reallocate these undisbursed funds (“obligations”) to other recipients so that a higher utilization of these funds is achieved.
2. Historical data at Syracuse University shows that some transactions are recorded to sponsored funds right up to the deadline or even after. This poses financial risk and jeopardizes future funding from sponsors.

The Guidelines that follow provide a timeline and suggested steps that PIs, staff supporting PIs and OSA will take to prepare for closeout of an award and to ensure on-time submission of deliverables, including final invoices, final letter of credit requests, and final financial reports, to sponsors.

A. Ongoing Award Management

I. Ongoing management and preparing for closeout	
Department/ School Responsibility	<ul style="list-style-type: none"> • Department reviews awards ending within the next 3 months and prioritizes closeout preparation based on timing, complexity, etc. • Principal Investigator (“PI”) confirms with the Department that the award’s technical requirements, including subcontractors, will be completed as scheduled (if not, no-cost extension or new increment is requested and coordinated with pre-award partner). • Responsibilities of Department includes the following: <ul style="list-style-type: none"> ○ Reviews award expenditures with the PI to ensure all expenditures are captured (complete), allowable, allocable, and reasonable, including sub-awardee expenditures and sub-projects at other Syracuse University Departments/Schools.

	<p>The Department continues to communicate with PI through the closeout period.</p> <ul style="list-style-type: none"> ○ For non-federal awards, reviews deliverables/reporting schedule, based on terms and conditions, and drafts an “after end date timeline” plan to meet the requirements of reporting terms. The Department contacts sub-awardees and request final invoices by an appropriate deadline based on requirement for Syracuse University to submit final reports. ○ Reviews budget, revises budgets as appropriate and other line-item restrictions as noted in the award notice. ○ Contacts sub-awardees/subprojects about variances from budget, requests sub-awardee outstanding invoices (if in arrears) and requests that final invoices are received in time for inclusion in final expenses being reported to sponsor. ○ Reviews the Committed Funds to identify Accounts Payable in process and confirm posting to a fund in general ledger. ○ Reviews cost share expenses and verifies cost share related information is fully documented if applicable. ○ In most circumstances, processes journals to ensure final adjustments are completed in the general ledger before 30 days after the end date. ○ Plans for and sets up payroll costing and other recurring costs that must be absorbed by other funding when the award ends. ○ Notifies all internal and external service centers of change to chart string for award termination. ○ Checks with PI on status of programmatic deliverables (progress report, patent report, technical reports, etc.). ○ Reassesses award balances and considers requesting a no-cost extension (NCE) or a carry-forward request if applicable (consult sponsor procedure/pre-award partner for requesting a NCE or carry-forward while keeping OSA informed). ○ Identifies a funding source for anticipated over-expenditures.
OSA Responsibility	<ul style="list-style-type: none"> • Assigned OSA staff engages with department staff around prioritization, federal and non-federal sponsor deadlines, required reporting, final invoicing and letter of credit draws as appropriate. • Reviews “after end date timeline” with department for non-federal awards closing out. • Reviews terms of awards that are ending to confirm other financial characteristics including: interest terms, cost share requirement, budget and whether reporting actual expenses against budgeted expenses is required, etc. • Updates reporting due dates for awards with no-cost extension or pending increment confirmed by department and pre-award office. • Assists departments with any compliance questions and reconciliation requests.

	<ul style="list-style-type: none"> • Confirms other reports due to sponsor including patent, equipment, and other financial. • OSA staff reviews fund financial position with department staff: underspent or overspent status, status of sub-awardee expenses and cost sharing if applicable.
II. Closeout	
Immediately following an award end date	
Department/School Responsibility	<ul style="list-style-type: none"> • Ensures all outstanding expenses have posted in GL (e.g. vendor invoices, service center billings, subcontract invoices, subprojects, cost transfer journals, etc.). • Works with equipment managers and OSA regarding sponsored equipment/fabricated equipment in service. Ensures adjustments are complete in People Soft assets. • Works with OSA to ensure that journals are processed to move off any over- expenditures from award. • If applicable, confirms to OSA that the actual cost share expended amount matches the cost share committed amount to validate cost share expenditures (cost shared expenses must be verifiable in GL for reporting and/or closeout). • For training grants, prepares a final financial report which involves reconciling stipend and tuition payments for each trainee, which will be provided to OSA. • Checks on status of programmatic deliverables with PI (final technical reports, etc.). • Notifies OSA of any extenuating circumstances that may prohibit the final financial report from being submitted to sponsors (federal or non-federal) on time or prohibit cash being drawn by letter of credit before the sponsor deadline. <p>Note: A written request to extend federal filing will be considered when accompanied by a written request from the department and approved by the designated School Official. OSA cannot guarantee extension will be granted by federal sponsors, and thus the financial risk resides with the School. Similarly for non-federal sponsors, OSA may need to request an extension of reporting deadlines, which cannot be guaranteed.</p>
OSA Responsibility	<ul style="list-style-type: none"> • In most circumstances, engages with departments/local units to prioritize awards with final financial reporting and invoicing deliverables in the coming 30/60 days. • Reviews award notice, terms and conditions and GL expenditures in preparation for financial reporting. • Based on review, detail listing and other award documentation, identifies potential compliance items and questions for follow up with department based on review of award notice.

	<ul style="list-style-type: none"> • Verifies overhead postings and prepares/processes overhead journal adjustments if necessary. • Contacts Department for confirmation of final expenditures processing in GL. • For non-federal awards, requests extension of deadline from Sponsor if department/School and OSA deems necessary. • Submits requests to extend reports due to the sponsor.
45 Days After end date (<u>When Syracuse University is the recipient of a federal sub-award and for non-federal awards</u>)	
Department/School Responsibility	<ul style="list-style-type: none"> • In most circumstances, confirms final expenditures and allowability of expenditures to OSA 45 days after end date of the sub-award to ensure the final invoicing deadline is met to prime recipient (generally Syracuse University has 60 days to submit final invoices to prime federal recipients).
OSA Responsibility	<ul style="list-style-type: none"> • In most circumstances, contacts Department for confirmation of final expenditures processing in GL.
45 Days After end date (<u>When Syracuse University is the prime recipient of an award</u>)	
Department/School Responsibility	<ul style="list-style-type: none"> • In most circumstances, Authorized Department Manager/Administrator confirms final award expenditures recorded in GL. • Verifies that PI has submitted programmatic/technical reports to sponsor. • If valid award expenses are not yet recorded to GL but in process, the department will provide a reconciliation between the GL balance and final award expenditures as they will be reflected in the GL. Supporting documentation for expenses in process must be provided to OSA as backup documentation.
OSA Responsibility	<ul style="list-style-type: none"> • In most circumstances, contacts Department for confirmation of final expenditures processing in GL.
Between 46 days after the award end date and before the sponsor reporting, invoicing deadlines (sooner if sponsor requires earlier date for report submission):	
OSA Responsibility	<ul style="list-style-type: none"> • Submits final financial report to sponsor, requests final draw, submits final invoice (according to Agency procedures). • Draws funds from federal sponsors based on thresholds. Constantly monitors federal award expenditures against funds previously drawn against sponsor authorized amounts and confirmed final expenditures to ensure that 100% of award expenditures are recovered.

	<ul style="list-style-type: none"> • In the absence of a department confirmation of final award expenditures, OSA submits final financial reports and request final letter of credit draws based on general ledger expenditures. • School and department leadership will be updated on awards that are at risk of meeting this timeline and sponsor deadlines. (Federal agencies de-obligate funds in the letter of credit system after their deadline.)
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Note: OSA Staff will be prepared to submit final reports and close out awards prior to Sponsor deadlines when awards have completed earlier than anticipated. These requests will be balanced against the ongoing workload of OSA.

B. Reconciling After Final Report Submission

All sponsored awards will be reconciled and closed in the general ledger (“GL”) after the award end date.

Every effort must be taken to fully reconcile the award expenditures prior to submitting final financial reports and final invoices to sponsors. After confirming final expenditures for financial reporting, the department will continue to review the expired awards to ensure no further transactions post in the GL to the expired award. This will allow the award to disable in the GL.

Once Syracuse University has reported an amount to a sponsor that subsequently is reduced in the general ledger due to a credit (e.g., a refund from a subcontractor or vendor), OSA will contact the department to advise them of the credit, prepare a revised the financial report, resubmit, and issue a refund.

Unreconciled balance responsibility

Department Responsibility:

- Informs OSA when an expenditure must be removed after final reports have been submitted to the sponsor.
- Provides a written explanation and supporting documentation regarding the expenditure to be removed.

OSA Responsibility:

- Reviews the request, and makes a determination regarding the processing of the request.

In most circumstances, within 3 months after award end date:

Department Responsibility:

- Reviews unreconciled status and keep OSA informed of reasons for sponsored award remaining unreconciled.
- Assists OSA with sponsored award receivable collection efforts responding to sponsor inquiries regarding the award deliverables, including award performance, progress reports etc.

OSA Responsibility:

- Follows up on outstanding AR and communicates any uncollectable issues with the department.
- Identifies overspent balances on expired awards and informs the department.

In most circumstances, within 6 months after award end date:

Department Responsibility:

- Responds to OSA questions related to the unreconciled status and keep OSA informed of reasons for sponsored award remaining unreconciled.
- Requests an exception to the closeout operating procedure.

OSA Responsibility:

- Keeps departments informed of overspent awards needing to be balanced for the closeout process (excluding awards that are pending extensions).
- Processes journals of overspent balances to the department / School unrestricted chartstring that was provided by the department / School.
- For accounts where expenses have been removed after reporting to the sponsor, prepares a revised sponsor financial report and prepares refund check or prepares to return overdrawn amount through federal letter of credit.

C. Disabling / Closing in General Ledger

The timely disabling of awards helps ensure that the amount invoiced and/or reported to the sponsor is consistent with the general ledger. Any deviations between the amount reported to the sponsor and the GL may be an indication of compromised internal controls and can result in unnecessary revisions to previously submitted invoices and reports. Departments should monitor expired awards to ensure these award expenditures do not differ from amounts reported to sponsors. By reconciling and disabling awards on a timely basis, it will provide a more accurate picture of the active sponsored portfolio.

Award Disabling / Closing

Disabling / Closing of sponsored awards (Project-Activity combination) is an automated nightly process. OSA will disable / close sponsored awards (Project-Activity combination) that meet the criteria below:

- All final financial reporting and/or invoicing has been completed.
- Expense = Income = Final Figure (the sponsored award has a zero balance).
- There are no open commitments.

D. Additional Reporting & Invoicing Details

Interim Financial Reports and Invoices

Interim financial reports and invoices may be due on a monthly, quarterly, semi-annual, or annual basis for ongoing awards. Generally, OSA will submit interim reports and invoices based on GL expenditures (up to the sponsor authorized amount) for the reporting period without the department/local unit's review prior to the submission. Expenditures are generally not reviewed for allowability in conjunction with interim invoicing or financial reporting, since expenditures are reviewed during the OSA pre-audit function of processing sponsored transactions. However, reviews of awards should be performed by the department staff to ensure sound financial management of sponsored awards. Review procedures include a review of award expenditures against grant terms to highlight any potential issues. Department/local unit staff are an important resource in the review process.

In some cases, departments will provide assistance to OSA with preparing invoices and reports when the sponsor requires special reporting (e.g., cost breakdown by specific tasks, individual salary costs, detailed budget comparison, unique financial reporting templates). Any interim invoices or financial reports that include preparation assistance by the departments/local units will be reviewed and approved by OSA before being submitted to the sponsor. Interim reported amounts have implications for final reported amounts, and OSA must always confirm agreement with general ledger and other sponsor requirements. Coordination between the Department/School and OSA for documentation in support of these reports is critical to ensuring that sponsor deadlines and requirements are met.

Revised Final Financial Reports and Final Invoices

Frequent revisions to sponsor financial reports can be an indication of weakness in internal controls and can increase the University's risk of audit, and thus financial reports will be revised only under extenuating circumstances. Requests to revise previously submitted financial reports must be approved by the OSA department. Sometimes revisions are not within Syracuse University's control (for example, a subcontractor issues a refund to Syracuse University as the prime awardee). An internal award management process that includes timely transacting to awards and regular (at a minimum monthly) monitoring of award expenditures, including sub-recipient expenditures, should minimize revised financial reports.

Other Reports (Non-Financial)

Some sponsors also require non-financial reports, which can include the PI's technical or progress reports, invention or patent reports. The PI and departments are responsible for tracking the scheduled non-financial reports and for the timely submission of these reports and any associated deliverables outlined in the sponsor agreement. PIs and departments should work with OSP regarding these types of non-financial report submission.