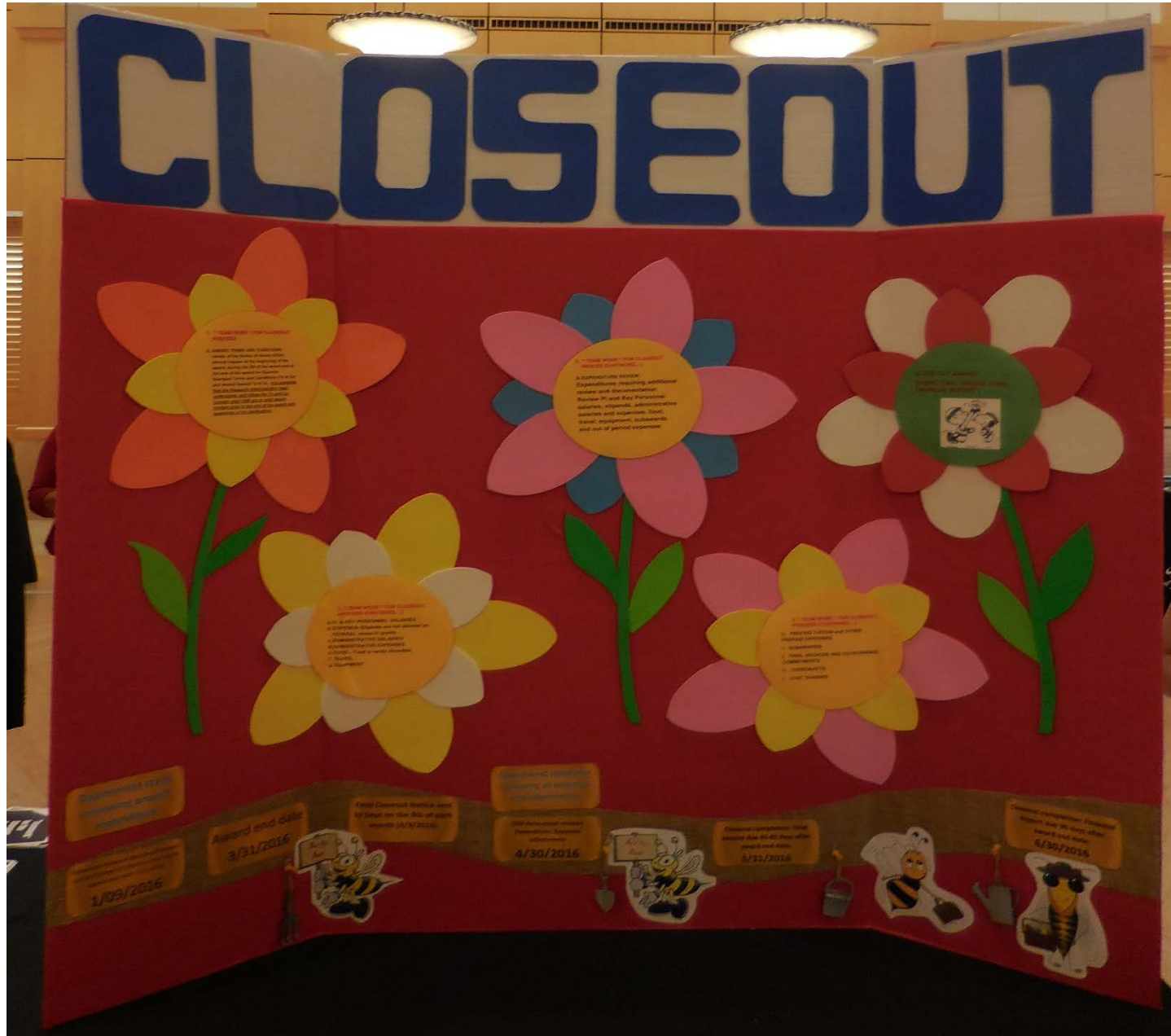


# OSR Fair 2016: Closeout





# "Teamwork" for the Closeout Process

Office of Sponsored Research

## "Teamwork" for the Closeout Process - 1/8

- A. AWARD TERMS AND CONDITIONS** - A review of the Notice of Award (NOA) should happen at the beginning of the award, during the life of the award and at the end of the award for Sponsor Standard and Special Terms and Conditions (Ts & Cs). It is essential that the Research Administrator reads, understands, and follows the Ts and Cs. Contact your Institutional Officer (IO) or post award contact prior to the end of the award with questions for clarification.
- **Terms and Conditions (Ts & Cs)** – Terms and conditions often contain prior approval requirements, spending limitations, requirements for detailed financial reporting, and re-budgeting among expenditure categories, such as prior approval for effort reduction, foreign travel, food, or equipment.

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## "Teamwork " for the Closeout Process - 2/8

### B. EXPENDITURE REVIEW

- **Expenditures requiring additional review and documentation**  
Review PI and Key Personnel salaries, stipends, administrative salaries and expenses, food, travel, equipment, subawards and out of period expenses.
- a. PI & KEY PERSONNEL SALARIES** – Review for appropriate levels of effort/payroll charges for PI and all Key Personnel listed in the sponsors agreement. Federal awards require prior approval for either of the following circumstances involving the PI, Program Director or Key Personnel:
- A reduction in time devoted to the project of 25% or more from the award in the approved budget, or
  - Disengagement from the project for more than three consecutive months (See RPH 2.2 Acting PIship)  
(Example: Approved Budget of 20% PI effort but only 15% or less is provided = a reduction of 25% or more.)

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## "Teamwork" for the Closeout Process - 3/8

- b. STIPENDS**–Stipends are not allowed on **FEDERAL** research grants. Stipends are only allowable for fellows or trainees on fellowships or training grants
- c. ADMINISTRATIVE SALARIES** - Salaries of administrative staff should normally be treated as F&A costs and not charged directly to the award. Administrative salaries may only be charged if they are integral to the project or activity. [See additional card for more information.](#)
- d. ADMINISTRATIVE EXPENSES** – Office supplies, cellular or other phone lines, copying, bottled water, home internet connections, postage, memberships, etc. should not be charged to federally-funded sponsored projects except under limited circumstances.
- e. FOOD** – Food is rarely allowable. [See additional card for more information](#)

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## "Teamwork" for the Closeout Process - 4/8

- f. **TRAVEL** - Review travel to verify it is budgeted and travel charges have complied with SU travel policy and sponsor's travel requirements. Refer to terms and conditions of the sponsor's award to determine whether travel expenses must be budgeted in the proposal or **prior** approval is received before the travel is taken and charged to the sponsor award. Some sponsors do not allow any foreign travel at all or require prior approval and a travel report after each trip. Many non-federal sponsors limit the dollar reimbursement by trip or in total per budget year. It is the traveler's and departmental administrator's responsibility to know and follow the University's policy. Before traveling or submitting travel reimbursement requests individuals should review the Admin Guide section 5.4.2 at <https://adminguide.Stanford.edu/chapter-5/subchapter-4/policy-5-4-2>. *See additional card for more information.*

## "Teamwork " for the Closeout Process - 5/8

- g. **EQUIPMENT** – Review the expenditure type for equipment purchases to ensure items costing less than \$5,000 are coded as non-capital purchases. If not, prepare a **PTAE Equipment Change Template** and submit it to PMO for correction.

<http://doresearch.stanford.edu/policies/property-management-manual/appendix/property-management-forms-documents-and-user-guides>

The Uniform Guidance (Federal funding received on or after 12/26/14) has defined a new category of allowable direct costs for **computing devices** that are essential and allocable to awards, but not solely dedicated to the award as *"machines costing less than \$5,000 and are used to acquire, store, analyze, process and publish data and other information electronically and accessories for printing, transmitting and receiving, or storing electronic information"*. <https://doresearch.stanford.edu/computing-devices>

## "Teamwork" for the Closeout Process - 6/8

- g. **EQUIPMENT (continued)** – Title to equipment acquired under a federal grant or cooperative agreement typically becomes Stanford property upon acquisition. This is not true for equipment acquired under federal contracts. Each individual federal contract must be reviewed to determine if Stanford retains title. Many contracts require specific written approval from the sponsoring agency to retain equipment at the end of the contract or disposition instructions to return the equipment.

**Equipment purchased in the last 90 days of an award generates additional scrutiny and requires documentation supporting its necessity and benefit to the project at such a late date.**

## "Teamwork" for the Closeout Process - 7/8

- h. **PREPAID TUITION and OTHER PREPAID EXPENSES** – Ensure prepaid tuition has been cleared to "tuition allowance" and Other Prepaid Expenses (ET 115XX) have been cleared to ET 5XXXX.

- i. **SUBAWARDS** – Verify correct amount of F&A Costs are charged on EACH subaward – ET 54710 1<sup>st</sup> \$25K of Subaward; ET 54720 Subaward costs greater than \$25K for EACH subaward are not subject to F&A. Verify all subawards have received invoices marked "FINAL" and are paid prior to OSR closing the award. *See Managing Subawards Cards*

- j. **FINAL INVOICES AND OUTSTANDING COMMITMENTS** – Review the award and verify all outstanding invoices have been received and paid. Remove all outstanding commitments for salary, GFS, blanket orders, or other purchases for materials and supplies past the end date of the award.

## "Teamwork " for the Closeout Process - 8/8

**k. OVERDRAFTS** – If total overdraft is \$500 or less, the direct costs portion of overdraft can be transferred to a departmental unrestricted PTA (using expenditure type 56135). If total overdraft is more than \$500, prepare an ijournal/LDA to transfer direct cost portion of the overdraft to a cost sharing PTA. Contact OSR Closeout Accountant to setup a cost sharing PTA if needed.

**l. COST SHARING** – For expenditures to qualify as cost sharing they must be allowable on the award if charged directly. If the award has mandatory cost sharing verify a cost sharing account was established. Ensure appropriate expenditures are posted to the cost sharing account throughout the project life. If the commitment is not met, contact your IO and post award accountant. [See additional card for more information.](#)



# Expenditure Review: Unallowables

## Expenditure Review: Unallowables

- Some expenditures while directly allocable to an award are not allowable as direct charges on a federally sponsored award or a non-federal award charging the full F&A rate. These costs must be charged to a departmental unrestricted account for purposes of consistency across the university.
- Failure to mention a particular item of cost is not intended to imply it is allowable; determination as to allowability in each case should be based upon the treatment of similar items of cost.
- Unallowable:
  - SUNet ID Charges
  - General office supplies
  - Individual memberships, except when required to present at a conference.



# Expenditure Review: Administrative Salaries - UG

Office of Sponsored Research

## Administrative Salaries - UG

For Federal Awards receiving a new funding increment on or after December 26, 2014 - Administrative salaries should typically be treated as F&A costs; however, direct charging of administrative and clerical salaries to federally sponsored projects is appropriate only if ALL of the following conditions are met:

1. Administrative or clerical services are **integral** to a project or activity - The requirement that the cost is "integral" means the services are essential, vital, or fundamental to the project or activity
2. Individuals involved can be specifically identified with the project or activity
3. Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency - **A budget justification must be included in the proposal (see [RPH 14.1, Preparation, Review, and Submission of Sponsored Project Proposals](#))**

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# Expenditure Review: Administrative Salaries – A-21

Office of Sponsored Research

## Administrative Salaries – A21

Federal awards incorporating A-21 and received before December 26, 2014 must continue to follow the requirements in OMB A-21. Review the Terms and Conditions on the sponsor's notice to determine applicability of the Uniform Guidance or OMB Circular A-21.

OMB Circular A-21 establishes the principle that administrative expenses (salaries of clerical and administrative personnel, supplies and other expenses) should normally be treated as (F&A) costs. Stanford may charge directly those administrative costs that are above what would normally be provided "where a major project or activity explicitly budgets for administrative or clerical services and individuals involved can be specifically identified with the project or activity."

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## Expenditure Review: Food - 1/2

Food is rarely allowable on sponsored awards. Therefore, starting May 2014 on all award set-ups the ET for Food 52355 is blocked.

### When is food allowable and what documentation is needed?

- Food that is a part of the research scope of work, i.e. diabetes studies where food is provided to research participants
- Food purchased for meals during conferences, consortium meetings may be allowable when all the following are met:
  1. Outside/non-Stanford employees or students are in attendance and signed attendance sheets are provided,
  2. The primary purpose is the dissemination of technical information,
  3. The meals are an integral and necessary part of the conference,
  4. Food is included in the proposal and specifically called out in the budget and budget justification.

## Expenditure Review: Food - 2/2

Review food charges for consistency with budget and supporting documentation.

- Meals while traveling for a sponsored project are allowable – use the ET for travel (524XX)
- Non-travel food purchases for internal meetings for only Stanford personnel are **NOT ALLOWABLE**.
- ET 52355 Food is blocked on all in Oracle awards issued starting May 2014. If you have allowable food expenses, complete a Request to Make Expenditure Type(S) Chargeable/Non-Chargeable form and submit through SeRA using the “OSR Request Form”.  
[https://doresearch.stanford.edu/research-administration/pta-initiation-and-setup?qt-general\\_content\\_related\\_items=4#forms-to-setup-or-modify-ptas](https://doresearch.stanford.edu/research-administration/pta-initiation-and-setup?qt-general_content_related_items=4#forms-to-setup-or-modify-ptas)

## Expenditure Review: Cost Sharing – 1/2

Definition - Represents that portion of the total project costs not borne by the Sponsor. Cost sharing is typically in the form of an actual cash expenditure of funds

### Type of Cost sharing:

1. Mandatory – Required by the sponsor as a condition of obtaining an award and reportable to the sponsor.
2. Voluntary – Not required by the sponsor as a condition of obtaining an award but offered in the proposal.
3. Cost matching - Matching is where the sponsor requires the University to match grant funds in some proportion with funds from another party, either from the University or more typically another sponsor (with both sponsors' approval)
4. In-Kind – Non-cash from outside Stanford

## Expenditure Review: Cost Sharing – 2/2

### In-Kind Cost Sharing

- An In-kind Contribution requires backup from a Third-Party Contributor
- In-kind contribution is the value of non-cash contributions to the project including, with sponsor approval, the third-party organization's approved federally negotiated indirect cost rate or, a rate in accordance with the Uniform Guidance.

Examples: Value of a software program made available for use on an award or donated effort from an organization, or fair rental value of donated facilities.

## Expenditure Review: Travel – 1/6

### Reimbursement

The University's policy is to reimburse necessary and reasonable travel expenses incurred for authorized University business fairly, equitably, and consistent with federal regulations.

- Before travelling, individuals should review Admin Guide section 5.4.2 at <https://adminguide.stanford.edu/chapter-5/subchapter-4/policy-5-4-2>
- All Stanford business travelers (faculty, post docs and staff) and their support staff should take the Fingate Course – Traveling for Stanford (FIN-0400).  
<http://web.stanford.edu/group/fms/fingate/staff/resources/courses/fin0400.html>
- Other Stanford Related Training Materials – Stanford Travel Program  
[http://webstanford/group/fms/fingate/staff/travel/Stanford\\_travel.html](http://webstanford/group/fms/fingate/staff/travel/Stanford_travel.html)

## Expenditure Review: Travel – 2/6

### Charging to a Sponsored Account

Review travel expenditures for compliance with Stanford's travel policy and sponsor's travel Ts and Cs to determine if sponsor prior approval is required.

- Use the following expenditure types
  - 52410 – Domestic Travel / Lodging Allowable
  - 52445 – Non-SU Domestic Travel Allowable
  - 54420 - Foreign Travel/Lodging Allowable
  - 52447 – Non-SU Foreign Travel Allowable

## Expenditure Review: Travel – 3/6

### Charging to a Non-sponsored Account

On occasion expenditures may be incurred for University business that may not be appropriate to be directly charged to restricted or sponsored awards (i.e., business entertainment and alcohol). In this case these expenditures should be charged to the appropriate expenditure type on an unrestricted account.

- ☐ 52415 – Domestic Travel / Lodging Unallowable
- ☐ 52446 – Non-SU Domestic Travel Unallowable
- ☐ 52425 – Foreign Travel / Lodging Unallowable
- ☐ 52448 – Non-SU Foreign Travel Unallowable

## Expenditure Review: Travel – 4/6

### Airfare

- Travelers should book lowest available airfare. Stanford authorizes air travel in coach class for domestic and international flights. Excluding travel charged to federally-sponsored awards, business class is permissible for international flights with a duration of eight hours or more (including connecting domestic legs, provided there are no layovers). See [Administrative Guide Policy 5.4.2](#).
- If air travel will be paid by a federally-sponsored project, flying on a U.S. airline is usually required (Fly America Act) unless excluded per the Open Skies Agreements. In some cases, the sponsor's written prior approval may be required before each trip or each foreign trip. For more information see principle four (4) below, or for the Fly America Act, see [Policy Notes: Fly America Act \(U.S. Air Carrier Requirement\)](#)

## Expenditure Review: Travel – 5/6

### Airfare Charged to Federal Awards

First or business class air travel may not be charged to a federally-sponsored award. If a first or business class ticket is purchased generally only 33% of the price of the ticket is chargeable to the federal award. The remaining 67% is not allowable on the federal award and must be charged to a departmental unrestricted award to an unallowable Travel ET. An approved medical reason on file with Stanford's Travel & Reimbursement is the only exception.

## Expenditure Review: Travel – 6/6

### Other Travel Reimbursement Issues

- No overnight stay is allowed when traveling 50 miles or less each way from Stanford. San Francisco is considered within that 50 mile area and thus rarely reimbursed.
- Amounts reimbursed for business meals should be “reasonable and necessary” and follow Stanford’s Expense Guidance for Business Meals.  
[http://web.stanford.edu/group/fms/fingate/docs/bus\\_meal\\_exp\\_guide.pdf](http://web.stanford.edu/group/fms/fingate/docs/bus_meal_exp_guide.pdf)
- Alcohol must be charged to unallowable expenditure type to an unrestricted account.
- Tips should not exceed 20% unless there is a mandatory charge for a large group.
- Foreign receipts must be converted to U.S dollars by accessing the Oanda web site and entering the date of the receipt.  
<https://www.oanda.com/currency/converter/>